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UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

In re: CHA CHA ENTERPRISES, LLC, a California limited liability company, Debtor-In-Possession.	CASE NO. 13-53894-ASW Chapter 11

DISCLOSURE STATEMENT FOR THE DEBTOR'S FIRST AMENDED PLAN OF REORGANIZATION PURSUANT TO CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE (DATED APRIL 25, 2014)

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I. INTRODUCTION

THIS DISCLOSURE STATEMENT HAS BEEN PROVISIONALLY APPROVED BY THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA AS CONTAINING ADEQUATE INFORMATION UNDER BANKRUPTCY CODE SECTION 1125 FOR SOLICITATION OF ACCEPTANCES THEREOF. DISTRIBUTION OF THIS DISCLOSURE STATEMENT TO CREDITORS IS AUTHORIZED BY THE ENCLOSED ORDER OF THE UNITED STATES BANKRUPTCY.

On July 22, 2013 (the "Petition Date"), Cha Cha Enterprises, LLC, a California limited liability company ("Cha Cha" or the "Debtor"), commenced the above-captioned bankruptcy case by filing a voluntary petition under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtor's case is being administered in the United States Bankruptcy Court for the Northern District of California, San Jose Division, before the Honorable Arthur S. Weissbrodt. The Debtor is an affiliate entity of Mi Pueblo San Jose, Inc. ("Mi Pueblo"), also a chapter 11 debtor before the same Bankruptcy Court.

This Disclosure Statement (the "Disclosure Statement") contains information with respect to the first amended plan of reorganization (the "Plan") proposed by the Debtor. A copy of the Plan is attached hereto as Exhibit A. Except as otherwise provided herein, capitalized terms used in this Disclosure Statement shall have the meanings set forth in the Plan. (See Plan at Article I). Unless otherwise expressly stated, portions of this Disclosure Statement describing the Debtor have not been subject to a certified audit, but have been prepared from the information compiled by the Debtor from the records maintained in the ordinary course of its business. Every effort has been made to be as accurate as possible in the preparation of this Disclosure Statement.

Pursuant to section 1125 of the Bankruptcy Code, this Disclosure Statement is being distributed to you for the purpose of enabling you to make an informed judgment about the Plan. The Debtor has examined various alternatives and, based on information contained in this Disclosure Statement, and for the reasons set forth below, has concluded that the Plan provides the best recovery to creditors.

The Disclosure Statement describes the Plan and contains information concerning, among

other matters: (1) the history of the Debtor including a description of its business, management, properties and liabilities; (2) factors and events leading to the bankruptcy filing; (3) significant events during the Chapter 11 Case; and (4) the proposed reorganization of the Debtor and distribution to holders of Claims against and Interests in the Debtor. The Debtor requests that you carefully review the contents of this Disclosure Statement and the Plan (including the exhibits to each) before making a decision to accept or reject the Plan. Particular attention should be paid to the provisions affecting or impairing your rights.

Your vote on the Plan is important. For the Plan to be accepted by a class of Claims, the holders of two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of Allowed Claims in such class who vote on the Plan must vote to accept it. For the Plan to be accepted by a class of Interests, the holders of at least two-thirds in dollar amount of the Allowed Interests in such class who vote on the Plan must vote to accept it.

Non-acceptance of the Plan may lead to a liquidation of Cha Cha and its assets under chapter 7 of the Bankruptcy Code or to the confirmation of another plan. These alternatives may not provide for a distribution of as much value to holders of Allowed Claims and Interests as the Plan. Accordingly, the Debtor urges you to accept the Plan by completing and returning the enclosed ballot no later than May 5, 2014.

II. OVERVIEW OF THE PLAN

A. Executive Summary of the Plan

The Plan is a plan of reorganization pursuant to which Victory Park is providing Cha Cha with $24.5 million in exit financing. Cha Cha, in exchange for a 50% equity interest in Reorganized Mi Pueblo, will contribute to Mi Pueblo (directly or indirectly) the following: (a) a loan from certain of the proceeds of its exit financing evidenced by two promissory notes totaling approximately $19.2 million, comprised of a subordinated secured promissory note from Reorganized Mi Pueblo in the approximate amount of $2.2 million and a subordinated unsecured note from NewCo in the approximate amount of $17 million, which amount will then be contributed to Reorganized Mi Pueblo; (b) its check cashing business; (c) the real property leases related to certain subleased property as well as lease/license agreements for space in Mi Pueblo

stores; and (d) a release for Cha Cha's approximately $14 million claim against Mi Pueblo. In addition, Cha Cha will pledge all of its assets on a senior basis to secure $24.5 million in exit financing to be provided by Victory Park and on a junior basis to guaranty the $31.5 million in exit financing to be provided by Victory Park to Mi Pueblo, which amounts will be used to assist Mi Pueblo and Cha Cha in their respective reorganizations.[1]

All Administrative Claims, Priority Claims and Convenience Class Claims ($10,000 or less) will be paid in full on the Effective Date of the Plan or as soon thereafter as such Claim becomes an Allowed Claim. General Unsecured Claim will receive a pro rata portion of the GUC Note in the amount of $5,975,000 which is expected to be paid approximately three years after the Effective Date.

The pace of the Confirmation procedures is necessitated by several factors. First, Mi Pueblo must post by June 1, 2014, the first $3.5 million of a $7.5 million letter of credit required by its insurer to maintain worker's compensation insurance coverage. Mi Pueblo's worker's compensation coverage has a significant deductible meaning it is mostly self-insured with catastrophic coverage. Mi Pueblo will not have sufficient cash to post the bond without exit financing. Mi Pueblo has not found an alternative, as full insurance with a minimal or no deductible is prohibitively expensive. Second, Mi Pueblo continues to operate without the trade terms that it would want or expect for a business that was operating in the ordinary course. Mi Pueblo is unable to implement some key initiatives because doing so requires the capital infusion which it will receive as part of the exit facility and the commitments and concessions from third parties that are expected after exit. Third, the bankruptcy process is expensive in terms of actual costs and the time and energy company personnel are required to spend. Thus, Cha Cha, Mi Pueblo and Victory Park Management, LLC ("Victory Park") have been focused on exiting bankruptcy as quickly as possible to effectuate the initiatives, minimize costs imposed by the bankruptcy process, and address the worker's compensation letter of credit requirement.

All of this is relevant to Cha Cha because Cha Cha's most significant tenant is Mi Pueblo

[1] Cha Cha and Mi Pueblo reserve the right to make adjustments to the allocation of the exit financing and reorganization structure, subject to the approval of Victory Park, to minimize tax impacts.

and their success (and continued ability to pay rent) benefits Cha Cha as the landlord. Additionally, the Mi Pueblo plan contemplates the transfer of 50% of the ownership of reorganized Mi Pueblo in exchange for a collection of assets from Cha Cha, including financing that will be funded from exit financing that Cha Cha will receive upon its exit from bankruptcy. Consequently, both chapter 11 plans need to become effective at the same time.

1. Classification of Claims and Interests Under the Plan

The Plan divides all Claims (except Administrative Claims, Professional Claims, Priority Tax Claims, and Other Priority Claims) and all Interests in various classes. Listed below is a summary of the classes of Claims and Interests under the Plan:

Class	Description	Status
Class 1	DIP Facility Claims	Impaired – Entitled to Vote
Class 2	Other Secured Claims	Unimpaired – Conclusively Presumed to Accept
Class 3	General Unsecured Claims	Impaired – Entitled to Vote
Class 4	Convenience Class	Impaired – Entitled to Vote
Class 5	Interests	Unimpaired – Conclusively Presumed to Accept

In accordance with section 1123(a)(1) of the Bankruptcy Code, the Plan does not classify Administrative Claims, Professional Claims, or Priority Tax or Other Priority Claims. These Claims are, therefore, excluded from the classes of Claims set forth in Article III of the Plan. This information is provided in summary form for illustrative purposes only.

Class	Description
Unclassified	Administrative Claims
Unclassified	Professional Claims
Unclassified	Priority Tax Claims and Other Priority Claims

2. Treatment of Claims and Interests Under the Plan.

The table below summarizes the treatment of Claims and Interests under the Plan, the voting rights of such Classes, and the projected recovery, if any, under the Plan for such classes. This information is provided in summary form for illustrative purposes only and is subject to

material change. To the extent of any inconsistency between the summaries contained in the Disclosure Statement and those set forth in the Plan, the Plan shall govern.

Class No.	Description	Estimate of Claims and Recoveries	Plan Treatment
N/A	Allowed Administrative Claims	Estimated amount of Claims in this category: minimal Estimated Recovery on Allowed Claims in this category: 100%	Unless otherwise agreed to by the holder of an Allowed Administrative Claim in writing, the Debtor or Reorganized Debtor, as applicable, and Victory Park, each holder of an Allowed Administrative Claim (other than of a Professional Claim) will receive in full and final satisfaction of its Administrative Claim an amount of Cash equal to the amount of such Allowed Administrative Claim either: (1) on the Effective Date, or as soon as practicable thereafter; (2) if the Administrative Claim is not Allowed as of the Effective Date, no later than 30 days after the date on which an order Allowing such Administrative Claim becomes a Final Order; or (3) if the Allowed Administrative Claim is based on liabilities incurred by the Debtor in the ordinary course of its business after the Commencement Date, pursuant to the terms and conditions of the particular transaction giving rise to such Allowed Administrative Claims, without any further action by the holders of such Allowed Administrative Claims.
N/A	Allowed Claims for Professional Fees	Estimated amount of Claims in this category: $350,000 Estimated Recovery on Allowed Claims in this category: 100%	To the extent any Professional holds a Professional Claim against the Debtor for services rendered prior to the Effective Date of the Plan, such Professional shall be paid in full upon Bankruptcy Court approval pursuant to the terms of the applicable employment order or pursuant to such other terms as may be agreed to by the holder of such claim and Reorganized Debtor and Victory Park, unless a holder of a Professional Claim agrees to a less favorable treatment in writing.
N/A	Allowed Priority Tax Claims and Other Priority Claims	Estimated amount of Claims in this category: minimal Estimated Recovery on Allowed Claims in this category: 100%	Each holder of an Allowed Priority Tax Claim or Allowed Other Priority Claim due and payable on or before the Effective Date shall receive, at the option of Debtor (on the Effective Date) or the Reorganized Debtor (after the Effective Date), as applicable, with the consent of Victory Park, one of the following

Class No.	Description	Estimate of Claims and Recoveries	Plan Treatment
			treatments on account of such Claim: (1) Cash, payable by the Debtor on the Effective Date, in an amount equal to the amount of such Allowed Priority Tax Claim or Allowed Other Priority Claim; (2) Cash in an amount agreed to by the Debtor (on the Effective Date) or Reorganized Debtor (after the Effective Date), as applicable, Victory Park, and such holder, provided, however, that such Entity may further agree for the payment of such Allowed Priority Tax Claim or Allowed Other Priority Claim to occur at a later date; or (3) Cash in the aggregate amount of such Allowed Priority Tax Claim or Allowed Other Priority Claim payable in installment payments over a period not more than five years after the Commencement Date pursuant to section 1129(a)(9)(C) of the Bankruptcy Code. To the extent any Allowed Priority Tax Claim or Allowed Other Priority Claim is not due and owing on the Effective Date, such Claim shall be paid in full in Cash in accordance with the terms of any agreement between the Debtor (on the Effective Date) or the Reorganized Debtor (after the Effective Date), as applicable, Victory Park, and the holder of such Claim, or as may be due and payable under applicable non-bankruptcy law or in the ordinary course of business.
1	DIP Facility Claims	Estimated amount of Claims in this category: $9.3 million plus secured guaranty of Mi Pueblo DIP Facility in the approximate amount of $32.75 million Estimated Recovery of Allowed Claims in this category: 100%	Except to the extent that a holder of a DIP Facility Claim agrees to a less favorable treatment in writing, on or as soon as practicable after the Effective Date, each holder of an Allowed DIP Facility Claim shall be rolled over into the Exit Facility pursuant to the Exit Facility Term Sheet attached hereto as Exhibit 1. Further, the Exit Facility Lenders will allow the Reorganized Debtor to make distributions to Existing Members in an amount necessary to permit Existing Members to pay income taxes owed by Exist Members which result from taxable income passed through to Existing Members notwithstanding anything in the Final DIP Order or Cha Cha Exit Facility to the contrary.
2	Other Secured Claims	Estimated amount of Claims in this category:	Except to the extent that a holder of an Allowed Other Secured Claim agrees to a

Class No.	Description	Estimate of Claims and Recoveries	Plan Treatment
		minimal Estimated Recovery of Allowed Claims in this category: 100%	less favorable treatment in writing, on or as soon as practicable after the Effective Date, at the option of the Reorganized Debtor, each holder of an Allowed Other Secured Claim shall be: (i) reinstated according to the terms of the relevant instrument or (ii) satisfied through the surrender to the holder thereof of the collateral securing such Claim.
3	General Unsecured Claims	Estimated amount of Claims in this category: range of $5.6 million to $11.6 million Estimated Recovery of Allowed Claims in this category: 35% to 100%, depending on the amount of Allowed Claims in Class 3	Except to the extent that a holder of an Allowed General Unsecured Claim agrees to a less favorable treatment in writing, on or as soon as is practicable after the Effective Date, each holder of an Allowed General Unsecured Claim shall receive the lesser of (i) the amount of such holder's Allowed GUC Claim and (ii) the amount of such holder's Pro Rata share of the GUC Note. It is expected that holders of Class 3 General Unsecured Claims will receive any distributions on account of such Claims approximately three years after the Effective Date. Subordination: No payment in respect of the Allowed General Unsecured Claims shall be made or permitted or required to be made until repayment in full in cash of all Exit Obligations and the A Notes and the B Notes and termination of all commitments to lend under the Senior Exit Facilities, and each holder of an Allowed General Unsecured Claim shall promptly turn over any such payment received in violation of the Plan to the Exit Facility Administrative Agent prior to repayment in full in cash of the Exit Obligations and termination of all commitments to lend under the Senior Exit Facilities. Until repayment in full in cash of all Exit Obligations and termination of all commitments to lend under the Senior Exit Facilities, the terms relating to the Allowed General Unsecured Claims shall not be amended or otherwise modified without the written consent of the Exit Facility Administrative Agent. The Exit Facility Administrative Agent shall be entitled to rely on, and shall be a third party beneficiary of, the agreements set forth in the Plan.
4	Convenience	Estimated amount of	Except to the extent that a holder of an

Class No.	Description	Estimate of Claims and Recoveries	Plan Treatment
	Class (Claims Of or Under $10,000)	Claims in this category: approximately $22,500 Estimated Recovery of Allowed Claims in this category: 100%	Allowed Convenience Class Claim agrees to a less favorable treatment in writing, holders of Allowed Convenience Class Claims shall be paid in full on account of such claims 180 days after the Effective Date without interest.
5	Interests	N/A	All holders of Interests shall retain such Interests under the Plan without modification.

B. Investment Analysis

Pursuant to the Plan, Victory Park is providing Cha Cha $24.5 million in exit financing through a combination of a rollover of Victory Park's current debtor-in-possession financing facility and the infusion of new capital. Cha Cha will use the proceeds of the exit financing to, among other things, repay its obligation under the DIP Facility, make distributions pursuant to the Plan (including payments to the holders of General Unsecured Claims), and to otherwise facilitate its restructuring and ongoing operations. Concurrently, pursuant to the Mi Pueblo Plan, Victory Park is providing Mi Pueblo $31.5 million in exit financing. Mi Pueblo will use these proceeds to repay its obligations under its debtor-in-possession financing facility, make distributions under the Mi Pueblo Plan, and otherwise facilitate its restructuring and ongoing operations. Mi Pueblo's ability to operate as a going concern is beneficial to Cha Cha as Mi Pueblo is Cha Cha's primary tenant and necessary for a successful Cha Cha restructuring.

The Debtor, Mi Pueblo, and Piper Jaffray & Co. believe that the new capital infusions described above provide the best measure of the Debtor's value, best maximizes the value of the Debtor's estate, and provides Cha Cha and Mi Pueblo with the best chances of a successful reorganization. Among other things, the capital infusion to Cha Cha:

- represents the culmination of several months of robust negotiations that culminated in the Plan, the Mi Pueblo Plan, the Cha Cha Transfer Agreement, and the exit financing facilities;
- represents the best alternative for Cha Cha as currently no other viable transaction has been presented since Cha Cha first filed for bankruptcy protection, which makes it unlikely that new and additional parties with serious interest will emerge;
- permits Cha Cha and Mi Pueblo to potentially emerge from bankruptcy by the end of May, instead of incurring more legal and other administrative costs languishing

in chapter 11; and

- is necessary for Cha Cha to reorganize.

Cha Cha has forecasts of its financial performance under the proposed exit financing and will be able to maintain its business as a going concern and make all payments to creditors required under the Plan. Cha Cha will have income from its real property leases with Mi Pueblo and third parties, which together with the funds provided by Victory Park, will be sufficient to fund all payments to creditors under the Plan. Further, Cha Cha will own part of Mi Pueblo. These forecasts assume, among other things, that the Plan will be consummated in accordance with its terms and that all transactions contemplated by the Plan will be consummated by May 31, 2014. Any delay of the consummation of the Plan may have a negative impact on the operations and financial performance of Cha Cha, including higher administrative costs and its inability to meet certain income forecasts.

The alternative to the Plan is a liquidation of both Mi Pueblo and Cha Cha. As described in greater detail in the Liquidation Analysis section of this Disclosure Statement, in a hypothetical case under chapter 7 of the Bankruptcy Code, the recovery to creditors is very uncertain, but is certainly less than contemplated in the proposed Plan. Cha Cha would lose its primary source of income (i.e., rents from the lease of its real property to Mi Pueblo and others). The DIP Facility Lenders would be able to foreclose on the DIP Loan, most likely leaving nothing for any other creditors. By comparison, holders of Administrative Claims, Priority Tax and Other Priority Claims will receive payment in full and holders of General Unsecured Claims will receive their Pro Rata share of the GUC Note. Currently, it is expected that the GUC Note will be paid down beginning on the third anniversary of the Effective Date (the maturity date of the Exit Obligations).

C. Risk Factors and Limited Representation

The Court has provisionally approved the Disclosure Statement as containing information of a kind, and in sufficient detail, which is adequate to enable you to make an informed judgment whether to vote to accept or to reject the Plan. Final approval of the Disclosure Statement will be made at the Confirmation Hearing.

In determining whether the Plan should be confirmed, the Bankruptcy Court will consider whether the Plan satisfies the requirements of the Bankruptcy Code, including whether it is feasible, and whether it is in the best interests of the holders of Claims. The Court also will receive and consider a Ballot report prepared by the Debtor concerning the votes for acceptance or rejection of the Plan by parties entitled to vote. Only holders of Allowed Claims that are impaired and entitled to vote under the Plan will be allowed to vote to approve or reject the Plan.

THIS DISCLOSURE STATEMENT IS NOT THE PLAN. THIS DISCLOSURE STATEMENT, TOGETHER WITH THE PLAN, SHOULD BE READ COMPLETELY. FOR THE CONVENIENCE OF PARTIES, THE PLAN IS SUMMARIZED IN THIS DISCLOSURE STATEMENT, BUT ALL SUMMARIES AND OTHER STATEMENTS REGARDING THE PLAN ARE QUALIFIED IN THEIR ENTIRETY BY THE PLAN ITSELF, WHICH IS CONTROLLING IN THE EVENT OF ANY INCONSISTENCY.

The Bankruptcy Court will hold a hearing on confirmation of the Plan. The date and time of the hearing will be fixed by order of the Bankruptcy Court and will be noticed to holders of Claims and other parties entitled to notice under the Bankruptcy Code and Rules after the Disclosure Statement is approved. The Confirmation Hearing may be adjourned from time to time without further written notice.

Information contained in this Disclosure Statement was obtained from knowledgeable personnel at the Debtor or from its records. Financial information developed for purposes of this Disclosure Statement was developed by personnel at the Debtor and Mi Pueblo. Certain materials contained in this Disclosure Statement are taken directly from other, readily accessible documents and pleadings or are digests of other documents. While every effort was made to retain the meaning of such documents, you are urged to rely upon the contents of such documents only after a thorough review of the documents themselves.

NO REPRESENTATIONS OR ASSURANCES CONCERNING THE DEBTOR, INCLUDING, WITHOUT LIMITATION, ITS OPERATIONS, THE VALUE OF ASSETS, OR THE FUTURE OF THE DEBTOR ARE AUTHORIZED BY THE DEBTOR OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.

THIS IS A SOLICITATION BY THE DEBTOR ONLY AND IT IS NOT A SOLICITATION BY THE DEBTOR'S ATTORNEYS OR ANY OTHER PROFESSIONALS EMPLOYED BY THE DEBTOR. THE REPRESENTATIONS MADE HEREIN ARE THOSE OF THE DEBTOR AND NOT OF THE DEBTOR'S ATTORNEYS OR ANY OTHER PROFESSIONAL.

REASONABLE EFFORTS HAVE BEEN MADE TO ACCURATELY PREPARE ALL UNAUDITED FINANCIAL STATEMENTS WHICH MAY BE CONTAINED IN THIS DISCLOSURE STATEMENT FROM THE INFORMATION AVAILABLE TO THE DEBTOR. HOWEVER, AS TO ALL SUCH FINANCIAL STATEMENTS, THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED THEREIN IS WITHOUT ERROR.

APPROVAL BY THE BANKRUPTCY COURT OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE CERTIFICATION BY THE COURT THAT THIS DISCLOSURE STATEMENT IS ERROR FREE.

Unless this Disclosure Statement expressly stated otherwise, all terms defined in the Plan will have the same meaning when used in this Disclosure Statement. In addition, unless otherwise stated, terms defined in the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, or the Local Rules of the Bankruptcy Court will have the same meanings when used in this Disclosure Statement. Defined terms in this Disclosure Statement are solely for convenience; and the Debtor does not intend to change the definitions of those terms from the Plan or from the otherwise applicable sources. Furthermore, in the event of any inconsistency between the Plan and this Disclosure Statement, the Plan will control. Any exhibits filed and served in support of this Disclosure Statement are incorporated into and are a part of this Disclosure Statement. All references to the Bankruptcy Code are to the United States Bankruptcy Code, 11 U.S.C. Sections 101 *et seq*.

III. VOTING PROCEDURES

The following classes are the only classes entitled to vote to accept or reject the Plan:

Class	Description	Status
Class 1	DIP Facility Claims	Impaired – Entitled to Vote
Class 3	General Unsecured Claims	Impaired – Entitled to Vote
Class 4	Convenience Class Claims	Impaired – Entitled to Vote

If your claim is not included in these classes, you are not entitled to vote and you will not receive a Solicitation Package.

A. Voting Required for Acceptance by a Class

If you are the holder of a Claim that is "impaired" under the Plan and you are entitled to vote, it is important that you vote. In that regard, acceptances of the Plan are sought only from

those holders of Claims whose Claims are "impaired" by the Plan and who are not deemed to have accepted or rejected the Plan pursuant to the Bankruptcy Code. Specifically, acceptances are solicited only from those holders of Claims and parties in interest whose legal, equitable, or contractual rights are altered by the Plan or who will not receive under the Plan the full amounts of their Allowed Claims in cash on the Effective Date of the Plan or as soon thereafter as practicable. A class that is not impaired under the Plan is presumed to have accepted the Plan, and therefore, solicitation of acceptances of the holders of Claims or Interests in such class is not required.

For a class of Claims to vote to accept the Plan, votes representing at least two-thirds in amount of all claims that voted in that Class, and more than one-half in number of all claims that voted in that Class must be cast accepting their treatment under the Plan.

The specific treatment of each class under the Plan is set forth in the Plan and merely is summarized in this Disclosure Statement. Bankruptcy Code section 1129(b) provides that, if the Plan is rejected by one or more impaired classes of Claims, the Plan nevertheless may be confirmed by the Bankruptcy Court, if: (i) the Bankruptcy Court determines that the Plan does not discriminate unfairly and is fair and equitable with respect to the rejecting class(es) of Claims that are impaired under the Plan; and (ii) at least one class of impaired Claims voted to accept the Plan. The Debtor seeks to confirm the Plan under the provisions of Bankruptcy Code section 1129(b) in the event that becomes necessary.

A VOTE FOR ACCEPTANCE OF THE PLAN BY THOSE HOLDERS OF CLAIMS WHO ARE ENTITLED TO VOTE IS MOST IMPORTANT. THE DEBTOR RECOMMENDS THAT THE HOLDERS OF ALLOWED CLAIMS VOTE IN FAVOR OF THE PLAN.

The Debtor is requesting the Bankruptcy Court to order at the Confirmation Hearing that if no votes to accept or reject the Plan are received with respect to a particular class that is entitled to vote on the Plan, such class shall be deemed to have voted to accept the Plan. The Debtor believes that this provision is appropriate and supported by case law. The United States Trustee believes that this should not be approved, including because of the decision of the Bankruptcy Appellate Panel for the Ninth Circuit in *In re M. Long Arabians*, 103 B.R. 211 (9th Cir. B.A.P.

1989). If there are any Voting Classes for which no Ballots to accept or reject the Plan are received from holders of Claims in such Voting Classes in compliance with the Solicitation Procedures, the Bankruptcy Court may be asked to make a determination on this issue.

B. Classes Not Entitled to Vote

Under the Bankruptcy Code, holders of Claims are not entitled to vote if their contractual rights are unimpaired by the Plan or if they will receive no distribution of property under the Plan. Based on this standard, the following classes will not be entitled to vote on the Plan:

Class	Description	Status
Unclassified	Administrative Claims	Non-voting
Unclassified	Professional Claims	Non-voting
Unclassified	Priority Tax Claims and Other Priority Claims	Non-voting
Class 2	Other Secured Claims	Unimpaired – Conclusively Presumed to Accept
Class 5	Interests	Unimpaired – Conclusively Presumed to Accept

C. Solicitation Procedures

A vote for acceptance or rejection of the Plan may be cast by completing and signing the ballot enclosed herewith and (i) mailing it to: Felderstein Fitzgerald Willoughby & Pascuzzi LLP, 400 Capitol Mall, Suite 1750, Sacramento, CA 95814, to the attention of Paul J. Pascuzzi in an envelope marked "Cha Cha Ballot" in the lower left hand corner, (ii) faxing it to (916) 329-7435 to the attention of Paul J. Pascuzzi, or (iii) emailing it to ppascuzzi@ffwplaw.com. Only the ballot should be mailed/faxed/emailed. For your vote to be counted, your completed ballot must be received no later than May 5, 2014, by 4:00 p.m., Pacific Daylight Time. Upon its confirmation, the Plan will be binding on all creditors regardless of whether a creditor has voted in favor of or rejected the Plan.

IV. BACKGROUND INFORMATION FOR CHA CHA

A. Description of Cha Cha's Business and Relationship with Mi Pueblo

Cha Cha is a California limited liability company formed in 1998 to purchase a fee

interest in property located at 1775 Story Road, San Jose, California and a leasehold interest in property located at 1745 Story Road in San Jose. Cha Cha's primary business is the rental of real property to Mi Pueblo, although Cha Cha also rents property to third parties. Mi Pueblo operates twenty-one grocery stores throughout the Bay Area, Central Coast, and Central Valley of California. Mi Pueblo also maintains a warehouse and distribution center in Milpitas, California, offices in San Jose, California, and a workshop and storage facility.

Cha Cha owns three large properties in Mountain View, Salinas and Watsonville, California and one parking lot in Oakland, California ("Parking Lot") which Cha Cha leases to Mi Pueblo. Mi Pueblo operates three grocery stores on these properties ("Owned Properties"). Cha Cha leases from third parties seven additional properties in Hayward, Milpitas, Oakland, San Jose and Vallejo, California, which Cha Cha then subleases to Mi Pueblo ("Leased Properties"). Mi Pueblo operates five grocery stores and a warehouse/distribution center on these properties. Cha Cha also owns part of a shopping plaza located at 1775 Story Road in San Jose, California ("Shopping Plaza") which it leases to unrelated third parties as well as to Mi Pueblo for Mi Pueblo's administrative offices ("Shopping Plaza"). In addition, Cha Cha owns two single family residences which Cha Cha leases on a month-to-month basis. Cha Cha also owns an unimproved parcel of land in San Jose, California which Cha Cha leases to an unrelated third party. In addition to the rental of real property, Cha Cha also operates check cashing and other services in the twenty-one Mi Pueblo stores.

Substantially all of Cha Cha's income derives from rent from Mi Pueblo, as well as the check cashing and other services Cha Cha provides in Mi Pueblo's twenty-one grocery stores. The formulation of Cha Cha's plan of reorganization depends upon Mi Pueblo's future business operations.

B. Factors and Events Leading to Bankruptcy Filing

Prior to filing its bankruptcy petition, Cha Cha owed Wells Fargo Bank, N.A. (the "Bank") approximately $10 million secured by deeds of trust on the Owned Properties and the Shopping Plaza. In 2012, Cha Cha guaranteed the debt of Mi Pueblo to the Bank on an unsecured basis. When Cha Cha's bankruptcy petition was filed, the amount of Mi Pueblo's debt was

approximately $19.6 million. When Cha Cha's bankruptcy case was filed, the Bank asserted Cha Cha's guaranty was secured by a security interest in Cha Cha's rights of payment, inventory, and equipment based on separate agreements executed in March 2013, as well as a first deed of trust on the Parking Lot and modified deeds of trust on the Owned Properties and the Shopping Center executed in April 2013. Cha Cha has contended that the real property collateralization of the Mi Pueblo debt is avoidable.

Mi Pueblo filed its chapter 11 bankruptcy case due in large part to the actions of the Bank in connection with Mi Pueblo's non-monetary defaults of loans guaranteed by Cha Cha. These acts also were the precipitating factor for Cha Cha's bankruptcy filing.

C. Cha Cha's Debt and Assets Structure

1. Secured Debt

Cha Cha's main creditor is the DIP Facility Lenders since the DIP Facility Lenders loaned Cha Cha and Mi Pueblo sufficient funds to pay off, at a discount, the secured debt Cha Cha and Mi Pueblo previously owed to the Bank. Cha Cha owes the DIP Facility Lenders approximately $9.3 million secured by all of Cha Cha's real and personal property. Cha Cha also has guaranteed the debt of Mi Pueblo to the DIP Facility Lenders in the approximate amount of $32.75 million. Cha Cha has granted the DIP Facility Lenders a security interest in all of Cha Cha's real and personal property to secure Cha Cha's debt and the guaranty of Mi Pueblo's debt to the DIP Facility Lenders, provided however, that the DIP Facility Lenders are to use their reasonable best efforts to realize upon the collateral which secures the DIP Facility Lenders' loan to Mi Pueblo before the DIP Facility Lenders realize upon any Cha Cha assets used to secure Cha Cha's guaranty.

2. Priority Claims

Cha Cha has approximately $1,100 in scheduled and filed priority claims. These claims arise from taxes and other fees owed with respect to the licensing of Cha Cha's check cashing business.

3. General Unsecured Claims

Cha Cha scheduled over $5.9 million in general unsecured claims, including amounts due

to tenants for security deposits. Of the scheduled amount, over $5.8 million is debt owed to insiders. NUCP Turlock, LLC, a former landlord of Mi Pueblo, filed a proof of claim in Cha Cha's bankruptcy case for over $11.5 million based on a breach of contract claim against Mi Pueblo that is the subject of pre-petition state court litigation. Cha Cha disputes any amounts are owed on this claim. Fleming Business Park, LLC, a landlord to Cha Cha, filed a proof of claim in the amount of $23,209.95 plus contingent damage claims. Other than NUCP Turlock, LLC and Fleming Business Park, LLC, none of the claims filed in Cha Cha's bankruptcy case materially exceed the scheduled claim. A list of all general unsecured claims either listed as unliquidated, undisputed and non-contingent or for which an entity filed a claim is attached hereto as Exhibit 2.[2]

Cha Cha scheduled over $5.8 million in unsecured debt owed to Cha Cha's members. These amounts arise from: (a) an unsecured loan from Cha Cha's member Edgar Chavez on January 14, 2011 in the principal amount of $149,000 plus unpaid pre-petition interest of $977.80; and (b) various unsecured loans from Cha Cha's manager Juvenal Chavez on January 14, 2011, December 13, 2011 and March 6, 2013 in the aggregate principal amount of $5,650,000 plus unpaid pre-petition interest of $13,307.28.

4. Mi Pueblo's Unsecured Claim

Cha Cha scheduled $4,661.19 in unsecured debt owed to Mi Pueblo for reimbursement of appraisal fees and worker compensation fees Cha Cha owed to Mi Pueblo pre-petition. The appraisal fees arose in connection with the March 2013 loans by the Bank.

5. Interests

Cha Cha's members are the family living trust of Juvenal and Maria Chavez as well as the Chavez's three sons, Juvenal Jr., Enrique and Edgar.

6. Assets of Cha Cha

Cha Cha had the following real and personal property as of the petition date:

[2] The Debtor or the Reorganized Debtor, as applicable, reserves all rights to object to any filed claims, amend the schedules filed previously in the Chapter 11 Case, and to assume, assume and assign, and reject any Executory Contract or Unexpired Lease set forth on Exhibit 2 attached hereto. The inclusion or exclusion of any claim from Exhibit 2 does not constitute an admission regarding the validity of any such claim.

Schedule	Asset	Scheduled Value[3]
A	Real property located at 950 East Alisal Street, Salinas, CA	$5,240,000
A	Real property located at 1437 Freedom Blvd., Watsonville, CA	$3,580,000
A	Real property located at 1775-1799 Story Road, San Jose, CA	$15,300,000
A	Real property located at 2117 & 2129 Leland Avenue, 2164 Leland Avenue, 40 South Rengstorff Ave & 2 Lots, Mountain View, CA	$1,620,000
A	Real property located at 118 S. Rengstorff Ave., Mountain View, CA	$600,000
A	Real property located at 1090 E. William Street, San Jose, CA	$2,201,291
A	Real property located at 6831 Cabernet Avenue, Newark, CA	$416,089
A	Real property located at 36148 Sandalwood Street, Newark, CA	$409,986
A	Real property located at 4340 Bond Street, Oakland, CA	$914,514
A	Building located at 1745 Story Road, San Jose, CA	$1,518,034
B	General checking account	$2,143,139
B	Security deposits	$97,907
B	Secured notes receivable	$1,111,840
B	Accounts receivable	$14,138,734
B	Automobile	$28,000
B	Office equipment	$31,146
B	Business equipment	$122,649
B	Prepaid phone cards	$1,120.97

D. Significant Events During the Chapter 11 Case

The following constitutes a brief, general discussion of certain significant events during the Chapter 11 Case prior to the filing of this Disclosure Statement.

1. Cash Collateral Use Approved

Cha Cha brought a motion on shortened time to be allowed the use of cash collateral of the Bank to operate. The Court held several hearings allowing Cha Cha interim use of the Bank's cash collateral. Thereafter, Cha Cha and the Bank negotiated agreed orders for further interim use of cash collateral. Victory Park consented to Cha Cha's use of cash collateral as part of the interim DIP financing.

[3] The values listed are from the Debtor's schedules, which are based on book value, Bank appraisal value, or the Debtor's estimate of fair market value. The Debtor reserves the right to provide current evidence of liquidation or fair market value at the Confirmation Hearing if necessary.

2. Retention of Professionals

The Debtor retained Felderstein Fitzgerald Willoughby & Pascuzzi LLP as its bankruptcy counsel and the Law Offices of Wm. Thomas Lewis for certain corporate and related matters. The Debtor retained BDO USA, LLP as its accountants to prepare and complete the 2012 federal and state tax returns and for any tax returns required post-petition as well as provide certain consulting services. The Debtor also retained Smith Commercial Management, Inc. as its real estate broker with regard to approximately one acre of vacant land located in San Jose, California. As of April 15, 2014, the Debtor estimates that outstanding, unpaid professional fees total approximately $200,000. The Debtor estimates that additional professional fees will be incurred through Confirmation, which could total more than $200,000.

3. Sale of Real Property

Cha Cha filed a motion and obtained Court approval of a sale of a parcel of residential real property located at 6831 Cabernet Avenue, Newark, California for $450,000 to the tenants renting that property.

4. Motion to Allow Landlord Waivers

The Bank conditioned its agreement for continued use of cash collateral with respect to Mi Pueblo on Mi Pueblo obtaining waivers and acknowledgments from each landlord which leases or subleases real property to Mi Pueblo should the Bank be required to take possession of personal property collateral securing amounts owed by Mi Pueblo to the Bank. Cha Cha filed a motion and obtained permission to execute the requested landlord waivers in favor of the Bank for the Leased Properties.

5. Extensions of Time to Assume or Reject Unexpired Leases

The Debtor obtained two extensions of the time to assume or reject non-residential real property leases with respect to the seven properties Cha Cha leases and then subleases to Mi Pueblo. For the leases with (i) Estate of Marion Flapan (ground lease for 1745 Story Rd, San Jose, CA); (ii) Bedford Plaza Associates (20812 Hesperian Blvd., Hayward, CA); (iii) 1630 High Street, LLC (1630 High Street, Oakland, CA); (iv) Overaa Associates II, LLC (2107 Solano Avenue, Vallejo, CA); and (v) Fleming Business Park, LLC (1025 Montague Expy., Milpitas,

CA), each landlord has agreed to extend the time to assume or reject the lease to June 17, 2014. For the leases with (i) Albertson's, LLC (320 N. Capitol Avenue, San Jose, CA); and (ii) Capitol Square Partners (2735 McKee, San Jose, CA), each landlord initially agreed to extend the time to assume or reject the lease to March 31, 2014, then further agreed to an extension to April 14, 2014 and then agreed to an extension to June 17, 2014.

6. Extension of Exclusivity

The Debtor has obtained two extensions of exclusivity to file a plan and to obtain acceptances thereof under 11 U.S.C. §§ 1121(c)(2) and 1121(c)(3), respectively. The first extension was to February 17, 2014 and April 18, 2014, respectively. The second extension was to May 19, 2014 and July 17, 2014, respectively.

7. DIP Financing Motion and Purchase of Bank's Secured Debt

In February 2014, Victory Park agreed to lend Cha Cha and Mi Pueblo sufficient cash to pay the Bank's claims against Cha Cha and Mi Pueblo for a discounted amount and to provide working capital to Mi Pueblo until the Effective Date of a plan of reorganization. The Court approved the financing on a final basis by order dated March 6, 2014.

V. SUMMARY OF PLAN OF REORGANIZATION

A. Overview of Chapter 11

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under chapter 11, a debtor can reorganize its business for the benefit of itself, its creditors, and interest holders. Chapter 11 also strives to promote equality of treatment for similarly situated creditors and similarly situated interest holders with respect to the distribution of a debtor's assets.

The commencement of a chapter 11 case creates an estate that is comprised of all of the legal and equitable interests of a debtor as of the filing date. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a "debtor-in-possession."

The consummation of a plan of reorganization is the principal objective of a chapter 11 case. A plan of reorganization sets forth the means for satisfying claims against, and interests in,

a debtor. Confirmation of a plan of reorganization makes the plan binding upon the debtor, any issuer of securities under the plan, any person or entity acquiring property under the plan, and any creditor of or equity holder in the debtor, whether or not such creditor or equity holder is impaired under or has accepted the plan, or receives or retains any property under the plan. Subject to certain limited exceptions, and except as otherwise provided in the plan or the confirmation order itself, a confirmation order discharges the debtor from any debt that arose prior to the date of confirmation of the Plan and substitutes for those debts the obligations specified under the confirmed plan.

A chapter 11 plan may specify that the legal, contractual, and equitable rights of the holders of claims or interests in certain classes are to remain unaltered by the reorganization effectuated by the plan. Such classes are referred to as "unimpaired" and, because of such favorable treatment, are presumed to accept the plan. Accordingly, a debtor need not solicit votes from the holders of claims or interests in such unimpaired classes. A chapter 11 plan also may specify that certain classes will not receive any distribution of property or retain any claim against a debtor. Such classes are deemed to reject the plan and, therefore, need not be solicited to vote to accept or reject the plan. Any classes that are receiving a distribution of property under the plan but are not "unimpaired" will be solicited to vote to accept or reject the plan.

Section 1123 of the Bankruptcy Code provides that a plan of reorganization shall classify the claims of a debtor's creditors and interest holders. In compliance therewith, the Plan divides Claims and Interests into various classes and sets forth the treatment for each class. The Debtor believes that the Plan has classified all Claims and Interests in compliance with section 1122 of the Bankruptcy Code, but it is possible that a holder of a Claim or Interest may challenge the classification of Claims and Interests and that the Bankruptcy Court may find that a different classification is required for the Plan to be confirmed. In such event, the Debtor intends, to the extent permitted by the Bankruptcy Court and the Plan, to make such modifications of the classifications under the Plan to permit confirmation and to use the Plan acceptances received in this solicitation for the purpose of obtaining the approval of the reconstituted class or classes of which the accepting holder is ultimately deemed to be a member. Any such reclassification could

adversely affect the class in which such holder was initially a member, or any other class under the Plan, by changing the composition of such class and the vote required of that class for approval of the Plan.

THE REMAINDER OF THIS SECTION PROVIDES A SUMMARY OF THE STRUCTURE AND MEANS FOR IMPLEMENTATION OF THE PLAN AND THE CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN, THE PLAN SUPPLEMENT, AND THE EXHIBITS AND DEFINITIONS CONTAINED IN EACH DOCUMENT.

THE STATEMENTS CONTAINED IN THE DISCLOSURE STATEMENT INCLUDE SUMMARIES OF THE PROVISIONS CONTAINED IN THE PLAN AND IN THE DOCUMENTS REFERRED TO IN THE PLAN. THE STATEMENTS CONTAINED IN THE DISCLOSURE STATEMENT DO NOT PURPORT TO BE PRECISE OR COMPLETE STATEMENTS OF ALL THE TERMS AND PROVISIONS OF THE PLAN OR DOCUMENTS REFERRED TO IN THE PLAN, AND REFERENCE IS MADE TO THE PLAN AND TO SUCH DOCUMENTS FOR THE FULL AND COMPLETE STATEMENT OF SUCH TERMS AND PROVISIONS OF THE PLAN OR DOCUMENTS REFERRED TO IN THE PLAN.

THE PLAN ITSELF AND THE DOCUMENTS IN THE PLAN CONTROL THE ACTUAL TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN AND WILL, UPON THE OCCURRENCE OF THE EFFECTIVE DATE, BE BINDING UPON, AMONG OTHER ENTITIES, ALL HOLDERS OF CLAIMS AND INTERESTS, THE REORGANIZED DEBTOR, ALL ENTITIES RECEIVING PROPERTY UNDER THE PLAN, AND OTHER PARTIES IN INTEREST. IN THE EVENT OF ANY CONFLICT BETWEEN THE DISCLOSURE STATEMENT AND THE PLAN OR ANY OTHER OPERATIVE DOCUMENT, THE TERMS OF THE PLAN AND SUCH OTHER OPERATIVE DOCUMENT SHALL CONTROL.

B. Overall Structure of the Plan

In addition to the unclassified claims, there are three classes of claims and one class of

interests under the Plan. The identity of unclassified claims and each class and the treatment for such claims and classes under the Plan follow:

C. Specification and Treatment of Unclassified Claims

1. Administrative Claims

Unless otherwise agreed to by the holder of an Allowed Administrative Claim in writing, the Debtor or Reorganized Debtor, as applicable, and Victory Park, each holder of an Allowed Administrative Claim (other than of a Professional Claim) will receive in full and final satisfaction of its Administrative Claim an amount of Cash equal to the amount of such Allowed Administrative Claim either: (1) on the Effective Date, or as soon as practicable thereafter; (2) if the Administrative Claim is not Allowed as of the Effective Date, no later than 30 days after the date on which an order Allowing such Administrative Claim becomes a Final Order; or (3) if the Allowed Administrative Claim is based on liabilities incurred by the Debtor in the ordinary course of its business after the Commencement Date, pursuant to the terms and conditions of the particular transaction giving rise to such Allowed Administrative Claims, without any further action by the holders of such Allowed Administrative Claims. For the avoidance of doubt, Wells Fargo Bank has "otherwise agreed" as to the Wells Fargo Bank Treasury Management Claims, as provided in the Wells Fargo Bank Treasury Management Agreements and as further provided in the Wells Fargo Bank Payoff Agreement and the Wells Fargo Bank Compromise Order.

Except as otherwise provided in the Plan, unless previously filed, requests for payment of Administrative Claims must be filed and served on the Reorganized Debtor no later than the Administrative Claims Bar Date pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order. Holders of Administrative Claims that are required to file and serve a request for payment of such Administrative Claims that do not file and serve such a request by the Administrative Claims Bar Date shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtor, the Reorganized Debtor, or its property and Estate, and such Administrative Claims shall be deemed discharged as of the Effective Date.

No request for payment of Administrative Claim shall be required to be filed or served by

Wells Fargo Bank under or in connection with the Wells Fargo Bank Treasury Management Agreements, and the Administrative Claims Bar Date shall not apply to those Claims. Those Claims shall be made, addressed, paid, collected, enforced, and otherwise governed entirely in accordance with the Wells Fargo Bank Treasury Management Agreements, the Wells Fargo Bank Payoff Agreement, and the Wells Fargo Bank Compromise Order.

2. Professional Claims

All final requests for payment of Professional Claims shall be filed and served no later than 90 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 Claims shall be determined by the Bankruptcy Court.

Upon the Effective Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code or the Interim Compensation Order in seeking retention or compensation for services rendered after such date shall terminate, and the Reorganized Debtor may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.

3. Priority Tax Claims and Other Priority Claims

Each holder of an Allowed Priority Tax Claim or Allowed Other Priority Claim due and payable on or before the Effective Date shall receive, at the option of Debtor (on the Effective Date) or the Reorganized Debtor (after the Effective Date), as applicable, with the consent of Victory Park, one of the following treatments on account of such Claim: (1) Cash, payable by the Debtor on the Effective Date, in an amount equal to the amount of such Allowed Priority Tax Claim or Allowed Other Priority Claim; (2) Cash in an amount agreed to by the Debtor (on the Effective Date) or Reorganized Debtor (after the Effective Date), as applicable, Victory Park, and such holder, provided, however, that such Entity may further agree for the payment of such Allowed Priority Tax Claim or Allowed Other Priority Claim to occur at a later date; or (3) Cash in the aggregate amount of such Allowed Priority Tax Claim or Allowed Other Priority Claim payable in installment payments over a period not more than five years after the Commencement Date pursuant to section 1129(a)(9)(C) of the Bankruptcy Code. To the extent any Allowed

Priority Tax Claim or Allowed Other Priority Claim is not due and owing on the Effective Date, such Claim shall be paid in full in Cash in accordance with the terms of any agreement between the Debtor (on the Effective Date) or the Reorganized Debtor (after the Effective Date), as applicable, Victory Park, and the holder of such Claim, or as may be due and payable under applicable non-bankruptcy law or in the ordinary course of business.

D. Treatment of Classified Claims

1. Class 1—DIP Facility Claims

a. *Classification:* Class 1 consists of all DIP Facility Claims.

b. *Treatment:* The DIP Facility Claims are Allowed. Except to the extent that a holder of a DIP Facility Claim agrees to a less favorable treatment in writing, on or as soon as practicable after the Effective Date, each holder of an Allowed DIP Facility Claim shall be rolled over into the Exit Facility. Further, the Exit Facility Lenders will allow the Reorganized Debtor to make distributions to the Existing Members in an amount necessary to permit the Existing Members to pay income taxes owed by the Existing Members which result from taxable income passed through to the Existing Members notwithstanding anything in the Final DIP Order or the Cha Cha Exit Facility to the contrary.

c. *Voting:* Class 1 is Impaired and holders of Allowed Class 1 Claims may vote to accept or reject the Plan.

2. Class 2—Other Secured Claims

a. *Classification:* Class 2 consists of all Other Secured Claims.

b. *Treatment*: Except to the extent that a holder of an Allowed Other Secured Claim agrees to a less favorable treatment in writing, on or as soon as practicable after the Effective Date, at the option of the Reorganized Debtor, each holder of an Allowed Other Secured Claim shall be: (i) reinstated according to the terms of the relevant instrument or (ii) satisfied through the surrender to the holder thereof of the collateral securing such Claim.

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

3. Class 3—General Unsecured Claims

a. *Classification:* Class 3 consists of all General Unsecured Claims.

b. *Treatment:* Except to the extent that a holder of an Allowed General Unsecured Claim agrees to a less favorable treatment in

writing, on or as soon as is practicable after the Effective Date, each holder of an Allowed General Unsecured Claim shall receive the lesser of (i) the amount of such holder's Allowed GUC Claim and (ii) the amount of such holder's Pro Rata share of the GUC Note. (It is expected that holders of Class 3 General Unsecured Claims will receive any distributions on account of such Claims approximately three years after the Effective Date.)

c. *Voting:* Class 3 is Impaired, and holders of Allowed Class 3 Claims may vote to accept or reject the Plan.

d. *Subordination:* No payment in respect of the Allowed General Unsecured Claims shall be made or permitted or required to be made until repayment in full in cash of all Exit Obligations and termination of all commitments to lend under the Senior Exit Facilities, and each holder of an Allowed General Unsecured Claim shall promptly turn over any such payment received in violation of the Plan to the Exit Facility Administrative Agent prior to repayment in full in cash of the Exit Obligations and termination of all commitments to lend under the Senior Exit Facilities. Until repayment in full in cash of all Exit Obligations and termination of all commitments to lend under the Senior Exit Facilities, the terms relating to the Allowed General Unsecured Claims shall not be amended or otherwise modified without the written consent of the Exit Facility Administrative Agent. The Exit Facility Administrative Agent shall be entitled to rely on, and shall be a third party beneficiary of, the agreements set forth in the Plan.

4. Class 4—Convenience Class Claims

a. *Classification:* Class 4 consists of all Convenience Class Claims.

b. *Treatment:* Except to the extent that a holder of an Allowed Convenience Class Claim agrees to a less favorable treatment in writing, holders of Allowed Convenience Class Claims shall be paid in full on account of such claims 180 days after the Effective Date without interest.

c. *Voting:* Class 4 is Impaired, and holders of Allowed Class 4 Claims may vote to accept or reject the Plan.

5. Class 5—Interests in Cha Cha

a. *Classification:* Class 5 consists of all Interests in Cha Cha.

b. *Treatment:* Except to the extent that a holder of an Allowed Class 5 Interest agrees to a less favorable treatment in writing, all holders of Allowed Class 5 Interests shall retain their Interests in the Debtor.

c. *Voting:* Class 5 is Unimpaired, and holders of Allowed Class 5 Interests are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, holders of Allowed Class 5 Interests are not entitled to vote to accept or reject the Plan.

The impairment of creditors under the Plan is consistent with the goal of the Debtor of restructuring the Debtor's enterprise to exit bankruptcy as an entity that will be sustainable. The Debtor believes that this will be beneficial to its current and future creditors as well as, among other parties, its employees, vendors, customers, and all other contract and lease counterparties with whom the Reorganized Debtor will be doing business.

E. Special Provision Governing Vote Tabulation

Except as otherwise provided herein and the motion to approve this Disclosure Statement and its related exhibits: (i) if no holders of Claims eligible to vote in a particular Class vote to accept or reject the Plan, the Plan shall be deemed accepted by the holders of such Claims in such Class; and (ii) any Class of Claims that does not have a holder of an Allowed Claim or Allowed Interest or a Claim temporarily allowed by the Bankruptcy Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

F. Special Provision Governing Unimpaired Claims

Except as otherwise specifically provided in the Plan, nothing under the Plan shall affect the Debtor's or the Reorganized Debtor's rights in respect of any Unimpaired Claim, including all rights in respect of legal and equitable defenses to or setoffs or recoupments against the holder of any such Unimpaired Claim.

VI. MEANS FOR IMPLEMENTATION AND EXECUTION OF PLAN

A. Use of Proceeds from Exit Facility

Unless otherwise provided in the Plan, the Debtor and Reorganized Debtor, as applicable, shall use the proceeds received from the Exit Facility and other funds held by the Debtor on the Effective Date: (1) to make cash distributions required by the Plan; (2) to pay Transaction Expenses not previously paid; (3) to pay other expenses of the Chapter 11 Case, to the extent so ordered by the Bankruptcy Court; (4) for general corporate purposes; and (5) to provide the Cha

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Cha Exit Note to Mi Pueblo.[4]

B. Guaranty of Obligations Under the Senior Exit Facilities

The Reorganized Debtor shall provide a secured guaranty of the obligations incurred by Mi Pueblo under the Mi Pueblo Exit Facility. Reorganized Mi Pueblo, in turn, shall provide a secured guaranty of the obligations incurred by the Reorganized Debtor under the Exit Facility. Under the terms and conditions of the Exit Facility, the Exit Lenders will be secured by (i) a first lien on all of the assets of the Reorganized Debtor and (ii) a second lien on all of the assets of Reorganized Mi Pueblo. Under the terms and conditions of the Mi Pueblo Exit Facility, the Exit Lenders will be secured by (y) a first lien on all of the assets of Reorganized Mi Pueblo and (z) a second lien on all of the assets of the Reorganized Debtor.

C. Contribution of Transferred Cha Cha Assets to Mi Pueblo

Pursuant to the terms and conditions of the Cha Cha Transfer Agreement, as provided in the Plan, and without further Bankruptcy Court order, on the Effective Date, the Debtor or the Reorganized Debtor, as partial consideration for fifty percent of the Reorganized Mi Pueblo Equity, shall contribute or otherwise provide to Mi Pueblo or Reorganized Mi Pueblo the Transferred Cha Cha Assets, the Cha Cha Exit Note, and the Debtor's or Reorganized Debtor's share of the Mi Pueblo New Money Commitment.[5]

Except as otherwise provided in the Plan, in the Confirmation Order or in the Cha Cha Transfer Agreement, on the Effective Date, the Transferred Cha Cha Assets are anticipated to include:

(a) a loan of cash of approximately $17 million evidenced by the Cha Cha Exit Note;

(b) Cha Cha's check cashing business to Mi Pueblo;

(c) a loan of cash of approximately $2.2 million evidenced by the Cha Cha

[4] Cha Cha and Mi Pueblo reserve the right to make adjustments to the allocation of the exit financing and reorganization structure, subject to the approval of Victory Park, to minimize tax impacts.

[5] Cha Cha and Mi Pueblo reserve the right to make adjustments to the allocation of the exit financing and reorganization structure, subject to the approval of Victory Park, to minimize tax impacts.

Check Cashing Note;

(d) assume and assign to Mi Pueblo Cha Cha's leases with:

(i) Bedford Plaza Associates (20812 Hesperian Blvd., Hayward, CA);

(ii) 1630 High Street, LLC (1630 High Street, Oakland, CA);

(iii) Albertson's, LLC (320 N. Capitol Avenue, San Jose, CA);

(iv) Capitol Square Partners (2735 McKee, San Jose, CA);

(v) Overaa Associates II, LLC (2107 Solano Avenue, Vallejo, CA);

(vi) Fleming Business Park, LLC (1025 Montague Expy., Milpitas, CA);

(e) assume and assign to Mi Pueblo Cha Cha's leases/licenses for space within the various Mi Pueblo stores;

(f) release Cha Cha's claim filed in the Mi Pueblo Case in the approximate amount of $14 million; and

(g) a security interest in Cha Cha's assets for the A Notes issued under the Mi Pueblo Plan.

On the Effective Date, Mi Pueblo will assume the leases with Cha Cha as landlord for the following real properties:

(a) 40 S. Rengstorff Avenue and related 2 lots as well as 2117, 2129 and 2164 Leland Avenue, Mountain View, CA;

(b) 1745 Story Road, San Jose, CA;

(c) 1775 Story Road, Suites 120 and 170, San Jose, CA;

(d) 950 E. Alisal Street, Salinas, CA;

(e) 1437 Freedom Blvd., Watsonville, CA; and

(f) 4340 Bond Street, Oakland, CA.

Cha Cha will retain all of its real properties and the personal property not transferred to Mi Pueblo or released under the Plan.

D. <u>Confirmation of Mi Pueblo Plan</u>

Confirmation of Cha Cha's Plan is contingent on confirmation of the Mi Pueblo Plan pursuant to which Cha Cha will receive a 50% equity interest in Reorganized Mi Pueblo as well

as the Mi Pueblo Note.

E. General Settlement of Claims and Interests

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, on the Effective Date, the provisions of the Plan shall constitute a good-faith compromise and settlement of all Claims and Interests and Causes of Action resolved pursuant to the Plan.

F. Vesting of Assets in the Reorganized Debtor

Except as specifically or expressly provided in the Plan or any agreement, instrument, or other document incorporated in the Plan, on the Effective Date, all property of the Debtor's Estate, all of the Debtor's Causes of Action, and any property acquired by the Debtor pursuant to the Plan shall vest in the Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances (except for (1) Liens granted to or existing in favor of Wells Fargo Bank under or in connection with the Wells Fargo Bank Treasury Management Agreements and (2) Liens, if any, that may be specifically granted to secure the Senior Exit Facilities). On and after the Effective Date, except as otherwise specifically provided in the Plan, the Reorganized Debtor may operate its business and may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

G. Cancellation of Notes, Instruments, Certificates, and Other Documents

On the Effective Date, except as otherwise specifically provided for in the Plan (and except for (1) such Certificates, notes, or other instruments or documents evidencing indebtedness or obligations of the Debtor that are specifically Reinstated pursuant to the Plan; and (2) the Wells Fargo Bank Treasury Management Agreements): (1) the obligations of the Debtor under the DIP Facility, and any other Certificate, share, note, bond, indenture, purchase right, or other instrument or document directly or indirectly evidencing or creating any indebtedness or obligation of or ownership interest, equity, or profits interest in the Debtor or any warrants, options, or other securities exercisable or exchangeable for, or convertible into, debt, equity, ownership, or profits interests in the Debtor giving rise to any Claim or Interest, and any options,

or other securities exercisable or exchangeable for, or convertible into Interests or equity of the Debtor, shall be cancelled as to the Debtor; (2) the obligations of the Debtor under the DIP Facility shall be fully released, settled, and compromised as to the Debtor, and the Reorganized Debtor shall not have any continuing obligations thereunder except as otherwise specifically provided in the Plan; and (3) the obligations of the Debtor and the Reorganized Debtor, pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing any shares, Certificates, notes, bonds, indentures, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtor shall be fully released, settled, and compromised; provided, however, that notwithstanding Consummation or the occurrence of the Effective Date, any agreement that governs the rights of the holder of a Claim or Interest shall continue in effect solely for purposes of (1) allowing holders to receive distributions under the Plan, (2) allowing and preserving the rights of the DIP Facility Administrative Agent, as provided in the Plan.

H. Issuance of New Securities; Execution of Plan Documents

Except as otherwise specifically provided in the Plan, the Reorganized Debtor shall issue on the Effective Date all Securities, notes, instruments, Certificates, and other documents required to be issued pursuant to the Plan.

I. Post-Confirmation Property Sales

To the extent the Debtor or Reorganized Debtor, as applicable, with the consent of Victory Park, purchase or sell any property after the Confirmation Date and prior to the Effective Date, the Debtor or Reorganized Debtor, as applicable, may, with the consent of Victory Park, elect to purchase or sell such property pursuant to sections 363, 1123(a)(5)(D), 1141(c), and 1146(a) of the Bankruptcy Code.

J. Section 1146(a) Exemption

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant to the Plan, including the Cha Cha Transfer Agreement, shall not be subject to any stamp tax or similar tax to the greatest extent of applicable law applying section 1146(a) of the Bankruptcy

Code, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment. Such exemption specifically applies to the greatest extent of applicable law, without limitation, to: (1) the Restructuring Transactions; (2) the creation of any mortgage, deed of trust, Lien, or other security interest; (3) the making or assignment of any lease or sublease; (4) the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including: (a) any merger agreements; (b) agreements of consolidation, restructuring, disposition, liquidation, or dissolution; (c) deeds; (d) bills of sale; or (e) assignments executed in connection with any Restructuring Transaction occurring in accordance with the Plan.

K. Corporate Action

Each of the matters provided for by the Plan involving the corporate structure of the Debtor or corporate or related actions to be taken by or required of the Debtor or the Reorganized Debtor, whether taken prior to, as of, or after the Effective Date, shall be deemed authorized, approved, and ratified without the need for any further corporate action or without any further action by the Debtor or the Reorganized Debtor, holders of Claims or Interests, members, directors, managers, or officers of the Debtor, the Reorganized Debtor, or Victory Park, or any other Entity, as applicable, including the consummation and implementation of the Senior Exit Facilities, the grant of a security interest on account of the A Notes, the issuance of the GUC Note, the Cha Cha Check Cashing Note, and the Cha Cha Exit Note, and any intercreditor and subordination agreements with respect thereto..

L. Effectuating Documents, Further Transactions

On and after the Effective Date, the Reorganized Debtor, and its officers and members of the board of managers or members, are authorized to and may issue, execute, deliver, file, or record such contracts, Securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan and the Securities issued pursuant thereto in the

name of and on behalf of the Reorganized Debtor, without the need for any approvals, authorizations, or consents except for those expressly required pursuant to the Plan.

M. Preservation of Rights of Action

Subject to the Debtor Release, the Third Party Release, the Wells Fargo Bank Payoff Agreement, the Wells Fargo Bank Compromise Order as set forth in the Plan, unless any of the Debtor's Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Final Order, in accordance with section 1123(b) of the Bankruptcy Code, the Reorganized Debtor shall retain and may enforce all rights to commence and pursue, as appropriate, any and all of the Debtor's Causes of Action, whether arising before or after the Commencement Date, including any actions specifically enumerated in the Plan Supplement, and the Reorganized Debtor's right to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date (for the avoidance of doubt, the Debtor previously released, compromised, or settled certain of the Debtor's Causes of Action against Wells Fargo Bank and various related parties pursuant to the Wells Fargo Bank Payoff Agreement, which was approved by the Wells Fargo Bank Compromise Order, which has become a Final Order). The Reorganized Debtor may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtor. **No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any of the Causes of Action against it as any indication that the Debtor or the Reorganized Debtor will not pursue any and all of their available Causes of Action against it. The Debtor and the Reorganized Debtor expressly reserve all rights to prosecute any and all of their Causes of Action against any Entity, except as otherwise expressly provided in the Plan or a Final Order**. Unless any of the Debtor's Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Final Order, the Reorganized Debtor expressly reserves all such Causes of Action, for later adjudication, and, therefore no preclusion doctrine, including 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 Consummation.

Further, subject to the releases set forth in VIII.D and VIII.E of the Plan, the Reorganized Debtor reserves and shall retain the foregoing Debtor's 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 the Debtor may hold against an Entity shall vest in the Reorganized Debtor. The Reorganized Debtor, through its authorized agents or representatives, shall retain and may exclusively enforce any and all such Causes of Action. The Reorganized Debtor 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.

N. Avoidance Actions

Subject to the Debtor Release, the Third Party Release, the Wells Fargo Bank Payoff Agreement, and the Wells Fargo Bank Compromise Order, the Debtor and Reorganized Debtor expressly retain and preserve all Avoidance Actions.

O. Restructuring Transactions

On or prior to the Effective Date, the Debtor or the Reorganized Debtor may enter into such transactions, execute and deliver such agreements, instruments, and other documents, and take any actions as may be necessary or appropriate to effect a corporate restructuring of their respective businesses, as and to the extent provided therein, with the consent of Victory Park. The Restructuring Transactions may include one or more inter-company mergers, consolidations, amalgamations, arrangements, continuances, restructurings, conversions, dissolutions, transfers, asset sales, liquidations, or other corporate transactions as may be determined by the Debtor or the Reorganized Debtor, as applicable, and Victory Park, to be necessary or appropriate to implement the transactions provided for in the Plan. None of the Restructuring Transactions contemplated herein shall constitute a change of control under any agreement, contract, or document of the Debtor or Reorganized Debtor, as applicable. The actions to effect the

Restructuring Transactions may include: (1) the execution and delivery of appropriate agreements or other documents of merger, amalgamation, consolidation, restructuring, conversion, disposition, transfer, arrangement, continuance, dissolution, sale, purchase, or liquidation containing terms that are consistent with the terms of the Plan and that satisfy the requirements of applicable law and any other terms to which the relevant Entities agree; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan and having other terms to which the relevant Entities agree; (3) the filing of appropriate certificates of formation, merger, consolidation, conversion, amalgamation, arrangement, continuance, or dissolution pursuant to applicable state or provincial law; (4) pledging or granting of liens or security interests over, assuming or guarantying obligations of, or taking such similar actions as may be necessary to preserve the rights and collateral interests of the secured creditors of the Debtor at all times prior to the effectiveness and consummation of the Plan; (5) changes to the organizational structure of the Debtor or the Reorganized Debtor, as applicable, as determined by the Debtor or the Reorganized Debtor, as applicable, and Victory Park; and (6) all other actions that the applicable entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law in connection with the Restructuring Transactions.

P. Corporate Existence and Post-Confirmation Management

Except as otherwise specifically provided in the Plan, the Debtor shall continue to exist after the Effective Date with all the powers of a limited liability company pursuant to the laws of California, except to the extent its certificate of formation and limited liability company agreement (or other formation documents) are amended pursuant to the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and without any further notice to or action, order, or approval of the Bankruptcy Court or any other court of competent jurisdiction (other than any requisite filings required under applicable California or federal law). The Reorganized Debtor will continue to be managed by Juvenal Chavez as its managing member.

Q. Tax Reporting Matters

All Entities (including the Reorganized Debtor and holders of Claims and Interests) shall report for all federal income tax purposes in a manner consistent with the Plan.

R. Adequate Assurance Deposits

Notwithstanding anything to the contrary in the Plan or in an order previously entered by the Bankruptcy Court, unless the Debtor or Reorganized Debtor, with the consent of Victory Park, otherwise agree, all adequate assurance deposits provided by the Debtor to utility providers pursuant to the *Final Order Granting Debtor's Emergency Motion for order (A) Prohibiting Utility Companies from Altering, Refusing or Discontinuing Service, (B) Determining Adequate Assurance of Payment for Postpetition Utility Services Under 11 U.S.C. § 366, and (C) Establishing Procedures for Determining Adequate Assurance of Payment* [Docket No. 66] shall be returned to the Reorganized Debtor no later than 30 business days after the Effective Date or applied to an Administrative Claim or Claims arising post-Consummation of an Entity holding such deposit.

S. Survival of Certain Prior Order of the Bankruptcy Court

Notwithstanding anything to the contrary in the Plan or the Confirmation Order, the Wells Fargo Bank Compromise Order and the provisions thereof shall survive Confirmation and the Effective Date; provided, however, that Reorganized Cha Cha may modify its cash management system as described in the Wells Fargo Bank Compromise Order and the Wells Fargo Payoff Agreement.

VII. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Rejection of Executory Contracts and Unexpired Leases

Except as otherwise provided herein, each Executory Contract and Unexpired Lease not previously assumed shall be deemed automatically rejected pursuant to sections 365 and 1123 of the Bankruptcy Code as of the Effective Date, unless any such Executory Contract or Unexpired Lease: (1) is, with the consent of Victory Park, listed in or deemed listed in the schedule of "Assumed Executory Contracts and Unexpired Leases" in the Plan Supplement; (2) has been previously assumed by the Debtor by Final Order or has been assumed by the Debtor by order of

the Bankruptcy Court as of the Effective Date (including retroactively), which order becomes a Final Order after the Effective Date; (3) is the subject of a motion to assume or reject pending as of the Effective Date; or (4) is otherwise assumed pursuant to the terms herein.

The Confirmation Order will constitute an order of the Bankruptcy Court approving such rejections pursuant to sections 365 and 1123 of the Bankruptcy Code as of the Effective Date. Counterparties to Executory Contracts or Unexpired Leases that are deemed rejected as of the Effective Date shall have the right to assert any Claim on account of the rejection of such Executory Contracts or Unexpired Leases, including under section 502(g) of the Bankruptcy Code, subject to compliance with the requirements herein. All Executory Contracts and Unexpired Leases rejected by the Debtor on or prior to the Effective Date will not be continuing obligations of the Debtor or Reorganized Debtor.

Further, the Plan Supplement will contain a schedule of "Rejected Executory Contracts and Unexpired Leases," as may be amended from time to time with the consent of Victory Park; provided, however, that any Executory Contract and Unexpired Lease not previously assumed, assumed and assigned, or rejected by an order of the Bankruptcy Court, and not listed in or deemed listed in the schedule of "Assumed Executory Contracts and Unexpired Leases" will be rejected on the Effective Date, notwithstanding its exclusion from the schedule of "Rejected Executory Contracts and Unexpired Leases."

B. Claims Based on Rejection of Executory Contracts or Unexpired Leases

Unless otherwise provided by a Bankruptcy Court order, any Proofs of Claim asserting Claims arising from the rejection of the Executory Contracts and Unexpired Leases pursuant to the Plan or otherwise must be filed with the Bankruptcy Court no later than 30 days after the later of the Effective Date and the effective date of rejection. In addition, any objection to the rejection of an Executory Contract or Unexpired Lease must be filed with the Bankruptcy Court no later than 30 days after the later of the Effective Date and the effective date of rejection.

C. Assumption of Executory Contracts and Unexpired Leases

On the Effective Date, except as otherwise provided herein, in addition to those Executory Contracts and Unexpired Leases previously assumed by the Debtor pursuant to a Final Order (and

not otherwise subsequently rejected prior to the Effective Date), the Debtor, with the consent of Victory Park, shall assume all of the Executory Contracts and Unexpired Leases listed in or deemed listed in the schedule of "Assumed Executory Contracts and Unexpired Leases," as may be amended from time to time, in the Plan Supplement. With respect to each such Executory Contract and Unexpired Lease listed in or deemed listed in the schedule of "Assumed Executory Contracts and Unexpired Leases," the Debtor shall have designated a proposed Cure. The Confirmation Order shall constitute an order of the Bankruptcy Court approving any such assumptions pursuant to sections 365(a) and 1123 of the Bankruptcy Code.

1. Modifications, Amendments, Supplements, Restatements, or Other Agreements. Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed by the Debtor or the Reorganized Debtor shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and all rights related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated hereunder; provided, however, that any anti-assignment provision in any assumed Executory Contract and/or Unexpired Lease shall be deemed invalid for the purposes of assumption and/or assignment pursuant to section 365 of the Bankruptcy Code in this Chapter 11 Case, including assignment of any assumed Executory Contract and/or Unexpired Lease to any affiliate of the Debtor or Reorganized Debtor on or prior to the Effective Date. The Debtor and Reorganized Debtor will take all necessary or appropriate steps to comply with state liquor, pharmacy, and food sales laws and regulations, if necessary. Confirmation of the Plan and Consummation of the Restructuring Transactions shall not constitute a change of control under any Executory Contract or Unexpired Lease assumed by the Debtor on or prior to the Effective Date. Any assignment by the Reorganized Debtor of an Executory Contract or Unexpired Lease after the Effective Date shall be governed by the terms of the Executory Contract or Unexpired Lease and applicable non-bankruptcy law.

Modifications, amendments, supplements, and restatements to prepetition Executory

Contracts and Unexpired Leases that have been executed by the Debtor during this Chapter 11 Case shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

2. Proofs of Claim Based on Executory Contracts or Unexpired Leases that Have Been Assumed. Any and all Proofs of Claim based upon Executory Contracts or Unexpired Leases that have been assumed in this Chapter 11 Case, including hereunder, except Proofs of Claim asserting Cures pursuant to the order approving such assumption, including the Confirmation Order, shall be deemed disallowed as of the Effective Date without the need for any objection thereto or any further notice to or action, order, or approval of the Bankruptcy Court.

D. Objections to Assumption of Executory Contracts and Unexpired Leases Including Cure of Defaults

With respect to each of the Executory Contracts or Unexpired Leases listed in or deemed listed in the schedule of "Assumed Executory Contracts and Unexpired Leases," the Debtor shall file and serve a notice of proposed Cure on or before the Effective Date. Such Cure shall be satisfied by the Debtor or the Reorganized Debtor by payment of the Cure in Cash on the Effective Date or as soon as reasonably practicable thereafter, or on such other terms as may be ordered by the Bankruptcy Court or agreed upon by the parties to the applicable Executory Contract or Unexpired Lease without any further notice to or action, order, or approval of the Bankruptcy Court. Any provisions or terms of the 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 solely by Cure, or by an agreed-upon waiver of Cure. Nothing herein or in the Confirmation Order shall impact any unresolved Cure disputes or pending Cure objections filed by parties to Executory Contracts and Unexpired Leases that have been previously assumed by the Debtor pursuant to section 365 of the Bankruptcy Code.

Except with respect to Executory Contracts and Unexpired Leases in which the Debtor, with the consent of Victory Park, and the applicable counterparties have stipulated in writing to payment of Cure, all requests for payment of Cure that differ from the amounts proposed by the Debtor in the notice of proposed Cure filed and served in accordance with Article V.D of the Plan

(*i.e.*, Cure objections) must be filed with the Court on or before ten (10) calendar days have elapsed from the date of the filing and service of the notice of proposed Cure and set for hearing in accordance with the Local Rules of the Bankruptcy Court. In addition, any non-Cure objection to the assumption of an Executory Contract or Unexpired Lease, to be deemed timely, must be filed with the Bankruptcy Court.

Any request for payment of Cure that is not timely filed shall be disallowed automatically and forever barred, estopped, and enjoined from assertion and shall not be enforceable against the Debtor or the Reorganized Debtor, without the need for any objection by the Reorganized Debtor or any further notice to or action, order, or approval of the Bankruptcy Court, and any Cure shall be deemed fully satisfied, released, and discharged upon payment by the Debtor of the amounts listed in the Debtor's proposed Cure schedule, notwithstanding anything included in the Schedules or in any Proof of Claim to the contrary; provided, however, that nothing shall prevent the Reorganized Debtor from paying any Cure despite the failure of the relevant counterparty to file such request for payment of such Cure. The Reorganized Debtor also may settle any Cure without any further notice to or action, order, or approval of the Bankruptcy Court.

If the Debtor or Reorganized Debtor, as applicable, object to any Cure or any other matter related to assumption, the Bankruptcy Court shall determine the Allowed amount of such Cure and any related issues. If there is a dispute regarding such Cure, the ability of the Reorganized Debtor or any assignee to provide "adequate assurance of future performance" within the meaning of section 365 of the Bankruptcy Code, or any other matter pertaining to assumption, then payment of 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 Debtor or Reorganized Debtor, as applicable, and the counterparty to the Executory Contract or Unexpired Lease. Any counterparty to an Executory Contract or Unexpired Lease that fails to timely object to the proposed assumption of any Executory Contract or Unexpired Lease and associated Cure will be deemed to have consented to such assumption and Cure.

Assumption of any Executory Contract or Unexpired Lease and satisfaction of any

applicable Cure pursuant to the Plan or otherwise shall result in the full release and satisfaction of any cures, Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time prior to the effective date of assumption.

E. Preexisting Obligations to the Debtor Under Executory Contracts and Unexpired Leases

Rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of pre-existing obligations owed to the Debtor under such contracts or leases. In particular, notwithstanding any non-bankruptcy law to the contrary, the Reorganized Debtor expressly reserves and does not waive any right to receive, or any continuing obligation of a counterparty to provide, warranties or continued maintenance obligations on goods previously purchased by the contracting Debtor or Reorganized Debtor, as applicable, from counterparties to rejected or repudiated Executory Contracts.

F. Contracts and Leases Entered Into After the Commencement Date

Contracts and leases entered into after the Commencement Date by the Debtor, and any Executory Contracts and Unexpired Leases assumed by the Debtor, may be performed by the Reorganized Debtor in the ordinary course of business.

G. Reservation of Rights

Neither the exclusion nor inclusion of any contract or lease in the Plan Supplement, nor anything contained in the Plan, shall constitute an admission by the Debtor that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that any Reorganized Debtor has any liability thereunder. If there is any objection filed to the rejection of an Executory Contract or Unexpired Lease, the Debtor or Reorganized Debtor, as applicable, shall have 30 days after entry of a Final Order resolving such objection to alter their treatment of such contract or lease.

VIII. PROCEDURES FOR RESOLVING DISPUTED CLAIMS AND INTERESTS

A. Allowance of Claims and Interests

After the Effective Date, the Reorganized Debtor shall have and retain any and all rights

and defenses the Debtor had with respect to any Claim or Interest immediately prior to the Effective Date, including the Causes of Action retained pursuant to 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 the Confirmation Order), no Claim shall become an Allowed Claim unless and until (i) the Reorganized Debtor agrees that such Claim is Allowed or (ii) the Bankruptcy Court has entered a Final Order, including the Confirmation Order, in the Chapter 11 Case allowing such Claim or Interest. 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 Entities.

B. Claims and Interests Administration Responsibilities

Except as otherwise specifically provided in the Plan, after the Effective Date, the Reorganized Debtor shall have the sole authority (1) to file, withdraw, or litigate to judgment, objections to Claims or Interests, (2) to settle or compromise any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court, and (3) to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court.

C. Estimation of Claims and Interests

Before or after the Effective Date, the Debtor or Reorganized Debtor, as applicable, may (but is not required to) at any time request that the Bankruptcy Court estimate any Disputed Claim that is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any Entity previously has objected to such Claim or Interest or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Claim or Interest, including during the litigation of any objection to any Claim or Interest or during the appeal relating to such objection. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim or Interest, that estimated amount shall constitute a maximum limitation on such Claim or Interest for all purposes under the Plan (including for purposes of distributions), and the Reorganized Debtor may elect to pursue any supplemental proceedings to object to any ultimate distribution on such

Claim or Interest.

D. Expungement or Adjustment to Paid, Satisfied, or Superseded Claims and Interests

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

E. No Interest

Unless otherwise specifically provided for in the Plan (including with respect to the Allowed amount of any Claims hereunder), required under applicable bankruptcy law, or agreed to in the Confirmation Order, postpetition interest shall not accrue or be paid on Claims, and no holder of a Claim shall be entitled to interest accruing on or after the Commencement Date on any Claim or right. Additionally, and without limiting the foregoing, interest shall not accrue or be paid on any Disputed Claim with respect to the period from the Effective Date to the date a final distribution is made on account of such Disputed Claim, if and when such Disputed Claim becomes an Allowed Claim.

F. DISALLOWANCE OF CLAIMS OR INTERESTS

EXCEPT AS OTHERWISE AGREED, ANY AND ALL PROOFS OF CLAIM FILED AFTER THE APPLICABLE DEADLINE FOR FILING SUCH PROOFS OF CLAIM 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 SHALL NOT RECEIVE ANY DISTRIBUTIONS ON ACCOUNT OF SUCH CLAIMS UNDER THIS PLAN, UNLESS SUCH LATE PROOF OF CLAIM IS DEEMED TIMELY FILED BY A FINAL ORDER OF THE BANKRUPTCY COURT OR AS AGREED TO BY THE REORGANIZED DEBTOR.

All Secured Tax Claims, Other Secured Claims, Other Priority Claims, and Administrative Claims arising outside the ordinary course of the Debtor's business, of any Entity

from which property is sought by the Debtor under section 542, 543, 550, or 553 of the Bankruptcy Code or that the Debtor or the Reorganized Debtor allege 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 (1) the Bankruptcy Court has determined by Final Order that such Entity or transferee is liable to turn over any property or monies under any of the aforementioned sections of the Bankruptcy Code and (2) such Entity or transferee has failed to turn over such property by the date set forth in such agreement or Final Order.

G. Amendments to Claims

On or after the Effective Date, except as otherwise provided herein, a Claim may not be filed or amended without the authorization of the Bankruptcy Court or the Reorganized Debtor, and, to the extent such authorization is not received, any such new or amended Claim filed shall be deemed disallowed in full and expunged without any further notice to or action, order, or approval of the Bankruptcy Court, provided, that, after the Effective Date, holders of Allowed and Disputed Claims in Class 3 and Class 4 may provide updated notice and address information for distribution purposes to the Distribution Agent.

H. No Distributions Pending Allowance

No payment or distribution provided under the Plan shall be made on account of any Disputed Claim or portion thereof, as applicable, unless and until such Disputed Claim becomes an Allowed Claim.

I. Distributions After Allowance

Subject to the treatment of such Claim under the Plan, as soon as practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Distribution Agent shall provide to the holder of such Claim the distribution, if any, to which such holder is entitled under the Plan as of the Effective Date, without any interest to be paid on account of such Claim unless required under applicable bankruptcy law.

IX. PROVISIONS GOVERNING DISTRIBUTIONS

A. Distributions on Account of Claims Allowed as of the Effective Date

1. Delivery of Distributions in General. Except as otherwise provided in the

Plan, a Final Order, or as otherwise agreed to by the relevant Entities, the Distribution Agent shall make initial distributions under the Plan on account of Claims Allowed on or before the Effective Date, subject to the Reorganized Debtor's right to object to Claims; provided, however, that (a) Allowed Administrative Claims with respect to liabilities incurred by the Debtor in the ordinary course of business during the Chapter 11 Case or assumed by the Debtor prior to the Effective Date shall be paid or performed in the ordinary course of business in accordance with the terms and conditions of any controlling agreements, course of dealing, course of business, or industry practice, and (b) Allowed Priority Tax Claims and Allowed Secured Tax Claims shall be paid in full in Cash on the Distribution Date or in installment payments over a period not more than five years after the Commencement Date pursuant to section 1129(a)(9)(C) of the Bankruptcy Code. To the extent any Allowed Priority Tax Claim or Allowed Secured Tax Claim is not due and owing on the Effective Date, such Claim shall be paid in full in Cash in accordance with the terms of any agreement between the Debtor and the holder of such Claim, or as may be due and payable under applicable non-bankruptcy law or in the ordinary course of business.

2. Delivery of Distributions on account of DIP Facility Claims. The DIP Facility Administrative Agent: (a) shall be deemed to be the holder of all DIP Facility Claims, as applicable, for purposes of distributions to be made hereunder, and the Distribution Agent shall make all distributions on account of Allowed DIP Facility Claims to or on behalf of the DIP Facility Administrative Agent; (b) shall hold or direct such distributions for the benefit of the holders of Allowed DIP Facility Claims, as applicable; and (c) shall arrange to deliver such distributions to or on behalf of such holders of Allowed DIP Facility Claims; provided, however, the DIP Facility Administrative Agent shall retain all rights as administrative agent under the DIP Facility in connection with delivery of distributions to DIP Facility Lenders; and provided further, however, that the Debtor's obligations to make distributions in accordance with the Plan shall be deemed satisfied upon delivery of distributions to the DIP Facility Administrative Agent.

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 Entities (including the Debtor

or the Reorganized Debtor, as applicable, and Victory Park), distributions under the Plan on account of Disputed Claims (other than Disputed Claims in Class 3) that become Allowed after the Effective Date shall be made on the Periodic Distribution Date; provided, however, that (a) Disputed Claims that are Administrative Claims with respect to liabilities incurred by the Debtor in the ordinary course of business during the Chapter 11 Case or assumed by the Debtor on or before the Effective Date that become Allowed after the Effective Date shall be paid or performed in the ordinary course of business in accordance with the terms and conditions of any controlling agreements, course of dealing, course of business, or industry practice and (b) Disputed Claims that are Priority Tax Claims or Secured Tax Claims that become Allowed Priority Tax Claims or Allowed Secured Tax Claims after the Effective Date shall be paid in full in Cash on the Periodic Distribution Date that is at least 30 days after the Disputed Claim becomes an Allowed Claim or over a five-year period as provided in section 1129(a)(9)(C) of the Bankruptcy Code with annual interest provided by applicable non-bankruptcy law.

2. Special Rules for Distributions to Holders of Disputed Claims. Notwithstanding any provision otherwise in the Plan and except as otherwise agreed by the relevant Entities (including the Debtor or the Reorganized Debtor, as applicable, and Victory Park, as applicable), (a) 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 and (b) any Entity that holds both an Allowed Claim and a Disputed Claim shall not receive any distribution on the Allowed Claim unless and until all objections to the Disputed Claim have been resolved by settlement or Final Order or the Claims have been Allowed or expunged. All distributions made pursuant to the Plan on account of a Disputed Claim that is deemed an Allowed Claim by the Bankruptcy Court shall be made together with any dividends, payments, or other distributions made on account of, as well as any obligations arising from, the distributed property as if such Allowed Claim had been an Allowed Claim on the dates distributions were previously made to holders of Allowed Claims included in the applicable Class; provided, however, that no interest shall be paid on account of such Allowed Claims unless required under applicable bankruptcy law or specifically provided for in the Plan

(including with respect to the Allowed amount of any Claims hereunder).

C. Delivery of Distributions

1. Record Date for Distributions. On the Distribution Record Date, the Claims Register shall be closed and when making distributions on or after the Effective Date, the Distribution Agent shall be authorized and entitled to recognize only those record holders listed in the Claims Register as of the close of business on the Distribution Record Date. Notwithstanding the foregoing, if a Claim or Interest is transferred less than 20 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. Distribution Process. Except as otherwise provided herein, the Distribution Agent shall make, on and after the Effective Date, all distributions to holders of Allowed Claims required under the Plan. Except as otherwise provided in the Plan, and notwithstanding any authority to the contrary, distributions to holders of Allowed Claims shall be made, on or after the Effective Date, to holders of record as of the Distribution Record Date by the Distribution Agent: (a) to the signatory set forth on any of the Proofs of Claim filed by such holder or other representative identified therein (or at the last known addresses of such holder if no Proof of Claim is filed or if the Debtor has been notified in writing of a change of address); (b) at the addresses set forth in any written notices of address changes delivered to the Distribution Agent after the date of any related Proof of Claim; (c) in accordance with Federal Rule of Civil Procedure 4, as modified and made applicable by Bankruptcy Rule 7004 if no Proof of Claim has been filed and the Distribution Agent has not received a written notice of a change of address; (d) at the addresses reflected in the Schedules if no Proof of Claim has been filed and the Distribution Agent has not received a written notice of a change of address; or (e) on any counsel that has appeared in the Chapter 11 Case on the holder's behalf. The Debtor, the Reorganized Debtor, and the Distribution Agent, as applicable, shall not incur any liability whatsoever on account of any distributions under the Plan.

3. Compliance Matters. In connection with the Plan, to the extent applicable,

the Reorganized Debtor and the Distribution Agent shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Reorganized Debtor and the Distribution Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including 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 they believe are reasonable and appropriate. The Reorganized Debtor 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.

4. Fractional, De Minimis, Undeliverable, and Unclaimed Distributions.

a. Fractional Distributions. Notwithstanding any other provision of the Plan to the contrary, the Distribution Agent shall not be required to make distributions or payments of fractions of dollars. Whenever any payment of Cash of a fraction of a dollar pursuant to the Plan would otherwise be required, the actual payment shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars or less being rounded down.

b. De Minimis Distributions. The Distribution Agent shall not have any obligation to make a distribution on account of an Allowed Claim if the amount to be distributed to the specific holder of an Allowed Claim on the particular Periodic Distribution Date does not equal or exceed $25.00.

c. Undeliverable Distributions. If any distribution to a holder of an Allowed Claim is returned to a Distribution Agent as undeliverable, no further distributions shall be made to such holder unless and until such Distribution Agent 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; provided, however, the Distribution Agent

shall make reasonable efforts to locate the holder of such Claim. Undeliverable distributions shall remain in the possession of the Reorganized Debtor until such time as a distribution becomes deliverable, or such distribution reverts to the Reorganized Debtor or is cancelled pursuant to the Plan, and shall not be supplemented with any interest, dividends, or other accruals of any kind.

d. Reversion. Any distribution under the Plan that is an Unclaimed Distribution for a period of six months after distribution shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and such Unclaimed Distribution shall revest in the Reorganized Debtor. Upon such revesting, the Claim of any holder or its successors with respect to such property shall be cancelled, discharged, and forever barred notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws to the contrary.

5. Surrender of Cancelled Instruments or Securities. Except as otherwise specifically provided in the Plan, on the Effective Date, or as soon as reasonably practicable thereafter, each holder of a Certificate shall be deemed to have surrendered such Certificate to the Distribution Agent. Such Certificate shall be cancelled solely with respect to the Debtor, and such cancellation shall not alter the obligations or rights of any non-Debtor third parties vis-à-vis one another with respect to such Certificate. Notwithstanding that a holder of a Certificate will be deemed to have surrendered such Certificate, regardless of any actual surrender, the deemed surrender of a Certificate shall have the same effect as if such holder had actually surrendered such Certificate (including but not limited to the discharge of such holder's Claim pursuant to the Plan), and such holder shall be deemed to have relinquished all rights, Claims and interests with respect to such Certificate. Notwithstanding the foregoing paragraph, Article VII.C.5 of the Plan shall not apply to any Claims Reinstated pursuant to the terms of the Plan.

6. Lost, Stolen, Mutilated, or Destroyed Debt Securities. Any holder of Allowed Claims evidenced by a Certificate that has been lost, stolen, mutilated, or destroyed shall, in lieu of surrendering such Certificate, deliver to the Distribution Agent, an affidavit of loss acceptable to the Distribution Agent setting forth the unavailability of the Certificate, and such additional indemnity as may be required reasonably by the Distribution Agent to hold the Distribution Agent harmless from any damages, liabilities, or costs incurred in treating such

holder as a holder of an Allowed Claim. Upon compliance with this procedure by a holder of an Allowed Claim evidenced by such a lost, stolen, mutilated, or destroyed Certificate, such holder shall, for all purposes pursuant to the Plan, be deemed to have surrendered such Certificate.

D. Claims Paid or Payable by Third Parties

1. Claims Paid by Third Parties. The Distribution Agent 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 an Entity that is not a Debtor or Reorganized Debtor. To the extent a holder of a Claim receives a distribution on account of such Claim and receives payment from an Entity that is not a Debtor or a Reorganized Debtor on account of such Claim, such holder shall, no later than 15 days after receipt thereof, repay or return the distribution to the Reorganized Debtor, 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.

2. Claims Payable by Insurance Carriers. No distributions under the Plan need to be made on account of an Allowed Claim that is payable pursuant to one of the Debtor's 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 Debtor's insurers agrees to satisfy in full a Claim, then immediately upon such insurers' agreement, such Claim may be expunged to the extent of any agreed upon satisfaction on the Claims Register by the Bankruptcy Court 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 specifically 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 Debtor 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.

E. Setoffs

Except as otherwise expressly provided for in the Plan or a Final Order of the Bankruptcy Code, the Reorganized Debtor pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable non-bankruptcy law, or as may be agreed to by the holder of a Claim, may set off against any Allowed Claim and the distributions to be made pursuant to the Plan on account of such Allowed Claim (before any distribution is made on account of such Allowed Claim), any Claims, rights, and Causes of Action of any nature that the Debtor or Reorganized Debtor, as applicable, may hold against the holder of such Allowed Claim, to the extent such Claims, rights, or Causes of Action against such holder have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim pursuant to the Plan shall constitute a waiver or release by the Debtor or Reorganized Debtor of any such Claims, rights, and Causes of Action that the Debtor or Reorganized Debtor may possess against such holder. In no event shall any Holder of a Claim be entitled to set off any Claim against any Claim, right, or Cause of Action of the Debtor or the Reorganized Debtor, as applicable, unless such Holder has timely filed a Proof of Claim with the Bankruptcy Court preserving such setoff.

F. Allocation Between Principal and Accrued Interest

Except as otherwise specifically provided in the Plan, the aggregate consideration paid to holders with respect to their Allowed Claims shall be treated pursuant to the Plan as allocated first to the principal amount of such Allowed Claims (to the extent thereof) and, thereafter, to the interest, if any permitted pursuant to the Plan, accrued through the Effective Date.

X. EFFECT OF CONFIRMATION OF THE PLAN

A. DISCHARGE OF CLAIMS AND TERMINATION OF INTERESTS

EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THE PLAN AND EFFECTIVE AS OF THE EFFECTIVE DATE: (1) THE RIGHTS AFFORDED IN THE PLAN AND THE TREATMENT OF ALL CLAIMS AND INTERESTS SHALL BE IN EXCHANGE FOR AND IN COMPLETE SATISFACTION, DISCHARGE, AND RELEASE OF ALL CLAIMS AND INTERESTS OF ANY NATURE WHATSOEVER,

INCLUDING ANY INTEREST ACCRUED ON SUCH CLAIMS FROM AND AFTER THE COMMENCEMENT DATE, AGAINST THE DEBTOR OR ANY OF ITS ASSETS, PROPERTY, OR ESTATE; (2) THE PLAN SHALL BIND ALL HOLDERS OF CLAIMS AND INTERESTS, NOTWITHSTANDING WHETHER ANY SUCH HOLDERS FAILED TO VOTE TO ACCEPT OR REJECT THE PLAN, VOTED TO ACCEPT THE PLAN OR VOTED TO REJECT THE PLAN; (3) ALL CLAIMS AND INTERESTS SHALL BE SATISFIED, DISCHARGED, AND RELEASED IN FULL, AND THE DEBTOR'S LIABILITY WITH RESPECT THERETO SHALL BE EXTINGUISHED COMPLETELY, INCLUDING ANY LIABILITY OF THE KIND SPECIFIED UNDER SECTION 502(g) OF THE BANKRUPTCY CODE; AND (4) ALL ENTITIES SHALL BE PRECLUDED FROM ASSERTING AGAINST THE DEBTOR, THE DEBTOR'S ESTATE, THE REORGANIZED DEBTOR, EACH OF THEIR SUCCESSORS AND ASSIGNS, AND EACH OF THEIR ASSETS AND PROPERTIES ANY OTHER CLAIMS OR INTERESTS BASED UPON ANY DOCUMENTS, INSTRUMENTS, OR ANY ACT OR OMISSION, TRANSACTION, OR OTHER ACTIVITY OF ANY KIND OR NATURE THAT OCCURRED PRIOR TO THE EFFECTIVE DATE.

B. Subordinated Claims

The allowance, classification, and treatment of all Allowed Claims and Allowed 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 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 of the Bankruptcy Code, or otherwise, and any such rights shall be settled, compromised, and released pursuant to the Plan. Specifically, pursuant to section 510 of the Bankruptcy Code, the Reorganized Debtor reserves the right to re-classify any Allowed Claim in accordance with any contractual, legal, or equitable subordination relating thereto.

C. Compromise and Settlement of Claims and Controversies

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 or any distribution to be made on account of an Allowed Claim, the provisions of the Plan shall constitute a good faith compromise of all Claims, Interests, and controversies 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 Allowed Interest. 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, as well as a finding by the Bankruptcy Court that any such

compromise or settlement is in the best interests of the Debtor, its Estate, and holders of Claims and Interests and is fair, equitable, and reasonable. 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 Debtor may compromise and settle Claims against them and Causes of Action against other Entities.

D. RELEASES BY THE DEBTOR

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, AND PURSUANT TO SECTION 1123(b) OF THE BANKRUPTCY CODE, ON THE EFFECTIVE DATE AND EFFECTIVE AS OF THE EFFECTIVE DATE, FOR GOOD AND VALUABLE CONSIDERATION, THE ADEQUACY OF WHICH IS HEREBY CONFIRMED, INCLUDING: (1) THE SETTLEMENT, RELEASE, AND COMPROMISE OF DEBT AND ALL OTHER GOOD AND VALUABLE CONSIDERATION PAID PURSUANT HERETO; AND (2) THE SERVICES OF THE RELEASED PARTIES IN FACILITATING THE EXPEDIENT IMPLEMENTATION OF THE RESTRUCTURING TRANSACTIONS CONTEMPLATED HEREBY, EACH OF THE DEBTOR, THE REORGANIZED DEBTOR, AND THE DEBTOR'S ESTATE (INCLUDING ALL ENTITIES CLAIMING DIRECTLY, INDIRECTLY, DERIVATIVELY, OR OTHERWISE THROUGH THE DEBTOR OR THE REORGANIZED DEBTOR OR ITS ESTATE) AND ITS AFFILIATES DISCHARGE AND RELEASE AND SHALL BE DEEMED TO HAVE PROVIDED A FULL DISCHARGE AND RELEASE TO EACH RELEASED PARTY AND THEIR RESPECTIVE PROPERTY (THE "DEBTOR RELEASE") FROM ANY AND ALL CLAIMS, OBLIGATIONS, DEBTS, RIGHTS, SUITS, DAMAGES, REMEDIES, RIGHTS OF SETOFF, CAUSES OF ACTION, AND LIABILITIES WHATSOEVER (INCLUDING ANY DIRECT, INDIRECT, DERIVATIVE, OR OTHER CLAIMS ASSERTED ON BEHALF OF THE DEBTOR) WHETHER KNOWN OR UNKNOWN, MATURED OR UNMATURED, FORESEEN OR UNFORESEEN, LIQUIDATED OR UNLIQUIDATED, CONTINGENT OR NON-CONTINGENT, EXISTING AS OF THE EFFECTIVE DATE IN LAW, EQUITY, OR OTHERWISE, WHETHER FOR TORT, CONTRACT VIOLATIONS OF FEDERAL OR STATE SECURITIES LAWS, OR OTHERWISE, ARISING FROM OR RELATED IN ANY WAY TO THE DEBTOR, THE RESTRUCTURING TRANSACTIONS, THE CHAPTER 11 CASE, THE ISSUANCE OF ANY SECURITY AND MEMBERSHIP INTEREST OF THE DEBTOR, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM OR INTEREST THAT IS TREATED IN THE PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN THE DEBTOR, ANY RELEASED PARTIES, THE RESTRUCTURING OF CLAIMS AND INTERESTS PRIOR TO OR IN THE CHAPTER 11 CASE, THE NEGOTIATION, FORMULATION OR PREPARATION OF THE PLAN, THE DISCLOSURE STATEMENT, THE PLAN SUPPLEMENT, OR RELATED AGREEMENTS, INSTRUMENTS, OR OTHER DOCUMENTS, UPON ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE TAKING PLACE ON OR BEFORE THE EFFECTIVE DATE, INCLUDING THOSE THAT THE DEBTOR WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT IN THEIR OWN RIGHT OR THAT ANY HOLDER OF A CLAIM OR AN INTEREST OR OTHER ENTITY WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT ON BEHALF OF THE DEBTOR OR ITS ESTATE; PROVIDED, HOWEVER, THAT THE FOREGOING DEBTOR RELEASE SHALL NOT

OPERATE TO WAIVE OR RELEASE ANY CLAIMS OR LIABILITIES OF THE DEBTOR: (1) ARISING UNDER ANY CONTRACTUAL OBLIGATION OWED TO THE DEBTOR, INCLUDING UNDER THE EXIT FACILITY OR (2) EXPRESSLY SET FORTH IN AND PRESERVED BY THE PLAN, THE PLAN SUPPLEMENT, OR RELATED DOCUMENTS. NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, THE PLAN DOES NOT RELEASE ANY CAUSES OF ACTION THAT THE DEBTOR OR THE REORGANIZED DEBTOR HAVE OR MAY HAVE NOW OR IN THE FUTURE AGAINST ANY ENTITY (INCLUDING, BUT NOT LIMITED TO, A RELEASED PARTY) ARISING OUT OF OR RELATING TO ANY ACT OR OMISSION OF A RELEASED PARTY THAT CONSTITUTES WILLFUL MISCONDUCT OR GROSS NEGLIGENCE, EACH AS DETERMINED BY A FINAL ORDER OF THE BANKRUPTCY COURT.

THE DEBTOR, REORGANIZED DEBTOR, AND THE DEBTOR'S ESTATE (INCLUDING ALL ENTITIES CLAIMING DIRECTLY, INDIRECTLY, DERIVATIVELY, OR OTHERWISE THROUGH THE DEBTOR OR THE REORGANIZED DEBTOR OR ITS ESTATE) FURTHER ACKNOWLEDGE AND AGREE THAT THE FOREGOING RELEASE OF CLAIMS INCLUDES THE RELEASE OF ANY UNKNOWN CLAIMS AGAINST THE RELEASED PARTIES. THE DEBTOR RELEASE IS A FULL AND FINAL RELEASE OF ANY AND ALL SUCH, CLAIMS AND THE RELEASE PARTIES EXPRESSLY WAIVE, AS TO SUCH CLAIMS, THE BENEFITS OF SECTION 1542 OF CALIFORNIA CIVIL CODE (OR ANY SIMILAR LAW IN ANY OTHER STATE), WHICH PROVIDES:

> **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.**

ENTRY OF THE CONFIRMATION ORDER SHALL CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019, OF THE DEBTOR RELEASE, WHICH INCLUDES BY REFERENCE EACH OF THE RELATED PROVISIONS AND DEFINITIONS CONTAINED HEREIN, AND FURTHER, SHALL CONSTITUTE THE BANKRUPTCY COURT'S FINDING THAT THE DEBTOR RELEASE IS: (1) IN EXCHANGE FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY THE RELEASING PARTIES; (2) A GOOD FAITH SETTLEMENT AND COMPROMISE OF THE CLAIMS RELEASED BY THE DEBTOR RELEASE; (3) IN THE BEST INTERESTS OF THE DEBTOR AND ALL HOLDERS OF CLAIMS AND INTERESTS; (4) FAIR, EQUITABLE, AND REASONABLE; (5) GIVEN AND MADE AFTER DUE NOTICE AND OPPORTUNITY FOR HEARING; AND (6) A BAR TO THE DEBTOR OR THE REORGANIZED DEBTOR ASSERTING ANY CLAIM OR CAUSE OF ACTION RELEASED PURSUANT TO THE DEBTOR RELEASE.

E. RELEASES BY HOLDERS OF CLAIMS

The Plan provides that any holder of an Allowed Claim in any Voting Class consents to provide and does provide a discharge and release in accordance with the Third Party Release provision if such holder (a) submits its Ballot in compliance with the Solicitation Procedures Order and votes to accept the Plan or (b) abstains from voting on the Plan and does not submit its Ballot in compliance with the Solicitation Procedures Order and opt-out of the Third Party

Release.

Any holder of an Allowed Claim in any Voting Class that does not want to consent or be deemed to consent to the Third Party Release, must submits its Ballot in compliance with the Solicitation Procedures Order and (a) vote to reject the Plan or (b) abstain from voting on the Plan and opt-out of the Third Party Release.

The Third Party Release is a discharge and release of the claims, interests, obligations, debts, rights, suits, damages, remedies, causes of action, and liabilities whatsoever described in the Third Party Release against (a) the Reorganized Debtor, its estate, its property, and the Debtor's and the Reorganized Debtor's current and former Affiliates (as defined in section 101(2) of the Bankruptcy Code), subsidiaries, officers, directors, principals, partners, members, managers, employees, agents, financial and other advisors, attorneys, accountants, investment bankers, consultants, representatives, and other Professionals (as defined in the Plan); (b) the Existing Members (as defined in the Plan); (c) the DIP Facility Lenders and the DIP Facility Administrative Agent (as defined in the Plan); (d) the Exit Facility Lenders and the Exit Facility Administrative Agent (as defined in the Plan); (e) Mi Pueblo; and (f) with respect to each of the foregoing Entities in clauses (b) through (e), their respective current and former parents, Affiliates, subsidiaries, officers, directors, principals, employees, members, managers, agents, partners, professionals, financial and other advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, in their capacities as such.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, ON THE EFFECTIVE DATE AND AS OF THE EFFECTIVE DATE, THE RELEASING PARTIES DISCHARGE AND RELEASE (AND EACH ENTITY SO DISCHARGED AND RELEASED SHALL BE DEEMED DISCHARGED AND RELEASED BY THE RELEASING PARTIES) (THE "THIRD PARTY RELEASE") THE REORGANIZED DEBTOR, ITS ESTATE, ITS PROPERTY, AND THE RELEASED PARTIES AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS AND THEIR RESPECTIVE PROPERTY FROM ANY AND ALL CLAIMS, INTERESTS, OBLIGATIONS, DEBTS, RIGHTS, SUITS, DAMAGES, REMEDIES, CAUSES OF ACTION, AND LIABILITIES WHATSOEVER, INCLUDING ANY DIRECT, INDIRECT, DERIVATIVE, OR OTHER CLAIMS ASSERTED ON BEHALF OF THE RELEASING PARTY, WHETHER KNOWN OR UNKNOWN, MATURED OR UNMATURED, FORESEEN OR UNFORESEEN, EXISTING OR HEREINAFTER ARISING, IN LAW, EQUITY, OR OTHERWISE, WHETHER FOR TORT, CONTRACT, VIOLATION OF FEDERAL OR STATE SECURITIES LAW OR OTHERWISE, ARISING FROM OR RELATED IN ANY WAY TO THE DEBTOR, THE RESTRUCTURING TRANSACTIONS, THE CHAPTER 11 CASE, THE ISSUANCE OF ANY SECURITY

AND MEMBERSHIP INTEREST OF THE DEBTOR, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM OR INTEREST THAT IS TREATED IN THE PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN THE DEBTOR, ANY RELEASED PARTIES, THE RESTRUCTURING OF CLAIMS AND INTERESTS PRIOR TO OR IN THE CHAPTER 11 CASE, THE NEGOTIATION, FORMULATION OR PREPARATION OF THE PLAN, THE DISCLOSURE STATEMENT, THE PLAN SUPPLEMENT, OR RELATED AGREEMENTS, INSTRUMENTS, OR OTHER DOCUMENTS, UPON ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE TAKING PLACE ON OR BEFORE THE EFFECTIVE DATE, INCLUDING THOSE THAT THE DEBTOR WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT IN ITS OWN RIGHT (WHETHER INDIVIDUALLY OR COLLECTIVELY) OR THAT ANY HOLDER OF A CLAIM OR AN INTEREST OR OTHER ENTITY WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT ON BEHALF OF ITSELF, THE DEBTOR, OR ITS ESTATE; PROVIDED, HOWEVER, THAT THE FOREGOING THIRD PARTY RELEASE SHALL NOT OPERATE TO RELEASE CLAIMS, OBLIGATIONS, DEBTS, RIGHTS, SUITS, DAMAGES, REMEDIES, CAUSES OF ACTION, AND LIABILITIES OF ANY RELEASING PARTY: (1) AGAINST A RELEASING PARTY OR AN ENTITY RELEASING UNDER THIS THIRD PARTY RELEASE ARISING FROM ANY CONTRACTUAL OBLIGATIONS OWED TO THE RELEASING PARTY OR LIABILITIES OF ANY RELEASING PARTY; (2) EXPRESSLY SET FORTH IN AND PRESERVED BY THE PLAN, THE PLAN SUPPLEMENT, OR RELATED DOCUMENTS; (3) AGAINST A PROFESSIONAL WITH RESPECT TO SUCH PROFESSIONAL'S FINAL FEE APPLICATION OR ACCRUED PROFESSIONAL COMPENSATION CLAIMS IN THIS CHAPTER 11 CASE; OR (D) UNDER ANY EXECUTORY CONTRACT OR UNEXPIRED LEASE THAT IS ASSUMED BY THE DEBTOR IN ACCORDANCE WITH SECTION 365 OF THE BANKRUPTCY CODE. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE RELEASES SET FORTH ABOVE DO NOT RELEASE ANY POST-EFFECTIVE DATE OBLIGATIONS OF ANY ENTITY UNDER THE PLAN OR ANY DOCUMENT, INSTRUMENT, OR AGREEMENT (INCLUDING THOSE SET FORTH IN THE PLAN SUPPLEMENT) EXECUTED TO IMPLEMENT THE PLAN. FOR THE AVOIDANCE OF DOUBT, NOTHING IN THIS PARAGRAPH SHALL IN ANY WAY AFFECT THE OPERATION OF ARTICLE VIII.A OF THE PLAN, PURSUANT TO SECTION 1141(d) OF THE BANKRUPTCY CODE.

THE RELEASING PARTIES FURTHER ACKNOWLEDGE AND AGREE THAT THE FOREGOING RELEASE OF CLAIMS INCLUDES THE RELEASE OF ANY UNKNOWN CLAIMS AGAINST THE RELEASED PARTIES. THE THIRD PARTY RELEASE IS A FULL AND FINAL RELEASE OF ANY AND ALL SUCH, CLAIMS AND THE RELEASE PARTIES EXPRESSLY WAIVE, AS TO SUCH CLAIMS, THE BENEFITS OF SECTION 1542 OF CALIFORNIA CIVIL CODE (OR ANY SIMILAR LAW IN ANY OTHER STATE), WHICH PROVIDES:

> **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.**

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, THE PLAN DOES NOT RELEASE ANY CAUSES OF ACTION THAT THE DEBTOR OR THE REORGANIZED DEBTOR HAVE OR MAY HAVE NOW OR IN THE FUTURE AGAINST ANY ENTITY (INCLUDING A RELEASED PARTY) ARISING OUT OF OR RELATING TO ANY ACT OR OMISSION OF A RELEASED

PARTY THAT CONSTITUTES WILLFUL MISCONDUCT OR GROSS NEGLIGENCE, EACH AS DETERMINED BY A FINAL ORDER OF THE BANKRUPTCY COURT.

ENTRY OF THE CONFIRMATION ORDER SHALL CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019, OF THE THIRD PARTY RELEASE, WHICH INCLUDES BY REFERENCE EACH OF THE RELATED PROVISIONS AND DEFINITIONS CONTAINED HEREIN, AND FURTHER, SHALL CONSTITUTE THE BANKRUPTCY COURT'S FINDING THAT THE THIRD PARTY RELEASE IS: (1) IN EXCHANGE FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY THE RELEASING PARTIES; (2) A GOOD FAITH SETTLEMENT AND COMPROMISE OF THE CLAIMS RELEASED BY THE THIRD PARTY RELEASE; (3) IN THE BEST INTERESTS OF THE DEBTOR AND HOLDERS OF CLAIMS AND INTERESTS; (4) FAIR, EQUITABLE, AND REASONABLE; (5) GIVEN AND MADE AFTER DUE NOTICE AND OPPORTUNITY FOR HEARING; AND (6) A BAR TO ANY RELEASING PARTIES ASSERTING ANY CLAIM OR CAUSE OF ACTION RELEASED PURSUANT TO THE THIRD PARTY RELEASE.

F. WAIVER OF STATUTORY LIMITATIONS ON RELEASES

EACH OF THE RELEASING PARTIES IN EACH OF THE RELEASES CONTAINED IN ARTICLE VIII.D AND ARTICLE VIII.E OF THE PLAN EXPRESSLY ACKNOWLEDGES THAT ALTHOUGH ORDINARILY A GENERAL RELEASE MAY NOT EXTEND TO CLAIMS THAT THE RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR, WHICH IF KNOWN BY IT MAY HAVE MATERIALLY AFFECTED ITS SETTLEMENT WITH THE ENTITY RELEASED, THEY HAVE CAREFULLY CONSIDERED AND TAKEN INTO ACCOUNT IN DETERMINING TO ENTER INTO THE ABOVE RELEASES THE POSSIBLE EXISTENCE OF SUCH UNKNOWN LOSSES OR CLAIMS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EACH RELEASING PARTY EXPRESSLY WAIVES ANY AND ALL RIGHTS CONFERRED UPON IT BY ANY STATUTE OR RULE OF LAW THAT PROVIDES THAT A RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CLAIMANT DOES NOT KNOW OR SUSPECT TO EXIST IN ITS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY IT MAY HAVE MATERIALLY AFFECTED ITS SETTLEMENT WITH THE RELEASED PARTY, INCLUDING, WITHOUT LIMITATION, THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542. THE RELEASES CONTAINED IN ARTICLE VIII.D AND ARTICLE VIII.E OF THE PLAN ARE EFFECTIVE REGARDLESS OF WHETHER THOSE RELEASED MATTERS ARE PRESENTLY KNOWN, UNKNOWN, SUSPECTED OR UNSUSPECTED, FORESEEN OR UNFORESEEN.

G. EXCULPATION

THE EXCULPATED PARTIES SHALL NEITHER HAVE NOR INCUR ANY LIABILITY TO ANY ENTITY FOR ANY ACT TAKEN OR OMITTED TO BE TAKEN IN CONNECTION WITH OR RELATED TO FORMULATING, NEGOTIATING, PREPARING, DISSEMINATING, IMPLEMENTING, ADMINISTERING, CONFIRMING, OR EFFECTING THE EFFECTIVE DATE OF THE PLAN, THE DISCLOSURE STATEMENT, THE RESTRUCTURING TRANSACTIONS, OR ANY CONTRACT, INSTRUMENT, RELEASE, OR OTHER AGREEMENT OR DOCUMENT CREATED OR ENTERED INTO IN CONNECTION WITH THE PLAN OR ANY OTHER PREPETITION OR POSTPETITION ACT TAKEN OR OMITTED TO BE TAKEN IN CONNECTION WITH OR IN CONTEMPLATION OF THE PLAN OR THE RESTRUCTURING OF THE DEBTOR (COLLECTIVELY, "EXCULPATED CLAIMS");

PROVIDED THAT THE FOREGOING PROVISIONS OF THIS EXCULPATION SHALL HAVE NO EFFECT ON (A) ANY POST-EFFECTIVE DATE OBLIGATIONS OF ANY ENTITY UNDER THE PLAN OR ANY DOCUMENT, INSTRUMENT, OR AGREEMENT (INCLUDING THOSE SET FORTH IN THE PLAN SUPPLEMENT) EXECUTED TO IMPLEMENT THE PLAN, (B) THE LIABILITY OF ANY ENTITY THAT RESULTS FROM ANY SUCH ACT OR OMISSION THAT IS DETERMINED IN A FINAL ORDER TO HAVE CONSTITUTED GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, OR (C) CLAIMS UNDER ANY EXECUTORY CONTRACT OR UNEXPIRED LEASE THAT IS ASSUMED BY THE DEBTOR IN ACCORDANCE WITH SECTION 365 OF THE BANKRUPTCY CODE; PROVIDED, FURTHER, THAT EACH EXCULPATED PARTY SHALL BE ENTITLED TO RELY UPON THE ADVICE OF COUNSEL CONCERNING HIS, HER, OR ITS DUTIES PURSUANT TO, OR IN CONNECTION WITH, THE PLAN; PROVIDED FURTHER, THAT THE FOREGOING "EXCULPATION" SHALL NOT APPLY TO ANY ACTS OR OMISSIONS EXPRESSLY SET FORTH IN AND PRESERVED BY THE PLAN, THE PLAN SUPPLEMENT OR RELATED DOCUMENTS, EXCEPT FOR ACTS OR OMISSIONS OF RELEASING PARTIES.

H. INJUNCTION

EXCEPT AS OTHERWISE PROVIDED IN THE PLAN OR THE CONFIRMATION ORDER, ALL ENTITIES WHO HAVE HELD, HOLD, OR MAY HOLD CLAIMS, INTERESTS, CAUSES OF ACTION, OR LIABILITIES THAT: (1) ARE SUBJECT TO COMPROMISE AND SETTLEMENT PURSUANT TO THE TERMS OF THE PLAN; (2) HAVE BEEN RELEASED PURSUANT TO ARTICLE VIII.D OF THE PLAN; (3) HAVE BEEN RELEASED PURSUANT TO ARTICLE VIII.E OF THE PLAN; (4) ARE SUBJECT TO EXCULPATION PURSUANT TO ARTICLE VIII.G OF THE PLAN, INCLUDING EXCULPATED CLAIMS (BUT ONLY TO THE EXTENT OF THE EXCULPATION PROVIDED IN ARTICLE VIII.E OF THE PLAN); OR (5) ARE OTHERWISE STAYED OR TERMINATED PURSUANT TO THE TERMS OF THE PLAN, ARE PERMANENTLY ENJOINED AND PRECLUDED, FROM AND AFTER THE EFFECTIVE DATE, FROM: (A) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND, INCLUDING ON ACCOUNT OF ANY CLAIMS, INTERESTS, CAUSES OF ACTIONS, OR LIABILITIES THAT HAVE BEEN COMPROMISED OR SETTLED AGAINST THE DEBTOR, THE REORGANIZED DEBTOR, OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR ESTATE OF ANY ENTITY, DIRECTLY OR INDIRECTLY, SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, INTERESTS, CAUSES OF ACTION, OR LIABILITIES; (B) ENFORCING, ATTACHING, COLLECTING, OR RECOVERING BY ANY MANNER OR MEANS ANY JUDGMENT, AWARD, DECREE, OR ORDER AGAINST THE DEBTOR, THE REORGANIZED DEBTOR, OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR ESTATE OF THE DEBTOR, THE REORGANIZED DEBTOR, OR ANY ENTITY SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, INTERESTS, CAUSES OF ACTION, OR LIABILITIES; (C) CREATING, PERFECTING, OR ENFORCING ANY LIEN, CLAIM, OR ENCUMBRANCE OF ANY KIND AGAINST THE DEBTOR, THE REORGANIZED DEBTOR, OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR ESTATE OF THE DEBTOR, THE REORGANIZED DEBTOR, OR ANY ENTITY SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION, OR LIABILITIES; (D)

ASSERTING ANY RIGHT OF SETOFF, SUBROGATION, OR RECOUPMENT OF ANY KIND AGAINST ANY OBLIGATION DUE FROM THE DEBTOR, THE REORGANIZED DEBTOR, OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR ESTATE OF THE DEBTOR, THE REORGANIZED DEBTOR, OR ANY ENTITY SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, INTERESTS, CAUSES OF ACTION, OR LIABILITIES UNLESS SUCH HOLDER HAS FILED A TIMELY PROOF OF CLAIM WITH THE BANKRUPTCY COURT PRESERVING SUCH RIGHT OF SETOFF PURSUANT TO SECTION 553 OF THE BANKRUPTCY CODE OR OTHERWISE; AND (E) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND AGAINST THE DEBTOR, THE REORGANIZED DEBTOR, VICTORY PARK, OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR ESTATE OF THE DEBTOR, THE REORGANIZED DEBTOR, OR ANY ENTITY SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, INTERESTS, CAUSES OF ACTION, OR LIABILITIES RELEASED, SETTLED, OR COMPROMISED PURSUANT TO THE PLAN; PROVIDED THAT NOTHING CONTAINED HEREIN SHALL PRECLUDE AN ENTITY FROM OBTAINING BENEFITS DIRECTLY AND EXPRESSLY PROVIDED TO SUCH ENTITY PURSUANT TO THE TERMS OF THE PLAN.

I. Protection Against Discriminatory Treatment

Consistent with section 525 of the Bankruptcy Code and paragraph 2 of Article VI of the United States Constitution, no Governmental Unit shall discriminate against the Reorganized Debtor or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Debtor, or another Entity with whom the Reorganized Debtor has been associated, solely because the Debtor has been a debtor under chapter 11, has been insolvent before the commencement of the Chapter 11 Case (or during the Chapter 11 Case but before the Debtor is granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Case.

J. Recoupment

In no event shall any holder of Claims or Interests be entitled to recoup any Claim or Interest against any Claim, right, or Cause of Action of the Debtor or the Reorganized Debtor, as applicable, unless such holder actually has performed such recoupment and provided notice thereof in writing to the Debtor on or before the Effective Date, notwithstanding any indication in any Proof of Claim or Interest or otherwise that such holder asserts, has, or intends to preserve any right of recoupment.

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K. Release of Liens

Except as otherwise provided in the Plan or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estate 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 Debtor and its successors and assigns.

L. Provisions Related to Fleming Business Park, LLC

Notwithstanding anything to the contrary in the Plan or the Confirmation Order: (a) with respect to the lease and sublease between Fleming Business Park, LLC as lessor, Cha Cha as lessee, and Mi Pueblo as sublessee for the property in Milpitas, California (or such other relationship as may result from the proposed assumption and assignment of the lease from Cha Cha to Mi Pueblo or NewCo) any lien of any Entity shall be limited to the proceeds, if any, of the prospective assignment or other disposition of such lease or sublease, and no Entity shall have any lien on such lease or the subject real property; (b) Fleming Business Park, LLC is not a Releasing Party and is not granting the Third Party Release; (c) the recoupment and setoff rights of Fleming Business Park, LLC are not impaired or affected.

XI. CONDITIONS PRECEDENT TO CONSUMMATION OF THE PLAN

A. Conditions Precedent to the Effective Date

It shall be a condition to the Effective Date that the following conditions shall have been satisfied or waived pursuant to XI.B of the Plan:

1. the Bankruptcy Court shall have approved the Disclosure Statement, in a manner acceptable to the Debtor and Victory Park, as containing adequate information with respect to the Plan within the meaning of section 1125 of the Bankruptcy Code and such order shall be in full force and effect and shall have become a Final Order;

2. the Confirmation Order: (a) shall be entered by the Bankruptcy Court on or before May 30, 2014 (as such date may be extended with the consent of the Debtor and Victory Park); and (b) shall be in full force and effect and, unless waived by the Debtor and Victory Park,

shall have become a Final Order;

3. the Plan and Plan Supplement, including any amendments, modifications, or supplements thereto, shall be in form and substance acceptable to the Debtor and Victory Park and shall not have been modified without the consent of Victory Park;

4. the Transaction Expenses, to the extent not previously paid, shall be paid concurrently with the Effective Date in Cash;

5. the transfer of the Transferred Cha Cha Assets from Cha Cha to Mi Pueblo shall have been completed or shall be completed concurrently with the Effective Date;

6. the Restructuring Transactions shall have been consummated;

7. the Debtor shall have obtained the Exit Facility on terms as provided in the Plan, and on terms and conditions acceptable to the Debtor and Victory Park, and all conditions precedent to the consummation of the Exit Facility shall have been waived or satisfied in accordance with the terms thereof and the closing of the Exit Facility shall occur concurrently with the Effective Date; and

8. with respect to all actions, documents, Certificates, and agreements necessary to implement the Plan (a) all conditions precedent to such documents and agreements shall have been satisfied or waived pursuant to the terms of such documents or agreements, (b) such documents, Certificates, and agreements shall have been tendered for delivery, (c) to the extent required, such documents, Certificates, and agreements shall have been filed with and approved by any applicable Governmental Units in accordance with applicable laws, and (d) such actions, documents, Certificates and agreements shall have been effected or executed.

B. Waiver of Conditions Precedent

The Debtor and Victory Park may jointly waive any of the conditions to the Effective Date set forth in Article IX of the Plan at any time without any notice to other Entities 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 or consummate the Plan.

C. Effect of Non-Occurrence of Conditions to Consummation

If prior to Consummation, the Confirmation Order is vacated pursuant to a Final Order,

then except as provided in any order of the Bankruptcy Court vacating the Confirmation Order, the Plan will be null and void in all respects, and nothing contained in the Plan or Disclosure Statement shall (1) constitute a waiver or release of any Claims, Interests, or Causes of Action, (2) prejudice in any manner the rights of the Debtor or any other Entity, or (3) constitute an admission, acknowledgment, offer, or undertaking of any sort by the Debtor or any other Entity.

XII. 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 Interests;

2. decide and resolve all matters related to the granting and denying, in whole or in part, of any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or the Plan; provided, however, that from and after the Effective Date, the payment of the fees and expenses of any professionals of the Reorganized Debtor shall be made in the ordinary course of business and shall not be subject to Bankruptcy Court review or approval;

3. resolve any matters related to Executory Contracts or Unexpired Leases, including: (a) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which the Debtor is party or with respect to which the Debtor may be liable, and to hear, determine, and, if necessary, liquidate, any Cure or Claims arising therefrom, including pursuant to section 365 of the Bankruptcy Code; (b) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed; (c) the Reorganized Debtor's amendment, modification, or supplement, after the Effective Date, pursuant to the Plan, of the list of Executory Contracts and Unexpired Leases to be assumed or rejected or otherwise; and (d) any

dispute regarding whether a contract or lease is or was executory or expired;

4. resolve any matters related to the transfer of the Transferred Cha Cha Assets;

5. ensure that distributions to holders of Allowed Claims are accomplished pursuant to the provisions of the Plan and adjudicate any and all disputes arising from or relating to distributions under the Plan;

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

7. adjudicate, decide, or resolve any and all matters related to Causes of Action of the Debtor or brought by or against the Reorganized Debtor;

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

9. 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, the Plan Supplement, or the Disclosure Statement;

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

11. grant any consensual request to extend the deadline for assuming or rejecting Unexpired Leases to the extent such request is in accordance with section 365(d)(4) of the Bankruptcy Code;

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

13. enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of all contracts, instruments, releases, indentures, and other agreements or documents approved by Final Order in the Chapter 11 Case;

14. 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 Consummation or enforcement of the Plan;

15. resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the releases, exculpation, injunctions, and other provisions contained in the Plan above and enter such orders as may be necessary or appropriate to implement such releases, exculpation, injunctions, and other provisions, including the Debtor Release and the Third Party Release;

16. 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 for amounts not timely repaid pursuant to the Plan;

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

18. 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;

19. enter an order or Final Decree concluding or closing the Chapter 11 Case;

20. 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;

21. determine requests for the payment of Claims and Interests entitled to priority pursuant to section 507 of the Bankruptcy Code;

22. 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;

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

24. hear and determine all disputes involving the existence, nature, or scope of the Debtor's discharge;

25. except as otherwise limited herein, recover all assets of the Debtor and property of the Estate, wherever located;

26. enforce all orders previously entered by the Bankruptcy Court; and

27. hear any other matter not inconsistent with the Bankruptcy Code.

XIII. MISCELLANEOUS PROVISIONS

A. No Stay of Confirmation Order

The Confirmation Order shall contain a waiver of any stay of enforcement otherwise applicable, including pursuant to Bankruptcy Rules 3020(e), 6004(h), 6006(d), and 7062.

B. Modification of Plan

Subject to the limitations contained in the Plan: (1) the Debtor 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 Debtor or the Reorganized Debtor, as the case may be, may, with the consent of Victory Park and 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.

C. Revocation or Withdrawal of Plan

The Debtor reserves the right, to revoke or withdraw the Plan before the Confirmation Date and to file subsequent chapter 11 plans. If the Debtor revokes or withdraws the Plan, or if Confirmation, Consummation 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 Unexpired Leases effected by the Plan, and any document or agreement executed pursuant hereto will be null and void in all respects, and (3) nothing contained in the Plan shall (a) constitute a waiver or release of any Claims, Interests, or Causes of Action, (b) prejudice in any manner the rights of any Debtor or any other Entity, or (c) constitute an admission, acknowledgement, offer, or undertaking of any sort by the Debtor or any other Entity.

D. Confirmation of the Plan

The Debtor requests Confirmation of the Plan under section 1129(b) of the Bankruptcy

Code with respect to any Impaired Class that does not accept the Plan pursuant to section 1126 of the Bankruptcy Code. The Debtor reserves the right to amend the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification.

E. Additional Documents

On or before the Effective Date, the Debtor, with the consent of Victory Park, 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 Debtor or the Reorganized Debtor, as applicable, with the consent of Victory Park, and all holders of Claims receiving distributions pursuant to the Plan and all other Entities 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.

F. Payment of Statutory Fees and Filing of Post-Confirmation Quarterly Reports

All fees payable pursuant to 28 U.S.C. § 1930(a), as defined by the Bankruptcy Court at a hearing pursuant to section 1128 of the Bankruptcy Code, shall be paid for each quarter (including any fraction thereof) until the Chapter 11 Case is converted, dismissed, or closed, whichever occurs first. As soon as practicable after the end of the first full calendar quarter beginning after the entry of the Confirmation Order, the Reorganized Debtor shall file a post-Confirmation status report that: (1) explains the progress made toward substantial consummation of the Plan; (2) includes a statement of receipts and disbursements, with the ending cash balance, for the such period beginning during the week that the Confirmation Order was entered through the end of such first full calendar quarter; and (3) includes information sufficiently comprehensive to enable the Bankruptcy Court to determine (a) whether the Confirmation Order has become a Final Order, (b) whether deposits, if any, required under the Plan have been distributed, (c) whether any property proposed by the Plan to be transferred has been transferred, (d) whether the Reorganized Debtor has assumed the business or management of the property dealt with by the Plan, (e) whether payments under the Plan have commenced, (f) whether accrued fees due to the United States Trustee under 28 U.S.C. §1930(a)(6) have been paid, and

(g) whether all motions, contested matters, and adversary proceeding have been finally resolved. Further reports shall be filed every approximately ninety (90) days thereafter until the entry of a final decree to the extent required by applicable law, unless otherwise ordered by the Court. A copy of each such report shall be served, no later than the day upon which it is filed with the Bankruptcy Court, upon the United States Trustee and such other Entities who request in writing that such reports be served to such Entities by special notice filed with the Bankruptcy Court before the filing of such report. Failure to timely file any required reports may constitute a ground for the bringing of a motion to convert or dismiss the Chapter 11 Case, whichever is in the best interest of the creditors and the estate, pursuant to Section 1112(b) of the Code; provided that all Entities reserve all of their rights to oppose any such motion. The Debtor or Reorganized Debtor will timely file any post-Confirmation quarterly reports in the form prescribed by the United States Trustee to the extent required by applicable law.

G. Reservation of Rights

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order. None of the filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by any Debtor with respect to the Plan, the Disclosure Statement, or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of the Debtor with respect to the holders of Claims or Interests prior to the Effective Date.

H. Successors and Assigns

The rights, benefits, and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, affiliate, officer, director, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

I. Service of Documents

After the Effective Date, any pleading, notice, or other document required by the Plan to be served on or delivered to the Reorganized Debtor shall be served on:

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Debtor	Counsel to the Debtor
CHA CHA ENTERPRISES, LLC 1775 Story Road San Jose, California 95122 Attn: President	FELDERSTEIN FITZGERALD WILLOUGHBY & PASCUZZI LLP 400 Capitol Mall, Suite 1750 Sacramento, California 95814 Attn: Paul J. Pascuzzi Telephone: (916) 329-7400, ext. 222
Counsel to the United States Trustee	**Counsel to Mi Pueblo**
OFFICE OF THE UNITED STATES TRUSTEE 280 S. 1st Street #268 San Jose, California 95113 Attn: John S. Wesolowski Telephone: (408) 535-5525	BINDER & MALTER, LLP 2775 Park Avenue Santa Clara, California 95050 Attn: Robert G. Harris Telephone: (408) 295-1700
Counsel to the DIP Lenders and Exit Lenders	
PAUL HASTINGS LLP 191 N. Wacker Drive, 30th Floor Chicago, Illinois 60606 Attn: Marc J. Carmel Telephone: (312) 499-6040 PAUL HASTINGS LLP 1117 S. California Avenue Palo Alto, California 94304 Attn: Todd M. Schwartz Telephone: (650) 320-1883	

J. 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 EXISTING 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.

K. Entire Agreement

Except as otherwise indicated, the Plan supersedes 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.

L. Plan Supplement 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. After the exhibits and documents are filed, copies of such exhibits and documents shall be made available upon written request to the Debtor's counsel at the address above or by downloading such exhibits and documents from the Bankruptcy Court's website at www.canb.uscourts.gov. Unless otherwise ordered by the Bankruptcy Court, to the extent any exhibit or document in the Plan Supplement is inconsistent with the terms of any part of the Plan that does not constitute the Plan Supplement, such part of the Plan that does not constitute the Plan Supplement shall control.

M. Severability

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 (subject to the consent of Victory Park). 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 (subject to the consent of Victory Park). 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 Debtor's and Victory Park's consent, and (3) nonseverable and mutually dependent.

N. Reservation of Rights to Seek to Convert Case to Chapter 7

The United States Trustee and parties in interest reserve any right they may have to file a motion to seek to convert the Chapter 11 Case to a case under chapter 7 of title 11 if the Debtor materially defaults on any obligations under the Plan, and, if such motion is granted, any remaining property of the Debtor not already administered shall be administered by the chapter 7 trustee in accordance with chapter 7 of the Bankruptcy Code, and all Entities reserve all of their rights to oppose any such motion.

O. Provisions Added in Response to Objections

1. The Debtor received certain objections to the Disclosure Statement asserting that the Debtor Release is not justified. The Debtor disagrees, including for the following reasons. First, Mi Pueblo is not aware of legitimate causes of action against insiders. Victory Park and Cha Cha are providing significant investments and value (that fund distributions under the Plan and enable Mi Pueblo to continue to operate as a going concern). These investments are predicated on the Debtor Release, which will allow Reorganized Mi Pueblo to focus on ongoing operations, free from any harmful distractions caused by litigation against Mi Pueblo's management and discovery that would burden Reorganized Mi Pueblo. This will inure to the benefit all of the providers of goods and services to the company, including the 3,000+ employees of Mi Pueblo, the vendors, and other parties in interest.

2. Mi Pueblo will continue to exist post-exit and will hold the assets it currently holds (and the Transferred Cha Cha Assets). Notwithstanding the forgoing, Mi Pueblo may be converted to a different corporation in connection with the transaction. NewCo will be a newly formed holding company for Mi Pueblo and in which Victory Park and Cha Cha will hold their respective interests either directly or through a newly formed jointly owned investment vehicle.

3. Fleming Business Park believes it is impermissible that the Plan purports to require parties to preserve their rights to set off and recoupment through filed proofs of claim. The Debtor disagrees and reserves all rights with respect thereto, including the right to reply or otherwise object to Fleming Business Park's belief.

XIV. REQUIREMENTS FOR CONFIRMATION OF THE PLAN

The following is a brief summary of the Confirmation process. Holders of Claims and Interests are encouraged to review the relevant provisions of the Bankruptcy Code and to consult with their own advisors.

A. Confirmation Hearing

Section 1128(a) of the Bankruptcy Code provides that the Bankruptcy Court, after notice, may conduct the Confirmation Hearing to consider Confirmation of the Plan. Section 1128(b) of

the Bankruptcy Code provides that any party in interest may object to Confirmation of the Plan.

B. Confirmation Standards

Among the requirements for the Confirmation of the Plan are that the Plan is accepted by all impaired classes of Claims and Interests, or if rejected by an impaired class, that the Plan "does not discriminate unfairly" and is "fair and equitable" as to such class, is feasible, and is in the "best interests" of holders of Claims and Interests that are impaired under the Plan. The following requirements must be satisfied pursuant to section 1129(a) of the Bankruptcy Code before the Bankruptcy Court may confirm a plan of reorganization. The Debtor believes that the Plan fully complies with the statutory requirements for Confirmation of the Plan listed below. The proponents of the Plan have complied with the applicable provisions of the Bankruptcy Code.

The Plan has been proposed in good faith and not by any means forbidden by law.

1. Any payment made or to be made by the proponent, by the Debtor, or by a person issuing securities or acquiring property under a Plan, for services or for costs and expenses in or in connection with the chapter 11 case, in connection with the Plan and incident to the chapter 11 case, has been approved by, or is subject to the approval of, the Bankruptcy Court as reasonable.

2. The proponent of the Plan has disclosed the identity and affiliations of any individual proposed to serve, after Confirmation of the Plan, as a director, officer, or voting trustee of the Debtor, an affiliate of the Debtor participating in a joint Plan with the Debtor or a successor to the Debtor under the Plan, and the appointment to, or continuance in, such office of such individual is consistent with the interests of creditors and holders of Interests and with public policies.

3. The proponent of the Plan has disclosed the identity of any insider that will be employed or retained by the Reorganized Debtor and the nature of any compensation for such insider.

4. With respect to each holder within an impaired class of Claims or Interests, each such holder (a) has accepted the Plan, or (b) will receive or retain under the Plan on account of such Claim or Interest property of a value, as of the Effective Date of the Plan, that is not less than the amount that such holder would so receive or retain if the Debtor were liquidated under chapter 7 of the Bankruptcy Code on such date.

5. With respect to each class of Claims or Interests, such class (a) has accepted the Plan, or (b) is unimpaired under the Plan.

6. Except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that:

   - with respect to a Claim of a kind specified in sections 507(a)(2) or

507(a)(3) of the Bankruptcy Code, on the Effective Date of the Plan, the holder of the Claim will receive on account of such Claim Cash equal to the Allowed amount of such Claim, unless otherwise agreed;

- with respect to a class of Claim of the kind specified in sections 507(a)(1), 507(a)(4), 507(a)(5), 507(a)(6), or 507(a)(7) of the Bankruptcy Code, each holder of a Claim of such class will receive (a) if such class has accepted the Plan, deferred Cash payments of a value, on the Effective Date of the Plan, equal to the Allowed amount of such Claim; or (b) if such class has not accepted the Plan, Cash on the Effective Date of the Plan equal to the Allowed amount of such Claim; and

- with respect to a priority tax claim of a kind specified in section 507(a)(8) of the Bankruptcy Code, the holder of such Claim will receive on account of such Claim deferred Cash payments, over a period not exceeding six years after the date of assessment of such Claim, of a value, as of the Effective Date of the Plan, equal to the Allowed amount of such Claim.

7. If a class of Claims is impaired under the Plan, at least one class of Claims that is impaired under the Plan has accepted the Plan, determined without including any acceptance of the Plan by any insider.

8. Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan.

9. All fees payable under 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the hearing on Confirmation of the Plan, have been paid or the Plan provides for the payment of all such fees on the Effective Date of the Plan.

C. Best Interest of Creditors

The "best interest" test of Bankruptcy Code section 1129(a)(7)(A)(ii) requires that a plan provide to each dissenting member of each impaired class a recovery that has a present value at least equal to the present value of the distribution that unsecured creditors would receive if the bankruptcy estate were liquidated under chapter 7 of the Bankruptcy Code.

D. Assumptions of a Liquidation under Chapter 7

When a chapter 11 case is converted to a case under chapter 7 of the Bankruptcy Code, a chapter 7 trustee is appointed to conduct the affairs of the estate. In applying the liquidation test of Bankruptcy Code section 1129(a)(7)(A)(ii), the Court must consider not only the accrued expenses of administration from the chapter 11, but the chapter 7 trustee's fees and expenses, and

the fees and expenses of professionals likely to be retained by that trustee. Generally, no distribution is made in a chapter 7 case until all assets of the bankruptcy estate and all claims have been liquidated, a process that can often take many months and sometimes years. Most importantly, a chapter 7 trustee does not operate the business over which he or she takes control except in very rare circumstances.

Cha Cha's most valuable assets are the leases it has with Mi Pueblo for the real property Cha Cha owns as well as the check cashing business which Cha Cha operates in Mi Pueblo's grocery stores. If Mi Pueblo's bankruptcy case were also converted to chapter 7, Cha Cha contends that a chapter 7 trustee would not be able to generate revenue from the Mi Pueblo leases or from Cha Cha's check cashing business because there would be no operating Mi Pueblo grocery stores in which to operate Cha Cha's check cashing business or to generate rents to pay the leases for the real property Cha Cha owns.

If Mi Pueblo's bankruptcy case was not converted to chapter 7 but Cha Cha's bankruptcy case was, the chapter 7 trustee in Cha Cha's bankruptcy case would cease operating Cha Cha's check cashing business and would seek to sell Cha Cha's real and personal property, including Cha Cha's leasehold interests Cha Cha has with third party lessors which Cha Cha then subleases to Mi Pueblo.

E. Liquidation Analysis Applied

1. Assets.

All of the cash in the estate as well as all of Cha Cha's real and personal property is subject to the liens of Victory Park. Victory Park's liens secured not only Cha Cha's obligations under the DIP Facility provided to Cha Cha, but the DIP Facility provided to Mi Pueblo as well. Cha Cha owes Victory Park approximately $9.3 million for the Cha Cha DIP Facility and Mi Pueblo owes approximately $32.75 million for the Mi Pueblo DIP Facility. Victory Park is to use its reasonable best efforts to realize upon the Mi Pueblo collateral which secures Victory Park's loan to Mi Pueblo before Victory Park realizes upon Cha Cha's assets used to secure Cha Cha's guaranty. Mi Pueblo estimates that its assets would generate between $11.38 million and $17.73 million in a hypothetical liquidation, leaving at least approximately $16 million of unpaid debt to

Victory Park to be covered by Cha Cha's guaranty of the DIP Facility in addition to the amounts owed by Cha Cha to Victory Park of approximately $9.3 million. Thus, the total secured debt to Victory Park is at least $25.3 million.

Cha Cha scheduled real property assets totaling $31,799,914 as of the petition date. However, such values were not based on appraisals. Cha Cha sold one residence post-petition and estimates that the current liquidation value of its real property interests is $20-$25 million. See attached Exhibit 3. This assumes that Mi Pueblo would not be operating its grocery store business in Cha Cha's real properties, so those properties would not have an income stream or value for the leasehold improvements. Thus, the liquidation value is substantially less than the current fair market value.

As of April 1, 2014, Cha Cha held approximately $4,057,000 in cash including cash in its bank accounts and in its check cashing services business. Cha Cha's accounts receivable totaled approximately $292,000, but the actual value is suspect. Cha Cha also has approximately $103,000 in in pre-paid expenses and security deposits. In addition, Cha Cha has check cashing equipment, office equipment, furniture and fixtures, and a Mercedes Benz vehicle. Cha Cha also listed secured loans to members in the amount of $1,111,840 and unsecured loans to affiliates (Mi Pueblo) in the amount of $14,209,302. For liquidation purposes, Cha Cha values the unsecured loan to Mi Pueblo at $0.

Based on the above, Cha Cha calculates the liquidation value of its assets to be between approximately $24.8 million and $29 million, subject to proof at confirmation if necessary.

2. Avoidance Actions.

Cha Cha's Statement of Financial Affairs discloses payments to creditors. Cha Cha's response to Question 3b regarding payments within 90 days to non-insiders shows a total of $1,629,094.94. Cha Cha's response to Question 3c regarding payments within one year to insiders lists total payments of $91,649.541 on behalf of Edgar Chavez; $88,500.00 on behalf of Enrique Chavez; $78,200.00 on behalf of Juvenal Chavez, Jr.; $165,954.61 on behalf of Juvenal and Maria Chavez; and $2,892,151.81 to Mi Pueblo.

Generally, Avoidance Actions are preserved under the Plan. A chapter 7 trustee would

examine the extent to which all sums were paid within ordinary invoice terms and, if not, the extent to which defenses to an avoidance action might exist under the Bankruptcy Code. Cha Cha does not believe there would be any significant recovery on Avoidance Actions in a hypothetical chapter 7 liquidation.

3. Costs.

The costs of liquidation would include the expenses for administration of the estate such as the disposition of Cha Cha's real and personal property, payment of professional fees for the chapter 7 trustee, and payment of the administrative fees from the chapter 11 case. As of March 2014, the total professional fees in the chapter 11 case are estimated to exceed $350,000, of which approximately $200,000 has not been paid.

4. Claims.

The deadline for filing proofs of claim in the case was November 12, 2013. Cha Cha's schedules reflect the following totals:

Secured: $29,735,535

Priority: $281

Unsecured: $5,926,809

In addition to the scheduled claims, NUCP Turlock, LLC, a landlord of Mi Pueblo, filed a proof of claim in Cha Cha's bankruptcy case for over $11.5 million based on a breach of contract claim against Mi Pueblo that is the subject of pre-petition state court litigation. Cha Cha disputes any amounts are owed on this claim. Fleming Business Park, LLC filed a proof of claim in the amount of $23,209.95 plus contingent damage claims. Other than NUCP Turlock, LLC and Fleming Business Park, LLC, none of the claims filed in Cha Cha's bankruptcy case materially exceed the scheduled claim.

If Cha Cha's bankruptcy case is converted to chapter 7, Cha Cha assumes that Mi Pueblo would no longer be an operating company. If that is the case, there would be substantial rejection damage claims filed by the third party landlords for the leases of real property which Cha Cha subleases to Mi Pueblo. While these claim likely would be capped pursuant to Bankruptcy Code section 502(a)(6), there are six leases for which the current lease term ends between January 30,

2015 and November 30, 2025, with three leases having more than three years remaining on their term. In addition, Cha Cha may be liable on the secured guaranty to Victory Park.

Cha Cha estimates a return to general unsecured creditors in a chapter 7 as follows:

Chapter 7 Liquidation	**Amounts**
Projected Available Cash as of June 1, 2014	$4 million
Other Asset Net Value (6 yrs)	$20 million
TOTAL CHAPTER 7 DISTRIBUTION	$24 million
Secured Claims	($25 million)
Projected Chapter 11 Administrative Claims	($350,000)
Chapter 7 Administrative Claims	($100,000)
Chapter 7 Trustee Fee	($80,000)
ASSETS AVAILABLE FOR DISTRIBUTION IN CHAPTER 7	$0

F. Feasibility

The Bankruptcy Code requires as a condition to the Plan's confirmation that the Bankruptcy Court find that liquidation of Cha Cha or the need for further reorganization is not likely to follow after confirmation.

1. Strategic Overview

Cha Cha's management believes that Cha Cha will be able to repay close to 100% of the Allowed claims of non-insider unsecured creditors within 180 days of the Effective Date of the Plan. Cha Cha will transfer the Transferred Cha Cha Assets to Mi Pueblo in exchange for a 50% equity interest in the Reorganized Mi Pueblo as well as a subordinated secured note that loans cash from Reorganized Cha Cha to Reorganized Mi Pueblo in the approximate amount of $2.2 million for the cash Cha Cha has in the check cashing business and a subordinate unsecured note that loans cash from Reorganized Cha Cha to NewCo in the approximate amount of $17.2 million. Post-confirmation, Cha Cha will retain three sources of income stream: (a) rental income from real property Cha Cha owns and leases primarily to Mi Pueblo as well as other third parties; (b) payments from the secured note to Mi Pueblo; and (c) payments from the secured notes to Cha Cha's members. Cha Cha's projected revenues are sufficient to maintain its real properties and make the payments required under the Plan. Because Cha Cha is transferring its check cashing

business to Mi Pueblo, Cha Cha will reduce its monthly expenses substantially. Cha Cha's post-confirmation financial balance sheets and profit and loss forecasts are attached to this Disclosure Statement as Exhibit 4.

2. Assumptions Related to Forecasts.

The following discussion summarizes the key assumptions made in Cha Cha's forecast:

(a) The forecast includes and is based upon estimates and predictions which are realistic in terms of the known facts as well as conservative in an effort to avoid triggering expectations regarding possibilities which may or may not become realities regardless of any currently perceived likelihood.

(b) The forecast assumes that Mi Pueblo is able to reorganize successfully.

(c) Nothing either materially harmful or materially beneficial occurs during the forecast period in conjunction with Mi Pueblo's operations as discussed in Mi Pueblo's proposed plan and disclosure statement filed in Mi Pueblo's Case.

3. Other Considerations

(a) Accounting Basis: The forecast utilizes the Accrual Method of Accounting, wherein all Revenues are reported as when earned and all Costs are shown as when incurred. Cha Cha shows distributions to its members post-Confirmation to permit Cha Cha's members to pay incomes taxes owed by Cha Cha's members which result from taxable income passed through to Cha Cha's members.

(b) Summary of Cha Cha's Operating Results Post-Bankruptcy: From the inception of the Chapter 11 reorganization through February 2014, Cha Cha has generated approximately $15,825,015 in revenue with expenses totaling $14,757,312, which includes $277,000 attributable to professional fees and U.S. Trustee fees. Professional fees are expected to dramatically decline after Plan confirmation. Because Cha Cha is transferring its check cashing business as part of its Plan, Cha Cha is not including any details regarding Cha Cha's historical revenues pre-petition.

The feasibility of Cha Cha's Plan relies upon the future rental income to be paid by Mi Pueblo and others as well as payments from the secured promissory notes to Cha Cha's members

and to Mi Pueblo for the cash in the transferred check cashing business.

(c) Risks: It is important to understand that Cha Cha may not be making the right assumptions to accurately predict future revenues and expenses. In addition, unforeseen variables may significantly impact the forecast causing actual financial results to differ materially, especially with respect to Mi Pueblo's operations. The assumptions used to prepare the forecast, as well as the forecast itself, should be considered with these risks in mind. Other risk factors include:

- Undue delay in Confirmation may significantly disrupt the operations of Cha Cha and Mi Pueblo;
- Cha Cha and Mi Pueblo may not be able to secure confirmation or consummation of the Plan;
- Parties in interest may object to classification of Claims and Interests;
- Cha Cha may object to claims before or after the Effective Date of the Plan;
- Although the Cha Cha believes that the Effective Date may occur shortly after Confirmation, there can be no assurance as to such timing or as to whether the Effective Date will in fact occur;
- Cha Cha cannot guarantee what recovery will be available to Holders of Allowed Claims in Voting Classes;
- As a result of approval and implementation of the Plan, certain ownership structure changes could occur; and
- The Reorganized Debtor may not achieve projected financial results or meet post-reorganization debt obligations.

(d) Disclosure of Post-Confirmation Management: Cha Cha will be managed by Juvenal Chavez after Confirmation under the same terms by which Mr. Chavez currently manages Cha Cha. Cha Cha has no other management. In addition, in accordance with section 1129(a)(5) of the Bankruptcy Code, the Debtor will include in the Plan Supplement that is filed with the Bankruptcy Court before the Voting Deadline, as applicable, (a) the identity and

affiliations of any individual proposed to serve, after confirmation of the Plan, as a director, officer, or voting trustee of the Reorganized Debtor and (b) the identity of any insider (as defined in the Bankruptcy Code) that will be employed or retained by the Reorganized Debtor, and the nature of any compensation for such insider.

XV. FEDERAL INCOME TAX CONSEQUENCES OF PLAN FOR CREDITORS

Implementation of the Plan may result in federal income tax consequences to creditors. Tax consequences to a particular creditor may depend on the particular circumstances or facts regarding the claim of the creditor. No tax opinion has been sought or will be obtained with respect to any tax consequences of the Plan, and the following disclosure does not constitute and is not intended to constitute either a tax opinion or tax advice to any person. Rather, the following disclosure is provided for informational purposes only.

The federal tax consequences of the Plan to a hypothetical creditor typical of the holders of claims or interests in this case depend to a large degree on the accounting method adopted by that hypothetical creditor. A "hypothetical creditor" in this case is defined as a general unsecured creditor. In accordance with federal tax law, a holder of such a claim that uses the accrual method and who has posted its original sale to Cha Cha as income at the time of the product sold or the service provided hypothetically should adjust any net operating loss to reflect the amounts paid by Cha Cha under the Plan provided that holder previously deducted the liability to Cha Cha as a "bad debt" for federal income tax purposes. Should that holder lack a net operating loss, then in accordance with federal income tax provisions, the holder should treat the dividend paid as ordinary income, again provided the holder previously deducted the liability to Cha Cha as a "bad debt" for federal income tax purposes. If the accrual basis holder of the claim did not deduct the liability as a "bad debt" for federal income tax purposes, then the amount paid by Cha Cha has no current income tax implication. A holder of a claim that uses a cash method of accounting would, in accordance with federal income tax laws, treat the amount paid as income at the time of receipt.

CHA CHA MAKES NO REPRESENTATIONS REGARDING THE PARTICULAR TAX CONSEQUENCES OF CONFIRMATION AND CONSUMMATION OF THE PLAN

AS TO ANY CREDITOR. EACH PARTY AFFECTED BY THE PLAN SHOULD CONSULT HER, HIS OR ITS OWN TAX ADVISORS REGARDING THE SPECIFIC TAX CONSEQUENCES OF THE PLAN WITH RESPECT TO A CLAIM.

XVI. CONCLUSION

This document has been presented for the purpose of enabling you to make an informed judgment to accept or reject the Plan. You are urged to read the Plan in full and consult with counsel if you have questions. Cha Cha believes that acceptance of the Plan is in the best interest of all creditors, and will provide the best recovery in this case.

Dated: April 25, 2014

PROPONENT:
CHA CHA ENTERPRISES, LLC, a California limited liability company

By: */s/ Juvenal Chavez*
Juvenal Chavez, its Manager

FELDERSTEIN FITZGERALD WILLOUGHBY & PASCUZZI LLP

By: */s/ Paul J. Pascuzzi*
PAUL J. PASCUZZI
Attorneys for Debtor
and Debtor-In-Possession

EXHIBIT 1

Exit Facility Term Sheet

April 15, 2014

Borrower(s) (Mi Pueblo Facility):	Mi Pueblo San Jose, Inc. ("**Mi Pueblo**"), a chapter 11 debtor that is to be reorganized on or before the Closing Date pursuant to the applicable Plan (as defined below), including any and all current and future subsidiaries (whether or not wholly owned) as joint and several borrowers.
Borrower(s) (Cha Cha Facility):	Cha Cha Enterprises LLC ("**Cha Cha**"), a chapter 11 debtor that is to be reorganized on or before the Closing Date pursuant to the applicable Plan, including any and all current and future subsidiaries (whether or not wholly owned but other than with respect to Mi Pueblo and, if formed as part of the Mi Pueblo Plan, the direct parent of Mi Pueblo ("**Newco**"), each of which will be guarantors) as joint and several borrowers.
Guarantor(s) (Mi Pueblo Facility):	Cha Cha, Newco, and any and all current and future subsidiaries of Mi Pueblo not included as a Borrower under the terms and conditions of this transaction shall provide a joint and several guaranty of payment and performance on a senior secured basis.
Guarantor(s) (Cha Cha Facility):	Mi Pueblo, Newco, and any and all other current and future subsidiaries of Cha Cha not included as a Borrower under the terms and conditions of this transaction shall provide a joint and several guaranty of payment and performance on a senior secured basis.
Lender(s) (for each Facility):	Victory Park Capital Advisors, LLC, on behalf of one or more entities for which it acts as investment manager ("**Victory Park**"), and any other lender(s) acceptable to Victory Park.
Agent (for each Facility):	Victory Park Management, LLC shall act as administrative and collateral agent.
Use of Proceeds (Mi Pueblo Facility):	Initial Issuance shall be utilized as follows: (i) satisfaction of treatment of claims under the Mi Pueblo Plan as agreed to by the Agent, (ii) the rollover of a portion of the existing Mi Pueblo DIP facility into the Mi Pueblo Facility and the repayment of the balance of the existing Mi Pueblo DIP facility, (iii) the payment of all costs, expenses, and all other payment amounts contemplated herein, and (iv) general working capital purposes.
Use of Proceeds (Cha Cha Facility):	Initial Issuance shall be utilized as follows: (i) satisfaction of treatment of claims under the Cha Cha Plan as agreed to by the Agent, (ii) the repayment of the existing Cha Cha DIP facility, (iii) the payment of all costs, expenses, and all other payment amounts contemplated herein, and (iv) general working capital purposes.
Closing Date (for each Facility):	Upon the substantial consummation (as defined in Bankruptcy Code § 1101 and which for purposes hereof shall be no later than the effective date) of the Plans.

Term Notes

Type (for each Facility):	Senior Secured Term Notes (the "**Notes**").[1]
Total Issue (Mi Pueblo Facility):	$31,500,000
Total Issue (Cha Cha Facility):	$24,500,000

[1] Cha Cha and Mi Pueblo reserve the right to make adjustments to the allocation of the exit financing and reorganization structure, subject to the approval of Victory Park, to minimize tax impacts.

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Initial Issuance (Mi Pueblo Facility): $27,500,000 less the aggregate face amount of the Closing Date Letters of Credit less the Closing Payment less any unpaid Costs and Expenses.

Initial Issuance (Cha Cha Facility): $24,500,000 less the Closing Payment less any unpaid Costs and Expenses.

Letters of Credit (Mi Pueblo Facility): Letters of Credit may be drawn from the Mi Pueblo Facility Total Issuance in an amount not to exceed the lesser of (i) the Total Issue less the Senior Obligations and (ii) $7,500,000. For the avoidance of doubt, it is anticipated that approximately $3,500,000 of Letters of Credit shall be issued from the Mi Pueblo Facility Initial Issuance on the Closing Date (the "**Closing Date Letters of Credit**"). Any additional Letters of Credit under the Mi Pueblo Facility shall be provided at the sole discretion of Lender. Letters of Credit shall be issued under the Mi Pueblo Facility by Lender for Mi Pueblo's benefit.

Cash Interest (for each Facility): Shall be structured as follows with such Cash Interest payable monthly in cash in arrears:

1. Two percent (2.0%) per annum during the first twelve month period following Closing Date;
2. Five percent (5.0%) per annum during the second twelve month period following Closing Date; and
3. Eight percent (8.0%) per annum during the third twelve month period following Closing Date.

PIK Interest (for each Facility): Shall be structured as follows with such PIK Interest accruing monthly and capitalizing quarterly:

1. Eight percent (8.0%) per annum during the first twelve month period following Closing Date;
2. Five percent (5.0%) per annum during the second twelve month period following Closing Date; and
3. Two percent (2.0%) per annum during the third twelve month period following Closing Date.

Borrower shall have right, at its option, to pay the PIK Interest, in whole or in part, in cash at any time during the Term.

Closing Payment (for each Facility): Two percent (2.0%) of the Total Issue, which amount shall be fully earned and payable in cash on the Closing Date.

Maintenance Fee (Mi Pueblo Facility): Mi Pueblo shall pay Agent a monthly maintenance fee in an amount equal to $2,500, which shall be payable in cash monthly in arrears.

Maintenance Fee (Cha Cha Facility): Cha Cha shall pay Agent a monthly maintenance fee in an amount equal to $2,500, which shall be payable in cash monthly in arrears.

Senior Debt (for each Facility): Shall be the Notes and all other debt securities of Borrower in favor of Agent or Lenders.

Senior Obligation(s) (for each Facility): The Notes, Letters of Credit, Interest, and all fees, expenses, obligations and other amounts owed by Borrower to Agent and Lenders as contemplated herein, but excluding the Equity Put and any other rights or obligations in respect of the Units.

Cash Flow Sweep (Mi Pueblo Facility): Mi Pueblo shall repay the Mi Pueblo Facility Notes in an amount equal to (i) 50% multiplied by the Excess Cash Flow of Mi Pueblo and Newco plus (ii) 100% multiplied by the Excess Cash Flow of Cha Cha (to the extent the Cha Cha Facility has been repaid in full) less (ii) the total scheduled debt service under the Mi Pueblo Facility Senior Debt, any voluntary prepayments of the Mi Pueblo Facility Senior Debt, and any fees or costs paid to the Agent or any Lender under the Mi Pueblo Facility (the "**Mi Pueblo Facility Cash Flow Sweep Amount**"). The Mi Pueblo Facility Cash Flow Sweep Amount shall be payable quarterly within fifteen (15) days of Mi Pueblo finalizing quarter end financial statements but in no event shall such payment be made after the sixtieth (60^{th}) day following the last day of each fiscal quarter. The "**Mi Pueblo Facility Excess Cash Flow**" shall be an amount equal to EBITDA less capital expenditures less tax distributions documented and

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substantiated by a professional tax advisor paid in cash (the Mi Pueblo Facility Cash Flow Sweep Amount to be further discussed and to be as mutually agreed upon by Mi Pueblo and Lender).

Cash Flow Sweep (Cha Cha Facility): Cha Cha shall repay the Cha Cha Facility Notes in an amount equal to (i) 100% multiplied by the Excess Cash Flow of Cha Cha plus (ii) 50% multiplied by the Excess Cash Flow of Mi Pueblo and Newco (to the extent the Mi Pueblo Facility has been repaid in full) less (iii) the total scheduled debt service under the Cha Cha Facility Senior Debt, any voluntary prepayments of the Cha Cha Facility Senior Debt, and any fees or costs paid to the Agent or any Lender under the Cha Cha Facility (the "**Cha Cha Facility Cash Flow Sweep Amount**"). The Cha Cha Facility Cash Flow Sweep Amount shall be payable quarterly within fifteen (15) days of Cha Cha finalizing quarter end financial statements but in no event shall such payment be made after the sixtieth (60th) day following the last day of each fiscal quarter. The "**Cha Cha Facility Excess Cash Flow**" shall be an amount equal to EBITDA less capital expenditures less taxes paid in cash (the Cha Cha Facility Cash Flow Sweep Amount to be further discussed and to be as mutually agreed upon by Borrower and Lender).

Term (for each Facility): The Notes shall become due and payable on the earlier of (i) acceleration by the Lenders as a result of any uncured Event of Default, and (ii) the three (3) year anniversary of the Closing Date (the "**Maturity**"). Any and all then outstanding principal amount of the Notes (the "**Notes Principal**") plus any unpaid accrued Interest plus any other amounts due under the Notes shall be repaid in full in cash at Maturity.

Governing Terms

Check Cashing Account (for each Facility): The $2,200,000 of cash in connection with the check cashing business shall be transferred by Cha Cha to reorganized Mi Pueblo in exchange for a secured note. Such cash shall be held in a segregated bank account used solely for the operations of the check cashing business (the "**Check Cashing Account**").

Chavez DIP (for each Facility): "***Chavez DIP***" shall mean any and all principal, accrued and unpaid interest, costs, expenses and any other amounts and obligations due under and evidenced by that certain debtor-in-possession term loan in the original principal amount of $1,900,000 extended on or about November 2013 between Mi Pueblo and Juvenal Chavez, which shall be rolled over into a new secured note.

The Chavez DIP shall remain outstanding during the term of the Notes for a period of one year after the maturity date of the Mi Pueblo Facility and the Cha Cha Facility and shall rank junior in all respects, pursuant to a subordination and intercreditor agreement satisfactory to Lender, to the Notes as long as such Notes remain outstanding. For the avoidance of doubt, the Chavez DIP shall not be repaid in any amount until the Notes have been fully repaid.

Collateral (for each Facility): The Senior Obligations shall be secured by (i) a perfected first priority lien on any and all current and future assets of Borrower and Guarantors, including, without limitation, cash and cash equivalents, accounts receivable (including any cash proceeds derived therefrom), inventory, customer lists, intellectual property, plant machinery and equipment, patents, trade secrets, personal property, fixtures, fee-owned real property, property and/or leasehold rights, all other tangible and intangible assets, and the proceeds thereof, (ii) a first priority pledge of any and all capital stock and/or equity interests held directly or indirectly by Borrower, Guarantors and their subsidiaries, and (iii) a perfected first priority security interest in Borrower's and Guarantor's deposit accounts and securities accounts pursuant to control agreements in form and substance reasonably acceptable to the Agent. The Mi Pueblo Facility will be secured on a first priority basis in respect of the Cha Cha Facility as it relates to the Mi Pueblo and Newco collateral and on a second priority basis in respect of the Cha Cha Facility as it relates to the Cha Cha collateral. The Cha Cha Facility will be secured on a first priority basis in respect of the Mi Pueblo Facility as it relates to the Cha Cha collateral and a second priority basis in respect of the Mi Pueblo Facility as it relates to the Mi Pueblo and Newco collateral.

Consultant Rights (for each Facility): Victory Park shall have the right to place an industry or operational consultant ("**Consultant**") onsite at Mi Pueblo at any time so long as any of the Mi Pueblo Facility or the Cha Cha Facility Senior Obligation are outstanding. The Consultant shall be mutually agreed upon by Victory Park and Mi Pueblo. Mi Pueblo shall reimburse Victory Park for any and all reasonable Consultant fees and

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expenses at the industry standard contracted rates for such Consultant.

Covenants (for each Facility):

The Senior Debt Documentation shall contain usual and customary affirmative and negative covenants for transactions of this nature including, without limitation, limitation on liens, limitation on current and future indebtedness (inclusive of payments on subordinated debt prior to Maturity), limitation on investments, restricted payments, sales of assets and/or capital stock, business combination transactions, negative pledges, affiliate transactions, key man, and legal and regulatory compliance.

All Covenants shall be subject to reasonable and customary carve-outs and exceptions as mutually acceptable to both Borrower and Lender.

The Senior Debt Documentation shall contain certain quarterly financial covenants calculated using Mi Pueblo, Cha Cha and Newco consolidated EBITDA ("**Consolidated EBITDA**") and certain quarterly collateral covenants, as follows (collectively, the "**Financial Covenants**"):

1. Senior Obligations to Consolidated TTM EBITDA;
2. Consolidated TTM EBITDA to cash interest expense;
3. Consolidated fixed charge coverage (to be later defined); and
4. Notes Principal to Net Orderly Liquidation Value (of real estate, store equipment and Inventory); provided, that any appraisals required to determine Net Orderly Liquidation Value shall be required no more frequently than semiannually for the real estate and quarterly for the inventory and store equipment. For the avoidance of doubt, there shall be no limitations on the frequency of appraisals during the existence of an Event of Default.

The Financial Covenants, as applicable, shall be set at agreed-upon levels that provide the Borrower with a cushion to the Borrower's five year forecast. Additionally, measurement of the Financial Covenants shall not begin until the fourth quarter following the Closing Date. .

In addition, the Mi Pueblo Facility will include a requirement to maintain a minimum cash balance in an amount to be agreed between Victory Park and Mi Pueblo in the Check Cashing Account.

Default Interest (for each Facility):

Upon the occurrence and during the continuance of an Event of Default, Interest shall increase to the lesser of the (i) current Cash Interest plus 2% per annum in cash plus the PIK Interest and (ii) the highest lawful rate.

Units:

Shall mean Newco's Voting Class B Units and Non-Voting Class B Units and / or other equity instruments (as the case may be). If Newco is not formed or there are other restructuring transactions, these rights may be granted from another entity such that the economics and governance rights are substantially similar.

Equity Component (for Mi Pueblo Facility):

Newco shall issue to Lender Voting Class B Units and Non-Voting Class B Units equal to fifty percent (50%) of the total fully diluted equity interests of Newco outstanding on the Closing Date as set forth in the Plan and described in the Plan Term Sheet. Newco shall grant Lender (i) demand registration rights exercisable beginning forty-eight (48) months following the Closing Date and (ii) piggy-back rights on any registration statements filed by Newco following the Closing Date. If Newco is not formed or there are other restructuring transactions, these rights may be granted from another entity such that the economics and governance rights are substantially similar.

Equity Put: (for Mi Pueblo Facility):

On the forty-eight (48) month anniversary of the Closing Date (the "**Trigger Date**"), Lender shall have the right (but not the obligation) to sell the Equity Component to Newco and Newco shall have the obligation to purchase the Equity Component from Lender for a price per Unit ("**Put Price**") derived from an aggregate equity value based on the greater of (i) consolidated TTM EBITDA of Newco and its subsidiaries as of the Trigger Date multiplied by five (5) less any then outstanding consolidated debt of Newco and its subsidiaries and (ii) the fair market value per Unit as of the Trigger Date as determined by a mutually agreed upon third party valuation firm. Lender shall provide not less than 180 days of notice of Equity Put to Newco. If Newco is not formed or there are other restructuring transactions, these rights may be granted from another entity such that the economics and governance rights are substantially similar.

Equity Call (for Mi Pueblo Facility):

On the forty-eight (48) month anniversary of the Closing Date (the "**Trigger Date**"), Newco shall have the right (but not the obligation) to buy the Equity Component from Lender and Lender shall

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have the obligation to sell the Equity Component to Newco for a price per Unit ("**Call Price**") derived from an aggregate equity value based on the greater of (i) Newco and Mi Pueblo consolidated TTM EBITDA of Newco and its subsidiaries as of the Trigger Date multiplied by five (5) less any then outstanding consolidated debt of Newco and its subsidiaries and (ii) the fair market value per Unit as of the Trigger Date as determined by a mutually agreed upon third party valuation firm. Newco shall provide not less than 180 days of notice of Equity Call to Lender. If Newco is not formed or there are other restructuring transactions, these rights may be granted from another entity such that the economics and governance rights are substantially similar.

Event(s) of Default (for each Facility):

The Senior Debt Documentation shall contain usual and customary events of default for transactions of this nature including, without limitation, non-payment, bankruptcy, cross-default to other material indebtedness (including the other Facility), breach of covenant or representation, default on any other material contract, material adverse change (including but not limited to litigation), material judgments, and a Fundamental Change. "**Fundamental Change**" shall include, without limitation, any merger or other change of control transaction.

All Events of Defaults shall be subject to reasonable and customary cure provisions and periods as mutually acceptable to both Borrower and Lender.

Future Offerings (for each Facility):

Except as otherwise permitted under the "Covenants" referenced herein, so long as any Senior Obligation is outstanding and without the express written consent of Victory Park (such consent not to be unreasonably withheld), Borrower and Guarantors may not issue any debt or equity securities (including debt securities with an equity feature).

Governance (for each Facility):

Victory Park shall have the right, but not the obligation, to (i) appoint at least three (3) members to each of Newco's and its subsidiaries Board of Directors or Managers (or similar governing body) (the "**Boards**"), until such time as the Senior Obligations are repaid in full and terminated and thereafter, appoint at least two (2) members to each of the Boards and (ii) receive additional board observation rights as reasonably requested in respect of the Borrower and Guarantors. Victory Park requires that the Boards (i) be limited to not more than five (5) members, (ii) conduct regularly scheduled meetings (at least quarterly), and (iii) invite members of the management team to participate in Board meetings as appropriate. If Newco is not formed or there are other restructuring transactions, these rights may be granted from another entity such that the governance is substantially similar.

Interest (for each Facility):

Shall mean Cash Interest, PIK Interest, Default Interest and any other interest contemplated herein including, without limitation, any interest owed under the Senior Obligation or otherwise.

Prepayment(s) (for each Facility):

Upon thirty (30) days advanced written notice to Lender and Agent, Borrower shall have the right (but not the obligation) to prepay, in whole or in part, the Senior Obligations (in cash), without premium or penalty.

Upon any Event of Default resulting in acceleration of the maturity of the Senior Debt, Borrower shall be required to repay the Senior Obligations (in cash) in such amount that would provide Lender with full yield maintenance on the Senior Debt (as if Lender were able to hold the Senior Debt to Maturity).

The Senior Debt Documentation shall contain usual and customary mandatory prepayments for transactions of this nature.

Transaction Costs (for each Facility):

Borrower shall reimburse the Agent and Lender for all reasonable costs incurred in connection with the transaction contemplated herein, including, without limitation, legal fees, advisor fees, consultant fees, costs and expenses, collateral valuations, appraisals, surveys, field examinations, third party diligence, lien searches, title commitment fees, filing fees, and all other out-of-pocket costs and expenses in any way related to the transaction contemplated herein, and the enforcement and collection thereof (collectively, "***Costs and Expenses***"). In the event that the transaction contemplated herein is not consummated, Lender shall have the right to seek reimbursement of all reasonable Costs and Expenses incurred with respect thereto as an administrative expense of the Borrowers' chapter 11 estates pursuant to Bankruptcy Code § 503(b), and the Borrowers hereby acknowledge and agree that such amount shall constitute an administrative expense of the Borrowers' chapter 11 estates.

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Rank (for each Facility): The Senior Obligations shall be senior in all respects to any and all current and future indebtedness of Borrower and Guarantors.

Closing Conditions (for each Facility): Each Facility is subject to, amongst other items, the following:

1. Payment in cash by Borrower to Agent of all of the amounts that have become due and owing as of the Closing Date, including, without limitation, the Closing Payments and all Costs and Expenses;
2. Subordination of all other creditors of Borrower and Guarantors, excluding trade creditors in the ordinary course of business;
3. Entry of a bankruptcy court order in each of the Borrowers' chapter 11 cases (collectively, the "**Confirmation Orders**") confirming a chapter 11 plan of reorganization for each of Mi Pueblo and Cha Cha (collectively, the "**Plans**") or an entry of a sale order ("**Sale Order**"). Each of the Confirmation Orders and the Plans or Sale Order to be in form and substance satisfactory to Agent in its reasonable discretion;
4. All conditions precedent to the effective date of the Plans shall have been satisfied or waived (if permitted thereunder) and the effective date shall have occurred;
5. Delivery of a collateral access agreement for each leased facility in a form reasonably acceptable to Agent;
6. Delivery of deeds of trust for all fee-owned real property, each with a loan policy of title insurance reasonably acceptable to Agent and an ALTA-ASCM Survey in a form reasonably acceptable to Agent; and
7. Execution of definitive legal documentation acceptable to Agent in its sole discretion (the "**Senior Debt Documentation**").

Miscellaneous

This Exit Facility Term Sheet does not set forth all the terms and conditions of the Transaction. Rather, it is only an outline, in summary format, of major points of understanding, which will form the basis of the definitive documentation. Victory Park and its counsel will prepare the definitive documentation.

This Exit Facility Term Sheet and the terms set forth herein are confidential, and Borrower shall not disclose the terms of this Term Sheet, or the fact that negotiations among Agent, Lender and Borrower are ongoing, to any third party, including, without limitation, any other source of potential financing for Borrower, except as required under Borrower's Chapter 11 proceedings.

[Signature Page Follows]

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Acknowledged, Accepted, and Agreed to:

BORROWERS: **MI PUEBLO SAN JOSE, INC.**

_____
By:
Its:
Date: _____ ___, 2014

CHA CHA ENTERPRISES, LLC

_____
By:
Its:
Date: _____ ___, 2014

LENDER: **VICTORY PARK CAPITAL ADVISORS, LLC**

_____
By: Scott Zemnick
Its: General Counsel
Date: _____ ___, 2014

AGENT: **VICTORY PARK MANAGEMENT, LLC**

_____
By: Scott Zemnick
Its: Authorized Signatory
Date: _____ ___, 2014

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EXHIBIT 2

CHA CHA ENTERPRISES, LLC
OUTSTANDING UNSECURED CLAIMS

Creditor: Executory Contracts and Unexpired Leases Subject to Assumption/Rejection Motion	**Scheduled or Claim Amount**	**Proposed Claim Amount Under Plan**	**Comments**
Auto Insurance International 1508 N Main Street Santa Ana, CA 92701	$2,000.00	$-0-	Security deposit on Executory Contract to be assumed and assigned; security deposit to be transferred and paid pursuant to the terms of the assumed contract.
Bedford Plaza Associates 2090 Warm Spring Court, Suite 264 Fremont, CA 94539	$10,645.90	$-0-	Unexpired Lease to be assumed and assigned; any amounts owing (which Cha Cha believes are $78,448.43 per agreement of the parties) to be paid as part of the cure amount owed to assume and assign that lease.
CSK Auto (O'Reilly) Property Management Dept. P.O. Box 1156 Springfield, CA 65801	$1,280.40	$-0-	Unexpired Lease to be assumed; any amounts owing (which Cha Cha believes are $-0-) to be paid as part of the cure amount owed to assume that lease.
Del Pacifico Dental c/o Jesus Guzman and Shahram Ameripour 1775 Story Rd., Suite 100 San Jose, CA 95122	$4,708.00	$-0-	Security deposit on Unexpired Lease to be assumed; security deposit to be paid pursuant to the terms of the assumed contract.
Fleming Business Park, LLC c/o WP Investments 2101 Woodside Road Woodside, CA 94062	$23,209.95 (Claim Nos. 6 & 7)	$-0-	Unexpired Lease to be assumed and assigned; any amounts owing (which Cha Cha believes are $-0-) to be paid as part of the cure amount owed to assume and assign that lease.
Fred Loya Insurance 1800 Lee Trevino, #201 El Paso, TX 79936	$5,000.00	$-0-	Security deposit on Executory Contract to be assumed and assigned; security deposit to be transferred and paid pursuant to the terms of the assumed contract.
Freeway Insurance Orangethorpe Ave Suite 200 Buena Park CA 90620	$5,000.00	$-0-	Security deposit on Executory Contract to be assumed and assigned; security deposit to be transferred and paid pursuant to the terms of the assumed contract.
Patelco Credit Union 156 Second Street San Francisco, CA 94105	$12,000	$-0-	Security deposit on Unexpired Lease to be assumed; security deposit to be paid pursuant to the terms of the assumed contract.
Secure Check Cashing System Inc 812 S Main St Ste100 Royal Oak, Mi 48067	$515.00 (Claim No. 4)	$-0-	Executory Contract Unexpired lease to be assumed; any amounts owing (which Cha Cha believes are $512.05) to be paid as part of the cure amount owed to assume that lease.
Via Rapida aka:Seguros Azteca 11 Embarcadero West Ste 220 & 240 Oakland, CA. 94607	$2,000.00	$-0-	Security deposit on executory contract to be assumed and assigned; security deposit to be transferred and paid pursuant to the terms of the assumed contract.
TOTALS			

Creditor: Class 3	Scheduled or Claim Amount	Proposed Claim Amount Under Plan	Comments
Edgar Chavez c/o Cha Cha Enterprises, LLC 1745 Story Road San Jose, CA 95122	$149,977.80	$149,977.80	Owed $153,780.38 as of 3/23/14 with accrued interest.
Juvenal Chavez c/o Cha Cha Enterprises, LLC 1745 Story Road San Jose, CA 95122	$5,663,307.28	$5,663,307.28	Owed $5,756,458.30 as of 3/23/14 with accrued interest.
NUCP Turlock, LLC c/o Steven N. Holland Ring Hunter Holland & Schenone, LLP 985 Moraga Road, Suite 201 Lafayette, CA 94549	$11,527,189.00 (Claim No. 9)	$-0-	Objection to claim filed seeking disallowance in full; claim paid only in allowed amount.

Creditor: Class 4 Convenience Class (Claims under $10,000)	Scheduled or Claim Amount	Proposed Claim Amount Under Plan	Comments
Cardepot, Inc. 10085 Annie St. Elk Grove, CA 95757	$142.00	$142.00	
Franchise Tax Board Bankruptcy Section, MS A -340 P.O. Box 2952 Sacramento, CA 95812-2952	$104.00 (Claim No. 1)	$104.00	
Kap-Stone Company P.O. Box 33262 Los Gatos, CA 95031	$550.00	$550.00	
Kare Distribution 1250 Broadway, 25th Floor New York, NY 10001	$2,760.00 (Scheduled) (Claim No. 5 filed in an unliquidated amount)	$2,760.00	
Mi Pueblo San Jose Inc 1745 Story Rd San Jose CA 95122	$4,661.19	$4,661.19	Amount may be $95,279.60 based on invoices received post-petition for pre-petition obligations.
National Security Guard 940 Park Avenue San Jose, CA 95126	$6,947.76	$6,947.76	
Newegg, Inc. 16839 E. Gale Ave City of Industry, CA 91745	$82.10	$82.10	
Paychex Inc. Department 7101 Carol Stream, Il 60122	$86.00	$86.00	
PG & E P.O. Box 997300 Sacramento, CA 95899	$2,791.02	$2,791.02	

Creditor: Class 4 Convenience Class (Claims under $10,000)	**Scheduled or Claim Amount**	**Proposed Claim Amount Under Plan**	**Comments**
San Jose Water Company 110 W Taylor Street San Jose, CA 95110	$2,320.56 (Claim Nos. 2 & 3)	$2,320.56	
Wells Fargo Bank, National Association 333 Market Street 3rd Floor MAC A0109-030 San Francisco, CA 94163-0001	Unknown (Claim No. 10)	$-0-	Wells Fargo Bank paid in full pursuant to Final DIP Order
Wm. Thomas Lewis Robertson & Lewis 150 Almaden Blvd., Suite 950 San Jose, CA 95113	$2,100.00 (Claim No. 8)	$2,100.00	

EXHIBIT 3

Liquidation Analysis
For Discussion Purposes Only (Excludes Turlock Claims)

Amounts in $000s	Estimated		Cha Cha Only (Best Estimate) Recovery Low	Recovery High	Recovery Value ($) Low	Recovery Value ($) High
ASSETS						
Current Assets						
Projected Cash as of 4/1/2014	$ 4,057		100.0%	100.0%	$ 4,057	$ 4,057
Accounts Receivable	292		50.0%	80.0%	146	234
Equipment and vehicle	28		50.0%	25.0%	14	7
Total Current Assets	4,377		96.3%	98.2%	4,217	4,298
Deposits	103		0.0%	0.0%	-	-
Deposits	103		0.0%	0.0%	-	-
Non-Current Assets						
Other Assets:	-		0.0%	5.0%	-	-
Total Available for Distribution (Mi Pueblo)	**$ 4,480**		94.1%	95.9%	**$ 4,217**	**$ 4,298**
Plus: Cha Cha Real Estate					20,000	25,000
Plus: Rent from Mi Pueblo & Tenants	605				605	605
Total Available for Distribution (with Cha Cha)					**$ 24,822**	**$ 29,902**
CLAIMS WATERFALL						
Secured Debt (includes L/C) - Proceeds from Cha Cha	9,334		100.0%	100.0%	9,334	9,334
Mi Pueblo Deficiency Claim					15,488	16,016
Total Secured Claims	9,334	100.0%			24,822	25,350
***Approximately $15-16m of Cha Cha value goes to pay DIP lender deficiency claim, actual amount to vary based on recoveries on Mi Pueblo assets*						
Administrative expenses:						
Administrative ch 11 prof Fees	100	10.7%	0.0%	100.0%	-	100
503(b)(9)	-	0.0%	0.0%	0.0%	-	-
Post Petition AP (net deposits & rebates)	310	33.3%	0.0%	100.0%	-	310
Payroll & Benefits (3 pay periods + 1 week)	217	23.3%	0.0%	100.0%	-	217
Rent	300	32.2%	0.0%	100.0%	-	300
Utility Expense	4	0.4%	0.0%	100.0%	-	4
Administrative Expenses:	931	100.0%	0.0%	100.0%	-	931
Priority Claims	-	0.0%	0.0%	0.0%	-	-
Related Party Note	5,799	59.3%	0.0%	37.0%	-	2,146
General Unsecured - Lease Rejection Claims	3,738	38.2%	0.0%	37.0%	-	1,384
General Unsecured - Cha Cha Payable	249	2.5%	0.0%	37.0%	-	92
	9,786	100.0%			-	3,622
	$ 20,051				24,822	29,902
Excess Available for Distribution					**$ -**	**$ -**

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Cha Cha Enterprises, LLC Liquidation Analysis Assumptions:

The following assumptions apply to the liquidation analysis provided herein:

1. Victory Park has a senior security interest in all Cha Cha assets.
2. All leases of real property to which Cha Cha is a tenant are rejected in the bankruptcy case and landlords have unsecured claims subject to Bankruptcy Code section 502(b)(6).
3. The deficiency that Cha Cha has guaranteed for the Mi Pueblo secured debt to Victory Park Management, LLC is between $15 million and $16 million. Actual amount may vary based on recoveries on Mi Pueblo assets.
4. Landlord claims for rejected leases total approximately $$3,738,358.12, which assumes one year of rent and CAM charges from June 1, 2014, or rent and CAM charges from June 1, 2014 to the end of the lease if such lease expires by its terms prior to June 1, 2015.
5. Cha Cha real estate is liquidated for between $20 million and $25 million.
6. Cha Cha would recover nothing on its approximately $14 million and substantial lease rejection claims against Mi Pueblo.
7. The liquidation values for assets are based on information available to Cha Cha, not current appraisals.

MODIFIED CHA CHA INCOME STATEMENT
NOT IN CONFORMITY WITH US GAAP (UNAUDITED)
FOR PRESENTATION PURPOSES ONLY & NOT FOR PUBLIC DISSEMINATION.
ASSUMES EXIT IS PD 5

	Projected			
($ in thousands)	P6 - 2014P	2014P	2015P	2016P
Sales	2,112	5,531	3,432	3,432
Salaries & Wages	137	573	-	-
Benefits & PR Taxes	25	122	-	-
Supplies	-	0	-	-
Rent	-	1,058	-	-
Repairs & Maintenance	10	34	35	36
Taxes & Other	132	207	207	207
Utilities	28	34	46	46
Other (Income) Expense	112	746	188	188
EBITDA	1,668	2,756	2,956	2,955
Interest	1,450	1,450	3,024	3,169
Depreciation	398	621	623	623
Taxes	-	240	-	-
Net Income	(180)	445	(691)	(837)
Interest Expense (non-cash)	1,384	1,384	2,029	1,293
Depreciation	398	621	623	623
Capex	-	-	-	-
Change in Working Capital	-	-	-	-
Free Cash Flow	1,602	2,450	1,961	1,079

EXHIBIT A

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UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

CHA CHA ENTERPRISES, LLC, Debtor,	CASE NO. 13-53894-ASW CHAPTER NUMBER: 11 Date: May 14, 2014 Time: 2:30 p.m. Dept: Courtroom: 3020 280 South First Street San Jose, CA 95113 Judge: Hon. Arthur S. Weissbrodt

DEBTOR'S FIRST AMENDED PLAN OF REORGANIZATION PURSUANT TO CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE

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INTRODUCTION[1]

Cha Cha Enterprises, LLC proposes the following Plan. Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, the Plan incorporates a proposed compromise, settlement, and resolution of outstanding Claims against, and Interests in, the Debtor. The Debtor is a proponent of the Plan within the meaning of section 1129 of the Bankruptcy Code. Reference is made to the Disclosure Statement (as defined herein), distributed contemporaneously herewith, and all exhibits to the Disclosure Statement. In the event of any inconsistency between the Disclosure Statement and the Plan, the relevant provision of the Plan, as it relates to such inconsistency, will govern.

ARTICLE I.

DEFINED TERMS AND RULES OF INTERPRETATION

A. Defined Terms

1. 503(b)(9) Claims: A claim against Mi Pueblo in the Mi Pueblo Bankruptcy Proceedings entitled to priority under section 503(b)(9) of the Bankruptcy Code. Holders of such 503(b)(9) Claims will be treated in accordance with the Mi Pueblo Plan.

2. A Note: An individual promissory note payable to the order of each holder of an Allowed 503(b)(9) Claim in the principal amount equal to the amount of trade credit provided by the 503(b)(9) Claim holder as of the Effective Date up to the amount of the holder's Allowed 503(b)(9) Claim, which shall (a) be issued by Reorganized Mi Pueblo, (b) be junior and subordinate in all respects, including payment, to the Senior Exit Facilities, the Chavez Senior Exit Note, and the Cha Cha Check Cashing Note, (c) be *pari passu* with the Chavez Junior Exit Note to the extent set forth in the definition of Chavez Junior Exit Note, (d) be secured by all of the assets of Reorganized Mi Pueblo and all of the assets of Reorganized Cha Cha, (e) accrue interest at an annual rate of 10% that is capitalized quarterly and to be repaid in kind until maturity, (f) mature three years after the Effective Date, at which time a payment will be due for all outstanding amounts under the A Note, (g) not be subject to amendment without the written

[1] Capitalized terms used in this Introduction are defined in ARTICLE I.

consent of the holder of the A Note and the Reorganized Debtor, (h) with amortization based on a "cash flow sweep" to be calculated based upon (i) cash generated from operations of Reorganized Mi Pueblo (above pre-determined thresholds) and (ii) the related Trade Credit Program (as defined in the Mi Pueblo Plan) to the extent such vendor provides additional trade credit after the Effective Date, which generates incremental accounts payable, (i) be subject to enforcement by the holder of the A Note and provide that holders will receive a report each quarter providing the status of the amortization of the A Notes and the B Notes, and (j) be subject to prepayment at any time without penalty, the form of which is included in the Plan Supplement. The A Notes and the B Notes will provide "mandatory pay downs" as follows: (a) upon the return of all or any portion of the letters of credit issued to Safety National for the workers' compensation policy for the policy term March 1, 2014 to March 1, 2015 and (b) from cash flow generated above agreed-upon targets, factoring in payments to Victory Park and its Affiliates and other holders of equity of Reorganized Mi Pueblo on account of interest and expense reimbursement on account of providing any of the Senior Exit Facilities or the Chavez Exit Notes and otherwise being a lender to Reorganized Mi Pueblo and expense reimbursement as an equity owner or board member of Reorganized Mi Pueblo, as applicable, but with a block on management fees, dividends on equity, redemptions on equity held by Victory Park and Juvenal Chavez and his family members (other than equity received by family members of Juvenal Chavez in their capacity as management) and amortization (other than mandatory prepayments and current salaries in the ordinary course) until the A Notes and the B Notes are satisfied in full.

3. Administrative Claim: A Claim for costs and expenses of administration pursuant to sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred after the Commencement Date of preserving the Estate and operating the businesses of the Debtor; (b) Allowed Professional Claims; (c) all fees and charges assessed against the Estate pursuant to section 1930 of chapter 123 of title 28 of the United States Code; (d) the Transaction Expenses; and (e) all claims approved as administrative claims pursuant to an order of the Bankruptcy Court.

4. Administrative Claims Bar Date: The deadline for filing requests for payment of

Administrative Claims, which shall be 30 days after the Effective Date, unless otherwise ordered by the Bankruptcy Court, except with respect to: (a) Professional Claims, which shall be subject to the provisions of ARTICLE II.B; (b) Transaction Expenses, which shall be Allowed as provided by the Exit Facility or DIP Facility, as applicable; or (c) provided they are assumed Executory Contracts, the Wells Fargo Bank Treasury Management Claims, which shall not require the filing of any such request as provided in ARTICLE II.A.

5. Affiliate: As defined in section 101(2) of the Bankruptcy Code.

6. Allowed: Except as otherwise provided herein and subject to ARTICLE VI.A: (a) a Claim or Interest that is (i) listed in the Schedules as of the Effective Date as not disputed, not contingent, and not unliquidated, or (ii) evidenced by a valid Proof of Claim, filed by the Claims Bar Date and not subject to the Debtor's or Reorganized Debtor's right to file an objection to such Proof of Claim; or (b) a Claim that is Allowed pursuant to the Plan or any stipulation approved by, or Final Order of, the Bankruptcy Court.

7. Avoidance Actions: Any and all avoidance, recovery, or subordination actions or remedies that may be brought on behalf of the Debtor or its Estate under the Bankruptcy Code or applicable non-bankruptcy law, including actions or remedies under sections 544, 547, 548, 550, 551, 552, or 553 of the Bankruptcy Code.

8. B Note: An individual promissory note payable to the order of each holder of an Allowed 503(b)(9) Claim in the principal amount equal to the amount of the holder's Allowed 503(b)(9) Claim less the amount of any A Note issued to the holder of an Allowed 503(b)(9) Claim, which shall (a) be issued by the Reorganized Debtor, (b) be junior and subordinate in all respects, including payment, to the Senior Exit Facilities, the Chavez Exit Notes, the Cha Cha Check Cashing Note, and the A Notes, (c) be *pari passu* with the Chavez Junior Exit Note to the extent set forth in the definition of Chavez Junior Exit Note, (d) be secured by all of the assets of Reorganized Mi Pueblo, (e) accrue interest at an annual rate of 8% that is capitalized quarterly and to be repaid in kind until maturity, (f) mature three years after the date of maturity of the A Notes (subject to adjustment to address applicable high-yield discount obligations (AHYDO) issues), at which time a payment will be due for all outstanding amounts under the B Note, (g) not

be subject to amendment without the written consent of the holder of the B Note and the Reorganized Debtor, (h) with amortization based on a "cash flow sweep" to be calculated based upon the related Trade Credit Program to the extent such vendor provides additional trade credit after the Effective Date, which generates incremental accounts payable, after the repayment of the full A Note issued to such vendor, (i) be subject to enforcement by the holder of the B Note and provide that holders will receive a report each quarter providing the status of the amortization of the A Notes and the B Notes, and (j) be subject to prepayment at any time without penalty, the form of which is included in the Plan Supplement. The A Notes and the B Notes will provide "mandatory pay downs" as follows: (a) upon the return of all or any portion of the letters of credit issued to Safety National for the workers' compensation policy for the term March 1, 2014 to March 1, 2015 and (b) from cash flow generated above agreed-upon targets, factoring in payments to Victory Park and other holders of equity of Reorganized Mi Pueblo and NewCo on account of interest and expense reimbursement on account of providing any of the Senior Exit Facilities or the Chavez Exit Notes and otherwise being a lender to Reorganized Mi Pueblo and NewCo and expense reimbursement as an equity owner or board member of Reorganized Mi Pueblo or NewCo, as applicable, but with a block on management fees, dividends on equity, redemptions on equity held by Victory Park and Juvenal Chavez and his family members (other than equity received by family members of Juvenal Chavez in their capacity as management) and amortization (other than mandatory prepayments and current salaries in the ordinary course) until the A Notes and the B Notes are satisfied in full.

9. Bankruptcy Code: Title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as may be amended from time to time.

10. Bankruptcy Court: The United States Bankruptcy Court for the Northern District of California having jurisdiction over the Chapter 11 Case and, to the extent of the withdrawal of any reference under section 157 of title 28 of the United States Code and/or order of a district court pursuant to section 157(a) of title 28 of the United States Code, the United States District Court for the Northern District of California.

11. Bankruptcy Rules: The Federal Rules of Bankruptcy Procedure as applicable to

the Chapter 11 Case, and the general, local, and chambers rules of the Bankruptcy Court.

12. Business Day: Any day, other than a Saturday, Sunday, or a legal holiday, as defined in Bankruptcy Rule 9006(a).

13. Cash: Legal tender of the United States of America or the equivalent thereof.

14. Causes of Action: Any and all Claims, actions, causes of action, choses in action, suits, debts, damages, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, remedies, rights of set-off, third-party claims, subrogation claims, contribution claims, reimbursement claims, indemnity claims, counterclaims, and crossclaims (including those of the Debtor, the Debtor as debtor in possession, and/or the Estate), whether known or unknown, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, that are or may be pending on the Effective Date or instituted after the Effective Date against any Entity, based in law or equity, including under the Bankruptcy Code, whether direct, indirect, derivative, or otherwise and whether asserted or unasserted as of the date of entry of the Confirmation Order.

15. Certificate: Any instrument evidencing a Claim or an Interest.

16. Cha Cha: Cha Cha Enterprises, LLC, a California limited liability company.

17. Cha Cha Check Cashing Note: A promissory note issued by Reorganized Mi Pueblo in the amount of approximately $2,200,000.00, which shall (a) be issued to Reorganized Cha Cha, (b) be junior and subordinate to the Senior Exit Facilities, (c) be senior to the Chavez Exit Notes, the A Notes, and the B Notes, (d) be secured by all of the assets of Reorganized Mi Pueblo, (e) accrue interest at an annual rate of 2% to be paid in kind until maturity, and (f) the proceeds of which shall be held in a segregated account used for the check cashing business transferred from Cha Cha to Reorganized Mi Pueblo as part of the Transferred Cha Cha Assets, the form of which is included in the Plan Supplement.

18. Cha Cha Exit Note: That certain unsecured promissory note in the amount of approximately $17,000,000.00, which shall be issued by NewCo to Reorganized Cha Cha and accrue interest at an annual rate of 2% to be paid in kind until maturity, the proceeds of which

shall be contributed to Reorganized Mi Pueblo as a capital contribution and used to fund operations at Reorganized Mi Pueblo and the restructuring, the form of which is included in the Plan Supplement.

19. Cha Cha Exit Note Documents: All documents necessary or appropriate to effectuate the Cha Cha Exit Note.

20. Cha Cha Transfer Agreement: That certain agreement by and between Cha Cha and Mi Pueblo governing the transfer of the Transferred Cha Cha Assets as partial consideration for fifty percent of the Reorganized Mi Pueblo Equity, the form of which is included in the Plan Supplement.

21. Chapter 11 Case: The chapter 11 case commenced by the Debtor, with the case number 13-53894, and styled *In re Cha Cha Enterprises, LLC*, Case No. 13-53894-ASW, which is currently pending before the Bankruptcy Court.

22. Chavez DIP Facility Claims: Any Claim against Mi Pueblo directly, indirectly, or otherwise derived from, or based upon, Mr. Juvenal Chavez's approximately $1,900,000.00 debtor-in-possession financing approved on a final basis by the Order Granting Motion to Authorize Borrowing and Incurring of Junior Secured Debt (11 U.S.C. § 364(c)(3)) [Docket No. 409] entered in the Mi Pueblo Bankruptcy Proceedings. Holders of Chavez DIP Facility Claims shall be treated in accordance with the Mi Pueblo Plan.

23. Chavez Exit Note Documents: All documents necessary or appropriate to effectuate the issuance of the Chavez Exit Notes.

24. Chavez Exit Notes: The Chavez Senior Exit Note and the Chavez Junior Exit Note, the forms of which are included in the Plan Supplement.

25. Chavez Junior Exit Note: That certain secured promissory note payable to the order of holders of Allowed Chavez DIP Facility Claims in the principal amount of $1,425,000.00, which shall (a) be issued by Reorganized Mi Pueblo, (b) be junior and subordinate in all respects, including payment, to the Senior Exit Facilities, the Cha Cha Check Cashing Note, and the Chavez Senior Exit Note, (c) be *pari passu* with the A Notes in an amount calculated by multiplying (i) the principal amount of the A Notes divided by the aggregate of (y) the principal

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amount of the A Notes plus (z) the principal amount the B Notes multiplied by (ii) the principal amount of $1,425,000.00 and secured by all of the assets of Reorganized Mi Pueblo for such amount, (d) be *pari passu* with the B Notes in an amount calculated by multiplying (i) the principal amount of the B Notes divided by the aggregate of (x) the principal amount of the A Notes plus (y) the principal amount the B Notes multiplied by (ii) the principal amount of $1,425,000.00, (e) have a maturity date of one year after the maturity date of the Senior Exit Facilities, and (f) accrue interest annually at an annual rate of 2% to be paid in kind until maturity, the form of which is included in the Plan Supplement.

26. Chavez Senior Exit Note: That certain secured promissory note payable to the order of holders of Allowed Chavez DIP Facility Claims in the principal amount of $475,000.00, which shall (a) be issued by Reorganized Mi Pueblo, (b) be junior and subordinate in all respects, including payment, to the Senior Exit Facilities and the Cha Cha Check Cashing Note, (c) be senior to the Chavez Junior Exit Note, the A Notes, and the B Notes, (d) have a maturity date of one year after the maturity date of the Exit Facilities, and (e) accrue interest annually at an annual rate of 2% to be paid in kind until maturity, the form of which is included in the Plan Supplement.

27. Claims Bar Date: (a) November 12, 2013; or (b) such other period of limitation as may be specifically fixed by an order of the Bankruptcy Court for filing Claims other than filing Administrative Claims.

28. Claims Register: The official register of Claims maintained by the Bankruptcy Court.

29. Class: A category of holders of Claims or Interests pursuant to section 1122(a) of the Bankruptcy Code.

30. Commencement Date: July 22, 2013.

31. Confirmation: The entry of the Confirmation Order on the docket of the Chapter 11 Case.

32. Confirmation Date: 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.

33. Confirmation Hearing: The hearing before the Bankruptcy Court pursuant to section 1128 of the Bankruptcy Code on the motion for entry of the Confirmation Order.

34. Confirmation Order: The order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code, which order shall be in form and substance acceptable to Victory Park.

35. Consummation: The occurrence of the Effective Date.

36. Convenience Class Claim: Any Claim against the Debtor that would otherwise be a General Unsecured Claim and that is (a) greater than $0.00 and (b) less than or equal to $10,000.00 in Allowed amount; provided, however, that a General Unsecured Claim may not be subdivided into multiple Claims of $10,000.00 or less for purposes of receiving treatment as a Convenience Class Claim.

37. Cure: A Claim against the Debtor for the payment of Cash, or the distribution of other property (all as the Debtor and the counterparty to the Executory Contract or Unexpired Lease may agree or the Bankruptcy Court may order), as necessary to (a) cure a default by the Debtor pursuant to section 365 of the Bankruptcy Code and in accordance with the terms of an Executory Contract or Unexpired Lease of the Debtor and (b) permit the Debtor to assume such Executory Contract or Unexpired Lease under sections 365 and 1123 of the Bankruptcy Code.

38. Debtor: Cha Cha Enterprises, LLC, a California limited liability company.

39. Debtor Release: As defined in ARTICLE VIII.D.

40. DIP Facility: The debtor-in-possession financing facility established pursuant to and approved on a final basis by the Final DIP Order.

41. DIP Facility Administrative Agent: Victory Park Management, LLC, or its successors, assigns, or replacements, in its capacity as administrative agent under the DIP Facility.

42. DIP Facility Claims: Any Claim directly, indirectly, or otherwise derived from, or based upon, the DIP Facility.

43. DIP Facility Lenders: The lenders under the DIP Facility.

44. Disclosure Statement: The disclosure statement for the Plan, as amended,

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supplemented or modified from time to time, in form and substance acceptable to Victory Park, including all exhibits and schedules thereto, and as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code.

45. Disputed Claim: Any Claim or Interest that is not yet Allowed.

46. Distribution Agent: The Reorganized Debtor or any Entity selected by the Reorganized Debtor on or after the Effective Date, as applicable, to make or to facilitate distributions to holders of Allowed General Unsecured Claims pursuant to the Plan.

47. Distribution Date: Any of the Initial Distribution Date or the Periodic Distribution Dates.

48. Distribution Record Date: The date for determining which holders of Allowed Claims are eligible to receive distributions hereunder, which shall be (a) ten Business Days after entry of the Confirmation Order or (b) such other date as designated in a Bankruptcy Court order.

49. Effective Date: The date 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 precedent to the Effective Date set forth in the Plan have been satisfied or waived.

50. Entity: As defined in section 101(15) of the Bankruptcy Code.

51. Equity Security: As defined in section 101(16) of the Bankruptcy Code.

52. Estate: The bankruptcy estate of the Debtor created pursuant to sections 301 and 541 of the Bankruptcy Code upon the commencement of the Chapter 11 Case.

53. Exculpated Claim: As defined in ARTICLE VIII.G.

54. Exculpated Party: Each of the following in its capacity as such: (a) the Debtor's and the Reorganized Debtor's current and former Affiliates, subsidiaries, officers, directors, principals, partners, members, managers, employees, agents, financial and other advisors, attorneys, accountants, investment bankers, consultants, representatives, and other Professionals; (b) the Existing Members; (c) the DIP Facility Lenders and the DIP Facility Administrative Agent; (d) the Exit Facility Lenders and the Exit Facility Administrative Agent; (e) Mi Pueblo; and (f) with respect to each of the foregoing Entities in clauses (b) through (e), their respective current and former parents, Affiliates, subsidiaries, officers, directors, principals, employees,

members, managers, agents, partners, professionals, financial and other advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, in their capacities as such.

55. Executory Contract: A contract or lease (other than an Unexpired Lease) to which the Debtor is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

56. Existing Members: The Entities holding the membership interests in the Debtor prior to the Effective Date.

57. Exit Facility: That certain financing facility in the amount of approximately $24,500,000.00 to be entered into on the Effective Date by the Reorganized Debtor, the Exit Lenders, and the other parties thereto from time to time with terms and provisions substantially similar to those contained in the term sheet attached to the Disclosure Statement and the agreement included in the Plan Supplement, with such changes as are acceptable to Victory Park, which shall be secured by a first priority lien on substantially all of the Reorganized Debtor's assets and a second priority lien on substantially all of Reorganized Mi Pueblo's assets, the form of which is included in the Plan Supplement.

58. Exit Facility Administrative Agent: The administrative agent under the Exit Facility or its successors, assigns, or replacements.

59. Exit Facility Lenders: The lenders under the Exit Facility.

60. Exit Financing: The financing provided to the Reorganized Debtor under the Exit Facility, the form of which is included in the Plan Supplement.

61. Exit Financing Documents: All documents necessary or appropriate to effectuate the Exit Financing.

62. Exit Obligations: The "Obligations" as defined in each of the Exit Facility and the Mi Pueblo Exit Facility, in each case, as amended, supplemented, restated, refinanced or otherwise modified from time to time.

63. Final Decree: The decree contemplated under Bankruptcy Rule 3022.

64. Final DIP Order: The *Final Order (I) Authorizing Debtor in Possession to Obtain*

Postpetition Financing and Providing Guaranty Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, and 364; (II) Granting Liens, Security Interests, and Superpriority Claims; (III) Authorizing Use of Cash Collateral; (IV) Modifying the Automatic Stay; and (V) Granting Related Relief, entered by the Bankruptcy Court on March 6, 2014 [Docket No. 238].

65. Final Order: An order or judgment of the Bankruptcy Court (or any other court of competent jurisdiction) entered by the Clerk of the Bankruptcy Court (or such other court) on the docket in the Chapter 11 Case (or the docket of such other court), which has not been modified, amended, reversed, vacated, or stayed and as to which (a) the time to appeal, petition for *certiorari*, or move for a new trial, stay, reargument or rehearing has expired and as to which no appeal, petition for *certiorari*, or motion for new trial, stay, reargument, or rehearing shall then be pending or (b) if an appeal, writ of *certiorari*, new trial, stay, reargument, or rehearing thereof has been sought, such order or judgment of the Bankruptcy Court (or other court of competent jurisdiction) shall have been affirmed by the highest court to which such order was appealed, or *certiorari* shall have been denied, or a new trial, stay, reargument, or rehearing shall have been denied or resulted in no modification of such order, and the time to take any further appeal, petition for *certiorari*, or move for a new trial, stay, reargument, or rehearing shall have expired, as a result of which such order shall have become final in accordance with Rule 8002 of the Federal Rules of Bankruptcy Procedure; provided 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 an order not to be a Final Order.

66. General Unsecured Claim: Any Claim, other than (a) Administrative Claims, (b) DIP Facility Claims, (c) Priority Tax Claims, (d) Other Priority Claims, (e) Professional Claims, (f) Secured Claims, (g) Other Secured Claims, (h) Secured Tax Claims, and (i) Convenience Class Claims.

67. Governmental Unit: As defined in section 101(27) of the Bankruptcy Code.

68. GUC Note: That certain unsecured, non-interest bearing promissory note payable to the order of holders of Allowed General Unsecured Claims in the principal amount of $5,975,000.00, which shall (a) be issued by the Reorganized Debtor, (b) be junior and subordinate

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in all respects, including payment, to the Senior Exit Facilities, and (c) have a maturity date of one year after the maturity date of the Senior Exit Facilities, the form of which is included in the Plan Supplement.

69. Impaired: With respect to any Class of Claims or Interests, a Claim or Interest that is not Unimpaired.

70. Initial Distribution Date: The date occurring, as soon as reasonably practicable, after the Effective Date when distributions under the Plan shall commence, other than distributions (if any) for Allowed Claims in Class 3.

71. Interest: Any Equity Security of the Debtor existing immediately prior to the Effective Date.

72. Interim Compensation Order: The *Order Establishing Procedures for Interim Payment of Fees and Reimbursement of Expenses*, entered by the Bankruptcy Court on December 6, 2013 [Docket No. 153].

73. IRS: Internal Revenue Service.

74. Lien: As defined in section 101(37) of the Bankruptcy Code.

75. Mi Pueblo: Mi Pueblo San Jose, Inc., a California corporation.

76. Mi Pueblo Bankruptcy Proceedings: The chapter 11 case commenced by Mi Pueblo, with the case number 13-53893, and styled *In re Mi Pueblo San Jose, Inc.*, Case No. 13-53893-ASW, which is currently pending before the Bankruptcy Court.

77. Mi Pueblo DIP Facility: The debtor-in-possession financing facility approved on a final basis by the *Final Order (I) Authorizing Debtor In Possession to Obtain Postpetition Financing and Providing Guaranty Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, and 364; (II) Granting Liens, Security Interests, and Superpriority Claims; (III) Authorizing Use of Cash Collateral; (IV) Modifying the Automatic Stay; and (V) Granting Related Relief* [Docket No. 665] entered in the Mi Pueblo Bankruptcy Proceedings.

78. Mi Pueblo Exit Facility: That certain financing facility in the amount of approximately $31,500,000.00 to be entered into on the Effective Date by Reorganized Mi Pueblo, the exit lenders party thereto, and the other parties thereto from time to time with terms

and provisions substantially similar to those contained in the term sheet attached to the Disclosure Statement and the agreement included in the Plan Supplement, with such changes as are acceptable to Victory Park, which shall be secured by a first priority lien on substantially all of Reorganized Mi Pueblo's assets and a second priority lien on substantially all of the Reorganized Debtor's assets, the form of which is included in the Plan Supplement.

79. Mi Pueblo Exit Financing Documents: All documents necessary or appropriate to effectuate the Mi Pueblo Exit Facility.

80. Mi Pueblo New Equity Investment: The Reorganized Mi Pueblo Equity issued by Reorganized Mi Pueblo to Victory Park and Cha Cha on the Effective Date in accordance with the Plan.

81. Mi Pueblo New Money Commitment: The obligation of Cha Cha to contribute, on the Effective Date, its share of the Mi Pueblo New Equity Investment on the terms and conditions set forth in the Mi Pueblo Plan.

82. Mi Pueblo Plan: The chapter 11 plan of reorganization of Mi Pueblo, as it may be altered, amended, modified, or supplemented from time to time, in accordance with the terms set forth therein, including the Mi Pueblo Plan Supplement and all exhibits, supplements, appendices, and schedules, and which shall be in form and substance acceptable to Victory Park.

83. Mi Pueblo Plan Supplement: The supplement or supplements to the Mi Pueblo Plan containing certain documents relevant to the implementation of the Mi Pueblo Plan, to be filed with the Bankruptcy Court as set forth in the Mi Pueblo Plan.

84. NewCo: The Entity created as part of the Restructuring Transactions that directly holds substantially all of the assets or equity of Mi Pueblo or Reorganized Mi Pueblo, on or after the Effective Date.

85. Other Priority Claim: Any Claims entitled to priority in right of payment under section 507(a) of the Bankruptcy Code other than (a) Administrative Claims or (b) Priority Tax Claim.

86. Other Secured Claim: Any Secured Claim, other than (a) DIP Facility Claims, (b) Secured Tax Claims, and (c) Wells Fargo Bank Treasury Management Claims.

87. Periodic Distribution Date: Unless otherwise ordered by the Bankruptcy Court, and other than with respect to distributions (if any) for Allowed Claims in Classes 1 and 5, the first business day that is 90 days after the Initial Distribution Date, and for the first year thereafter, the first business day that is 90 days after the immediately preceding Periodic Distribution Date.

88. Person: As defined in section 101(41) of the Bankruptcy Code.

89. Plan: This chapter 11 plan of reorganization, as it may be altered, amended, modified, or supplemented from time to time, in accordance with the terms set forth herein, including the Plan Supplement and all exhibits, supplements, appendices, and schedules, and which shall be in form and substance acceptable to Victory Park.

90. Plan Supplement: The supplement or supplements to the Plan containing certain documents relevant to the implementation of the Plan, to be filed with the Bankruptcy Court no later than May 1, 2014 or as otherwise provided herein, or as such filing deadlines may be extended by the Debtor, provided, that, the Debtor shall file a notice with the Bankruptcy Court of any such extension(s), and such supplement(s) shall be in form and substance reasonably acceptable to Victory Park, and which shall include, but not be limited to: (a) the Exit Financing Documents; (b) the Mi Pueblo Exit Financing Documents; (c) the Chavez Exit Note Documents; (d) the Cha Cha Exit Note Documents; (e) a form of GUC Note; (f) the form of Cha Cha Check Cashing Note; (g) the form of Cha Cha Exit Note; (h) a form of subordination agreement by and among Cha Cha and holders of A Notes and B Notes; (i) a form of subordination agreement by and between Victory Park and Cha Cha; (j) a description of the Restructuring Transactions; (k) a list of members of Reorganized Cha Cha's board of managers and necessary compensation-related disclosures; (l) a list of Executory Contracts and Unexpired Leases to be assumed or rejected (with related notices), and as may be amended by the Debtor prior to the Effective Date; (m) a list of retained Causes of Action; and (n) the Cha Cha Transfer Agreement.

91. Priority Claim: Collectively, Priority Tax Claims and Other Priority Claims.

92. Priority Tax Claim: Any Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

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93. Pro Rata: 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 that particular Class bear to the aggregate amount of Allowed Claims in that Class and other Classes entitled to share in the same recovery as such Allowed Claim under the Plan.

94. Professional: An Entity: (a) employed in the Chapter 11 Case 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 or on the Effective Date, pursuant to sections 327, 328, 329, 330, and 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.

95. Professional Claims: A Claim by a Professional seeking an award by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses incurred through and including the Effective Date under sections 328, 330, 331, 503(b)(2), 503(b)(3), 503(b)(4), or 503(b)(5) of the Bankruptcy Code.

96. Professional Compensation: All accrued fees and expenses (including success fees) for services rendered by all Professionals through and including the Effective Date to the extent any such fees and expenses have not been paid and regardless of whether a fee application has been filed for such fees and expenses. To the extent there is a Final Order denying some or all of a Professional's fees or expenses, such denied amounts shall no longer be considered Professional Compensation.

97. Proof of Claim: A proof of Claim filed against the Debtor in the Chapter 11 Case.

98. Reinstate or Reinstated: Has the meaning pursuant to all applicable sections of the Bankruptcy Code.

99. Released Party: Each of the following in its capacity as such, and only in its capacity as such: (a) the Debtor's and the Reorganized Debtor's current and former Affiliates, subsidiaries, officers, directors, principals, partners, members, managers, employees, agents, financial and other advisors, attorneys, accountants, investment bankers, consultants, representatives, and other Professionals; (b) the Existing Members; (c) the DIP Facility Lenders and the DIP Facility Administrative Agent; (d) the Exit Facility Lenders and the Exit Facility

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Administrative Agent; (e) Mi Pueblo; and (f) with respect to each of the foregoing Entities in clauses (b) through (e), their respective current and former parents, Affiliates, subsidiaries, officers, directors, principals, employees, members, managers, agents, partners, professionals, financial and other advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, in their capacities as such.

100. Releasing Party: Each of the following in its capacity as such: (a) the Debtor and the Reorganized Debtor (and all Entities claiming directly, indirectly, derivatively, or otherwise through the Debtor); (b) each holder of a Claim against the Debtor entitled to vote on the Plan voting to accept the Plan; and (c) each holder of a Claim against the Debtor entitled to vote on the Plan abstaining from voting on the Plan and not opting out of being a Releasing Party in accordance with the instructions set forth in the Solicitation Packages.

101. Reorganized Debtor or Reorganized Cha Cha: Cha Cha Enterprises, LLC, or any successor thereto by merger, consolidation, or otherwise, including any holding company created as part of the Restructuring Transactions that holds, directly or indirectly, substantially all of the assets of the Debtor or the Reorganized Debtor, on or after the Effective Date.

102. Reorganized Mi Pueblo: Mi Pueblo San Jose, Inc. or any successor thereto by merger, consolidation, or otherwise, including NewCo and any other holding company created as part of the Restructuring Transactions that holds, directly or indirectly, substantially all of the assets of the Debtor or Reorganized Mi Pueblo, on or after the Effective Date.

103. Reorganized Mi Pueblo Equity: The authorized shares of common stock of Reorganized Mi Pueblo.

104. Restructuring Transactions: Those certain transactions described in ARTICLE IV.N, including the sale and issuance of the Reorganized Mi Pueblo Equity to Victory Park and the Reorganized Debtor, the transfer of the Transferred Cha Cha Assets in accordance with the terms and conditions of the Cha Cha Transfer Agreement, the closing of the Exit Financing, and the issuance of the Cha Cha Exit Note, which shall be described in documents filed with the Plan Supplement.

105. Schedules: The schedules of assets and liabilities, schedules of Executory

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Contracts and Unexpired Leases, and statements of financial affairs filed by the Debtor pursuant to section 521 of the Bankruptcy Code and the Bankruptcy Rules.

106. Secured Claim: A Claim: (a) secured by a Lien on collateral to the extent of the value of such collateral, as determined in accordance with section 506(a) of the Bankruptcy Code; or (b) subject to a valid right of setoff pursuant to section 553 of the Bankruptcy Code.

107. Secured Tax Claim: Any Secured Claim that, absent its secured status, would be entitled to priority in right of payment under section 507(a)(8) of the Bankruptcy Code (determined irrespective of time limitations), including any related Secured Claim for penalties.

108. Securities Act: The Securities Act of 1933, as amended, and the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

109. Security or Securities: As defined in section 2(a)(1) of the Securities Act, which as provided herein, shall include the Reorganized Mi Pueblo Equity issued in accordance with the Mi Pueblo Plan.

110. Senior Exit Facilities: The Exit Facility and the Mi Pueblo Exit Facility.

111. Solicitation Packages: The voting and other Plan-related materials sent to each holder of a Claim pursuant to the Solicitation Procedures Order.

112. Solicitation Procedures Order: The *Order: (I) Approving the Debtor's Disclosure Statement; (II) Establishing Voting Record Date; (III) Approving Solicitation Packages and Distribution Procedures; (IV) Approving Forms of Ballots and Establishing Procedures for Voting on Chapter 11 Plan; (V) Approving Forms of Notices to Non-Voting Classes Under Plan; (VI) Establishing Voting Deadline to Accept or Reject Plan; (VII) Approving Procedures for Vote Tabulations; and (VIII) Establishing Confirmation Hearing Date and Notice and Objection Procedures Thereof* entered by the Bankruptcy Court.

113. Third Party Release: As defined in ARTICLE VIII.E.

114. Transaction Expenses: Any and all fees and expenses incurred by Victory Park, including, legal fees, advisor fees, consultant fees, costs and expenses, collateral valuations, appraisals, surveys, field examinations, third party diligence, lien searches, filing fees, and all other out-of-pocket costs and expenses in any way related to the DIP Facility, Exit Facility, and in

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connection with the prosecution and consummation of this Plan and all other documents related to this Plan and the Restructuring Transactions.

115. Transferred Cha Cha Assets: Those assets transferred from the Debtor to Mi Pueblo pursuant to the terms and conditions of the Plan and the Cha Cha Transfer Agreement and in accordance with the Restructuring Transactions, as follows: (a) the Debtor's check cashing business; (b) the Unexpired Leases and subleases identified in the Cha Cha Transfer Agreement; (c) loans of Cash through the Cha Cha Check Cashing Note and the Cha Cha Exit Note to fund Reorganized Mi Pueblo's working capital requirements and operations, if necessary, and to repay the Allowed Claims related to the Mi Pueblo DIP Facility in accordance with the Mi Pueblo Plan to the extent the amount of the Exit Facility exceeds the amount of the DIP Facility; and (d) a secured guaranty of the obligations of Mi Pueblo incurred under the Mi Pueblo Exit Facility.

116. Unclaimed Distribution: Any distribution under the Plan on account of an Allowed Claim to a holder that has not: (a) accepted a particular distribution or, in the case of distributions made by check, negotiated such check; (b) given notice to the Reorganized Debtor of an intent to accept a particular distribution; (c) responded to the Debtor's or Reorganized Debtor's requests for information necessary to facilitate a particular distribution; or (d) taken any other action necessary to facilitate such distribution.

117. Unexpired Lease: A lease of personal or nonresidential real property to which the Debtor is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

118. Unimpaired: With respect to a Class of Claims or Interests, a Class of Claims or Interests that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.

119. United States Trustee: The United States Trustee for the Northern District of California.

120. Victory Park: Victory Park Capital Advisors LLC.

121. Voting Deadline: That date that shall be the final date by which a holder of a Claim may vote to accept or reject the Plan in accordance with the Solicitation Procedures Order.

122. Voting Record Date: That date for determining which holders of Claims and

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Interests are entitled to vote to accept or reject the Plan in accordance with the Solicitation Procedures Order.

123. Wells Fargo Bank: Wells Fargo Bank, National Association; provided that notwithstanding any other provision of the Plan, (a) Wells Fargo Bank is not a Releasing Party, and (b) with respect to any Executory Contract or Unexpired Lease with Wells Fargo Bank included in the Plan Supplement in the list of Executory Contracts and Unexpired Leases to be assumed or rejected, the Plan Supplement will be filed and served no later than May 1, 2014, and may not be amended with regard to such Executory Contracts or Unexpired Leases unless Wells Fargo Bank (i) consents in writing or (ii) asserts an amount to cure such Executory Contracts or Unexpired Leases in excess of the amount proposed by the Debtor.

124. Wells Fargo Bank Compromise Order: The *Order re: (1) Approving Compromise of Controversy; (2) Authorizing Cha Cha Enterprises, LLC to Execute Various Agreements; and (3) Granting Wells Fargo Banks, N.A. Relief from the Automatic Stay* of Bankruptcy Court, entered in the Chapter 11 Case on February 20, 2014 [Docket No. 230].

125. Wells Fargo Bank Payoff Agreement: The *Discounted Payoff Agreement* dated as of February 20, 2014, made by the Debtor, Mi Pueblo, Wells Fargo Bank, and the other parties identified therein.

126. Wells Fargo Bank Treasury Management Agreements: The "Cha Cha Treasury Management Agreements" as that term is defined in the Wells Fargo Bank Payoff Agreement; provided, however, that notwithstanding any other provision of the Plan, after the Effective Date, the counterparty to the Wells Fargo Bank Treasury Management Agreements (and the associated deposit accounts maintained by the Debtor at Wells Fargo Bank) will remain the Debtor.

127. Wells Fargo Bank Treasury Management Claims: Any Claim of Wells Fargo Bank arising under or in connection with the Wells Fargo Bank Treasury Management Agreements.

B. Rules of Interpretation

1. For purposes of the Plan: (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) unless otherwise specified, 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 such document shall be substantially in such form or substantially on such terms and conditions; (c) unless otherwise specified, any reference herein to an existing document, schedule, or exhibit, shall mean such document, schedule, or exhibit, as it may have been or may be amended, modified, or supplemented; (d) unless otherwise specified, all references herein to "Articles" are references to Articles hereof or hereto; (e) the words "herein," "hereof," and "hereto" refer to the Plan in its entirety rather than to any 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 of the Plan; (g) unless otherwise specified herein, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (h) unless otherwise specified herein, any reference to the term "including" herein shall mean "including without limitation" and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it; and (i) 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 such term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

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

3. Except to the extent the Bankruptcy Code or Bankruptcy Rules apply, and subject to the provisions of any contract, lease, instrument, release, indenture, or other agreement or document entered into expressly in connection herewith, the rights and obligations arising hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of California, without giving effect to the principles of conflict of laws thereof.

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ARTICLE II.

ADMINISTRATIVE CLAIMS, PROFESSIONAL CLAIMS, PRIORITY TAX CLAIMS, AND OTHER PRIORITY CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Professional Claims, and Priority Tax Claims have not been classified and thus are excluded from the Classes of Claims set forth in ARTICLE III.

A. Administrative Claims

Unless otherwise agreed to by the holder of an Allowed Administrative Claim in writing, the Debtor or Reorganized Debtor, as applicable, and Victory Park, each holder of an Allowed Administrative Claim (other than of a Professional Claim) will receive in full and final satisfaction of its Administrative Claim an amount of Cash equal to the amount of such Allowed Administrative Claim either: (1) on the Effective Date, or as soon as practicable thereafter; (2) if the Administrative Claim is not Allowed as of the Effective Date, no later than 30 days after the date on which an order Allowing such Administrative Claim becomes a Final Order; or (3) if the Allowed Administrative Claim is based on liabilities incurred by the Debtor in the ordinary course of its business after the Commencement Date, pursuant to the terms and conditions of the particular transaction giving rise to such Allowed Administrative Claims, without any further action by the holders of such Allowed Administrative Claims. For the avoidance of doubt, Wells Fargo Bank has "otherwise agreed" as to the Wells Fargo Bank Treasury Management Claims, as provided in the Wells Fargo Bank Treasury Management Agreements and as further provided in the Wells Fargo Bank Payoff Agreement and the Wells Fargo Bank Compromise Order.

Except as otherwise provided in this ARTICLE II.A, unless previously filed, requests for payment of Administrative Claims must be filed and served on the Reorganized Debtor no later than the Administrative Claims Bar Date pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order. Holders of Administrative Claims that are required to file and serve a request for payment of such Administrative Claims that do not file and serve such a request by the Administrative Claims Bar Date shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtor, the Reorganized

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Debtor, or its property and Estate, and such Administrative Claims shall be deemed discharged as of the Effective Date.

No request for payment of Administrative Claim shall be required to be filed or served by Wells Fargo Bank under or in connection with the Wells Fargo Bank Treasury Management Agreements, and the Administrative Claims Bar Date shall not apply to those Claims. Those Claims shall be made, addressed, paid, collected, enforced, and otherwise governed entirely in accordance with the Wells Fargo Bank Treasury Management Agreements, the Wells Fargo Bank Payoff Agreement, and the Wells Fargo Bank Compromise Order.

B. Professional Claims

1. Final Fee Applications. All final requests for payment of Professional Claims shall be filed and served no later than 90 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 Claims shall be determined by the Bankruptcy Court.

2. Post-Effective Date Fees and Expenses. Upon the Effective Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code or the Interim Compensation Order in seeking retention or compensation for services rendered after such date shall terminate, and the Reorganized Debtor may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.

C. Priority Tax Claims and Other Priority Claims

Each holder of an Allowed Priority Tax Claim or Allowed Other Priority Claim due and payable on or before the Effective Date shall receive, at the option of Debtor (on the Effective Date) or the Reorganized Debtor (after the Effective Date), as applicable, with the consent of Victory Park, one of the following treatments on account of such Claim: (1) Cash, payable by the Debtor on the Effective Date, in an amount equal to the amount of such Allowed Priority Tax Claim or Allowed Other Priority Claim; (2) Cash in an amount agreed to by the Debtor (on the Effective Date) or Reorganized Debtor (after the Effective Date), as applicable, Victory Park, and

such holder, provided, however, that such Entity may further agree for the payment of such Allowed Priority Tax Claim or Allowed Other Priority Claim to occur at a later date; or (3) Cash in the aggregate amount of such Allowed Priority Tax Claim or Allowed Other Priority Claim payable in installment payments over a period not more than five years after the Commencement Date pursuant to section 1129(a)(9)(C) of the Bankruptcy Code. To the extent any Allowed Priority Tax Claim or Allowed Other Priority Claim is not due and owing on the Effective Date, such Claim shall be paid in full in Cash in accordance with the terms of any agreement between the Debtor (on the Effective Date) or the Reorganized Debtor (after the Effective Date), as applicable, Victory Park, and the holder of such Claim, or as may be due and payable under applicable non-bankruptcy law or in the ordinary course of business.

ARTICLE III.

CLASSIFICATION, TREATMENT, AND VOTING OF CLAIMS AND INTERESTS

A. Classification of Claims and Interests

Except for the Claims addressed in ARTICLE II, all Claims and Interests are classified in the Classes set forth herein pursuant to section 1122 of the Bankruptcy Code. As set forth above, in accordance with section 1123(a)(1) of the Bankruptcy Code, the Debtor has not classified Administrative Claims, Professional Claims, Priority Tax Claims, or Other Priority Tax Claims. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest qualifies within the description of such other Classes. A Claim or Interest is also classified in a particular Class for the purpose of voting and receiving distributions pursuant to the Plan only to the extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

1. Class Identification: Below is a chart assigning each Class a letter for purposes of identifying each separate Class.

Class	Claim or Interest	Status	Voting Rights
1	DIP Facility Claims	Impaired	Entitled to Vote

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Class	Claim or Interest	Status	Voting Rights
2	Other Secured Claims	Unimpaired	Conclusively Presumed to Accept
3	General Unsecured Claims	Impaired	Entitled to Vote
4	Convenience Class	Impaired	Entitled to Vote
5	Interests	Unimpaired	Conclusively Presumed to Accept

B. Treatment of Classes of Claims and Interests

1. Class 1—DIP Facility Claims

a. *Classification:* Class 1 consists of all DIP Facility Claims.

b. *Treatment:* The DIP Facility Claims are Allowed. Except to the extent that a holder of a DIP Facility Claim agrees to a less favorable treatment in writing, on or as soon as practicable after the Effective Date, each holder of an Allowed DIP Facility Claim shall be rolled over into the Exit Facility. Further, the Exit Facility Lenders will allow the Reorganized Debtor to make distributions to the Existing Members in an amount necessary to permit the Existing Members to pay income taxes owed by the Existing Members which result from taxable income passed through the Existing Members notwithstanding anything in the Final DIP Order or the Cha Cha Exit Facility to the contrary.

c. *Voting:* Class 1 is Impaired and holders of Allowed Class 1 Claims may vote to accept or reject the Plan.

2. Class 2—Other Secured Claims

a. *Classification:* Class 2 consists of all Other Secured Claims.

b. *Treatment*: Except to the extent that a holder of an Allowed Other Secured Claim agrees to a less favorable treatment in writing, on or as soon as practicable after the Effective Date, at the option of the Reorganized Debtor, each holder of an Allowed Other Secured Claim shall be: (i) reinstated according to the terms of the relevant instrument or (ii) satisfied through the surrender to the holder thereof of the collateral securing such Claim.

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

3. Class 3—General Unsecured Claims

a. *Classification:* Class 3 consists of all General Unsecured Claims.

b. *Treatment:* Except to the extent that a holder of an Allowed General Unsecured Claim agrees to a less favorable treatment in writing, on or as soon as is practicable after the Effective Date, each holder of an Allowed

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General Unsecured Claim shall receive the lesser of (i) the amount of such holder's Allowed GUC Claim and (ii) the amount of such holder's Pro Rata share of the GUC Note. (It is expected that holders of Class 3 General Unsecured Claims will receive any distributions on account of such Claims approximately three years after the Effective Date.)

c. *Voting:* Class 3 is Impaired, and holders of Allowed Class 3 Claims may vote to accept or reject the Plan.

d. *Subordination:* No payment in respect of the Allowed General Unsecured Claims shall be made or permitted or required to be made until repayment in full in cash of all Exit Obligations and termination of all commitments to lend under the Senior Exit Facilities, and each holder of an Allowed General Unsecured Claim shall promptly turn over any such payment received in violation of this ARTICLE III.B.3.d to the Exit Facility Administrative Agent prior to repayment in full in cash of the Exit Obligations and termination of all commitments to lend under the Senior Exit Facilities. Until repayment in full in cash of all Exit Obligations and termination of all commitments to lend under the Senior Exit Facilities, the terms relating to the Allowed General Unsecured Claims shall not be amended or otherwise modified without the written consent of the Exit Facility Administrative Agent. The Exit Facility Administrative Agent shall be entitled to rely on, and shall be a third party beneficiary of, the agreements set forth in this ARTICLE III.B.3.d.

4. Class 4—Convenience Class Claims

a. *Classification:* Class 4 consists of all Convenience Class Claims.

b. *Treatment:* Except to the extent that a holder of an Allowed Convenience Class Claim agrees to a less favorable treatment in writing, holders of Allowed Convenience Class Claims shall be paid in full on account of such Claims 180 days after the Effective Date without interest.

c. *Voting:* Class 4 is Impaired, and holders of Allowed Class 4 Claims may vote to accept or reject the Plan.

5. Class 5—Interests in Cha Cha

a. *Classification:* Class 5 consists of all Interests in Cha Cha.

b. *Treatment:* Except to the extent that a holder of an Allowed Class 5 Interest agrees to a less favorable treatment in writing, all holders of Allowed Class 5 Interests shall retain their Interests in the Debtor. Further, the Exit Facility Lenders will allow the Reorganized Debtor to make distributions to Existing Members in an amount necessary to permit Existing Members to pay income taxes owed by such Existing Members that result from taxable income passed through to such Existing Members notwithstanding anything in the Final DIP Order or the Cha Cha Exit Facility to the contrary.

c. *Voting:* Class 5 is Unimpaired, and holders of Allowed Class 5 Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, holders of Allowed Class 5 Interests are not entitled to vote to accept or reject the Plan.

C. Special Provision Governing Vote Tabulation

Except as otherwise provided in the Disclosure Statement and the motion to approve the Disclosure Statement and its related exhibits: (i) if no holders of Claims eligible to vote in a particular Class vote to accept or reject the Plan, the Plan shall be deemed accepted by the holders of such Claims in such Class; and (ii) any Class of Claims that does not have a holder of an Allowed Claim or Allowed Interest or a Claim temporarily allowed by the Bankruptcy Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

D. Special Provision Governing Unimpaired Claims

Except as otherwise specifically provided in the Plan, nothing under the Plan shall affect the Debtor's or the Reorganized Debtor's rights in respect of any Unimpaired Claim, including all rights in respect of legal and equitable defenses to or setoffs or recoupments against the holder of any such Unimpaired Claim.

ARTICLE IV.

PROVISIONS FOR IMPLEMENTATION OF THE PLAN

A. Use of Proceeds from Exit Facility

Unless otherwise provided in the Plan, the Debtor and Reorganized Debtor, as applicable, shall use the proceeds received from the Exit Facility and other funds held by the Debtor on the Effective Date: (1) to make cash distributions required by the Plan; (2) to pay Transaction Expenses not previously paid; (3) to pay other expenses of the Chapter 11 Case, to the extent so ordered by the Bankruptcy Court; (4) for general corporate purposes; and (5) to provide the Cha Cha Exit Note to Mi Pueblo. Cha Cha and Mi Pueblo reserve the right to make adjustments to the allocation of the exit financing and reorganization structure, subject to the approval of Victory Park, to minimize tax impacts.

B. Guaranty of Obligations Under the Senior Exit Facilities

The Reorganized Debtor shall provide a secured guaranty of the obligations incurred by Mi Pueblo under the Mi Pueblo Exit Facility. Reorganized Mi Pueblo, in turn, shall provide a

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secured guaranty of the obligations incurred by the Reorganized Debtor under the Exit Facility. Under the terms and conditions of the Exit Facility, the Exit Lenders will be secured by (i) a first lien on all of the assets of the Reorganized Debtor and (ii) a second lien on all of the assets of Reorganized Mi Pueblo. Under the terms and conditions of the Mi Pueblo Exit Facility, the Exit Lenders will be secured by (y) a first lien on all of the assets of Reorganized Mi Pueblo and (z) a second lien on all of the assets of the Reorganized Debtor.

C. Contribution of Transferred Cha Cha Assets to Mi Pueblo

Pursuant to the terms and conditions of the Cha Cha Transfer Agreement, as provided in the Plan, and without further Court order, on the Effective Date, the Debtor or Reorganized Debtor, as partial consideration for fifty percent of the Reorganized Mi Pueblo Equity, shall contribute or otherwise provide to Mi Pueblo or Reorganized Mi Pueblo the Transferred Cha Cha Assets, the Cha Cha Exit Note, and the Debtor's or Reorganized Debtor's share of the Mi Pueblo New Money Commitment. Cha Cha and Mi Pueblo reserve the right to make adjustments to the allocation of the exit financing and reorganization structure, subject to the approval of Victory Park, to minimize tax impacts.

D. General Settlement of Claims and Interests

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, on the Effective Date, the provisions of the Plan shall constitute a good-faith compromise and settlement of all Claims and Interests and Causes of Action resolved pursuant to the Plan.

E. Vesting of Assets in the Reorganized Debtor

Except as specifically or expressly provided in the Plan or any agreement, instrument, or other document incorporated in the Plan, on the Effective Date, all property of the Debtor's Estate, all of the Debtor's Causes of Action, and any property acquired by the Debtor pursuant to the Plan shall vest in the Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances (except for (1) Liens granted to or existing in favor of Wells Fargo Bank under or in connection with the Wells Fargo Bank Treasury Management Agreements and (2) Liens, if any, that may be specifically granted to secure the Senior Exit Facilities). On and

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after the Effective Date, except as otherwise specifically provided in the Plan, the Reorganized Debtor may operate its business and may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

F. Cancellation of Notes, Instruments, Certificates, and Other Documents

On the Effective Date, except as otherwise specifically provided for in the Plan (and except for such (1) Certificates, notes, or other instruments or documents evidencing indebtedness or obligations of the Debtor that are specifically Reinstated pursuant to the Plan and (2) the Wells Fargo Bank Treasury Management Agreements): (1) the obligations of the Debtor under the DIP Facility, and any other Certificate, share, note, bond, indenture, purchase right, or other instrument or document directly or indirectly evidencing or creating any indebtedness or obligation of or ownership interest, equity, or profits interest in the Debtor or any warrants, options, or other securities exercisable or exchangeable for, or convertible into, debt, equity, ownership, or profits interests in the Debtor giving rise to any Claim or Interest, and any options, or other securities exercisable or exchangeable for, or convertible into Interests or equity of the Debtor, shall be cancelled as to the Debtor; (2) the obligations of the Debtor under the DIP Facility shall be fully released, settled, and compromised as to the Debtor, and the Reorganized Debtor shall not have any continuing obligations thereunder except as otherwise specifically provided in the Plan; and (3) the obligations of the Debtor and the Reorganized Debtor, pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing any shares, Certificates, notes, bonds, indentures, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtor shall be fully released, settled, and compromised; provided, however, that notwithstanding Consummation or the occurrence of the Effective Date, any agreement that governs the rights of the holder of a Claim or Interest shall continue in effect solely for purposes of (1) allowing holders to receive distributions under the Plan, (2) allowing and preserving the rights of the DIP Facility Administrative Agent, as provided in ARTICLE VII.

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G. Issuance of New Securities; Execution of Plan Documents

Except as otherwise specifically provided in the Plan, the Reorganized Debtor shall issue on the Effective Date all Securities, notes, instruments, Certificates, and other documents required to be issued pursuant to the Plan.

H. Post-Confirmation Property Sales

To the extent the Debtor or Reorganized Debtor, as applicable, with the consent of Victory Park, purchase or sell any property after the Confirmation Date and prior to the Effective Date, the Debtor or Reorganized Debtor, as applicable, may, with the consent of Victory Park, elect to purchase or sell such property pursuant to sections 363, 1123(a)(5)(D), 1141(c), and 1146(a) of the Bankruptcy Code.

I. Section 1146(a) Exemption

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant to the Plan, including the Cha Cha Transfer Agreement, shall not be subject to any stamp tax or similar tax to the greatest extent of applicable law applying section 1146(a) of the Bankruptcy Code, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment. Such exemption specifically applies to the greatest extent of applicable law, without limitation, to: (1) the Restructuring Transactions; (2) the creation of any mortgage, deed of trust, Lien, or other security interest; (3) the making or assignment of any lease or sublease; (4) the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including: (a) any merger agreements; (b) agreements of consolidation, restructuring, disposition, liquidation, or dissolution; (c) deeds; (d) bills of sale; or (e) assignments executed in connection with any Restructuring Transaction occurring in accordance with the Plan.

J. Corporate Action

Each of the matters provided for by the Plan involving the corporate structure of the Debtor or corporate or related actions to be taken by or required of the Debtor or the Reorganized

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Debtor, whether taken prior to, as of, or after the Effective Date, shall be deemed authorized, approved, and ratified without the need for any further corporate action or without any further action by the Debtor or the Reorganized Debtor, holders of Claims or Interests, members, directors, managers, or officers of the Debtor, the Reorganized Debtor, or Victory Park, or any other Entity, as applicable, including the consummation and implementation of the Senior Exit Facilities, the grant of a security interest on account of the A Notes, the issuance of the GUC Note, the Cha Cha Check Cashing Note, and the Cha Cha Exit Note, and any intercreditor and subordination agreements with respect thereto.

K. Effectuating Documents, Further Transactions

On and after the Effective Date, the Reorganized Debtor, and its officers and members of the board of managers or members, are authorized to and may issue, execute, deliver, file, or record such contracts, Securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan and the Securities issued pursuant thereto in the name of and on behalf of the Reorganized Debtor, without the need for any approvals, authorizations, or consents except for those expressly required pursuant to the Plan.

L. Preservation of Rights of Action

Subject to the Debtor Release, the Third Party Release, the Wells Fargo Bank Payoff Agreement, the Wells Fargo Bank Compromise Order, unless any of the Debtor's Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Final Order, in accordance with section 1123(b) of the Bankruptcy Code, the Reorganized Debtor shall retain and may enforce all rights to commence and pursue, as appropriate, any and all of the Debtor's Causes of Action, whether arising before or after the Commencement Date, including any actions specifically enumerated in the Plan Supplement, and the Reorganized Debtor's right to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date (for the avoidance of doubt, the Debtor previously released, compromised, or settled certain of the Debtor's Causes of Action against Wells Fargo Bank and various related parties pursuant to the Wells Fargo Bank Payoff

Agreement, which was approved by the Wells Fargo Bank Compromise Order, which has become a Final Order). The Reorganized Debtor may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtor. **No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any of the Causes of Action against it as any indication that the Debtor or the Reorganized Debtor will not pursue any and all of their available Causes of Action against it. The Debtor and the Reorganized Debtor expressly reserve all rights to prosecute any and all of their Causes of Action against any Entity, except as otherwise expressly provided in the Plan or a Final Order**. Unless any of the Debtor's Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Final Order, the Reorganized Debtor expressly reserves all such Causes of Action, for later adjudication, and, therefore no preclusion doctrine, including 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 Consummation.

Further, subject to the releases set forth in ARTICLE VIII.D and ARTICLE VIII.E, the Reorganized Debtor reserves and shall retain the foregoing Debtor's 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 the Debtor may hold against an Entity shall vest in the Reorganized Debtor. The Reorganized Debtor, through its authorized agents or representatives, shall retain and may exclusively enforce any and all such Causes of Action. The Reorganized Debtor 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.

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M. Avoidance Actions

Subject to the Debtor Release, the Third Party Release, the Wells Fargo Bank Payoff Agreement, and the Wells Fargo Bank Compromise Order, the Debtor and Reorganized Debtor expressly retain and preserve all Avoidance Actions.

N. Restructuring Transactions

On or prior to the Effective Date, the Debtor or the Reorganized Debtor may enter into such transactions, execute and deliver such agreements, instruments, and other documents, and take any actions as may be necessary or appropriate to effect a corporate restructuring of their respective businesses, as and to the extent provided therein, with the consent of Victory Park. The Restructuring Transactions may include one or more inter-company mergers, consolidations, amalgamations, arrangements, continuances, restructurings, conversions, dissolutions, transfers, asset sales, liquidations, or other corporate transactions as may be determined by the Debtor or the Reorganized Debtor, as applicable, and Victory Park, to be necessary or appropriate to implement the transactions provided for in the Plan. None of the Restructuring Transactions contemplated herein shall constitute a change of control under any agreement, contract, or document of the Debtor or Reorganized Debtor, as applicable. The actions to effect the Restructuring Transactions may include: (1) the execution and delivery of appropriate agreements or other documents of merger, amalgamation, consolidation, restructuring, conversion, disposition, transfer, arrangement, continuance, dissolution, sale, purchase, or liquidation containing terms that are consistent with the terms of the Plan and that satisfy the requirements of applicable law and any other terms to which the relevant Entities agree; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan and having other terms to which the relevant Entities agree; (3) the filing of appropriate certificates of formation, merger, consolidation, conversion, amalgamation, arrangement, continuance, or dissolution pursuant to applicable state or provincial law; (4) pledging or granting of liens or security interests over, assuming or guarantying obligations of, or taking such similar actions as may be necessary to preserve the rights and collateral

interests of the secured creditors of the Debtor at all times prior to the effectiveness and consummation of the Plan; (5) changes to the organizational structure of the Debtor or the Reorganized Debtor, as applicable, as determined by the Debtor or the Reorganized Debtor, as applicable, and Victory Park; and (6) all other actions that the applicable entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law in connection with the Restructuring Transactions.

O. Corporate Existence

Except as otherwise specifically provided in the Plan, the Debtor shall continue to exist after the Effective Date with all the powers of a limited liability company pursuant to the laws of California, except to the extent its certificate of formation and limited liability company agreement (or other formation documents) are amended pursuant to the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and without any further notice to or action, order, or approval of the Bankruptcy Court or any other court of competent jurisdiction (other than any requisite filings required under applicable California or federal law).

P. Tax Reporting Matters

All Entities (including the Reorganized Debtor and holders of Claims and Interests) shall report for all federal income tax purposes in a manner consistent with the Plan.

Q. Adequate Assurance Deposits

Notwithstanding anything to the contrary in the Plan or in an order previously entered by the Bankruptcy Court, unless the Debtor or Reorganized Debtor, with the consent of Victory Park, otherwise agree, all adequate assurance deposits provided by the Debtor to utility providers pursuant to the *Final Order Granting Debtor's Emergency Motion for order (A) Prohibiting Utility Companies from Altering, Refusing or Discontinuing Service, (B) Determining Adequate Assurance of Payment for Postpetition Utility Services Under 11 U.S.C. § 366, and (C) Establishing Procedures for Determining Adequate Assurance of Payment* [Docket No. 66] shall be returned to the Reorganized Debtor no later than 30 business days after the Effective Date or applied to an Administrative Claim or Claims arising post-Consummation of an Entity

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holding such deposit.

R. Survival of Certain Prior Order of the Bankruptcy Court

Notwithstanding anything to the contrary in the Plan or the Confirmation Order, the Wells Fargo Bank Compromise Order and the provisions thereof shall survive Confirmation and the Effective Date; provided, however, that Reorganized Cha Cha may modify its cash management system as described in the Wells Fargo Bank Compromise Order and the Wells Fargo Payoff Agreement.

ARTICLE V.

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Rejection of Executory Contracts and Unexpired Leases

Except as otherwise provided herein, each Executory Contract and Unexpired Lease not previously assumed shall be deemed automatically rejected pursuant to sections 365 and 1123 of the Bankruptcy Code as of the Effective Date, unless any such Executory Contract or Unexpired Lease: (1) is, with the consent of Victory Park, listed in or deemed listed in the schedule of "Assumed Executory Contracts and Unexpired Leases" in the Plan Supplement; (2) has been previously assumed by the Debtor by Final Order or has been assumed by the Debtor by order of the Bankruptcy Court as of the Effective Date (including retroactively), which order becomes a Final Order after the Effective Date; (3) is the subject of a motion to assume or reject pending as of the Effective Date; or (4) is otherwise assumed pursuant to the terms herein.

The Confirmation Order will constitute an order of the Bankruptcy Court approving such rejections pursuant to sections 365 and 1123 of the Bankruptcy Code as of the Effective Date. Counterparties to Executory Contracts or Unexpired Leases that are deemed rejected as of the Effective Date shall have the right to assert any Claim on account of the rejection of such Executory Contracts or Unexpired Leases, including under section 502(g) of the Bankruptcy Code, subject to compliance with the requirements herein. All Executory Contracts and Unexpired Leases rejected by the Debtor on or prior to the Effective Date will not be continuing obligations of the Debtor or Reorganized Debtor.

Further, the Plan Supplement will contain a schedule of "Rejected Executory Contracts

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and Unexpired Leases," as may be amended from time to time with the consent of Victory Park; provided, however, that any Executory Contract and Unexpired Lease not previously assumed, assumed and assigned, or rejected by an order of the Bankruptcy Court, and not listed in or deemed listed in the schedule of "Assumed Executory Contracts and Unexpired Leases" will be rejected on the Effective Date, notwithstanding its exclusion from the schedule of "Rejected Executory Contracts and Unexpired Leases".

B. Claims Based on Rejection of Executory Contracts or Unexpired Leases

Unless otherwise provided by a Bankruptcy Court order, any Proofs of Claim asserting Claims arising from the rejection of the Executory Contracts and Unexpired Leases pursuant to the Plan or otherwise must be filed with the Bankruptcy Court no later than 30 days after the later of the Effective Date and the effective date of rejection. In addition, any objection to the rejection of an Executory Contract or Unexpired Lease must be filed with the Bankruptcy Court no later than 30 days after the later of the Effective Date and the effective date of rejection.

C. Assumption of Executory Contracts and Unexpired Leases

On the Effective Date, except as otherwise provided herein, in addition to those Executory Contracts and Unexpired Leases previously assumed by the Debtor pursuant to a Final Order (and not otherwise subsequently rejected prior to the Effective Date), the Debtor, with the consent of Victory Park, shall assume all of the Executory Contracts and Unexpired Leases listed in or deemed listed in the schedule of "Assumed Executory Contracts and Unexpired Leases," as may be amended from time to time, in the Plan Supplement. With respect to each such Executory Contract and Unexpired Lease listed in or deemed listed in the schedule of "Assumed Executory Contracts and Unexpired Leases," the Debtor shall have designated a proposed Cure. The Confirmation Order shall constitute an order of the Bankruptcy Court approving any such assumptions pursuant to sections 365(a) and 1123 of the Bankruptcy Code.

1. Modifications, Amendments, Supplements, Restatements, or Other Agreements. Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed by the Debtor or the Reorganized Debtor shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory

Contract or Unexpired Lease, and all rights related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated hereunder; provided, however, that any anti-assignment provision in any assumed Executory Contract and/or Unexpired Lease shall be deemed invalid for the purposes of assumption and/or assignment pursuant to section 365 of the Bankruptcy Code in this Chapter 11 Case, including assignment of any assumed Executory Contract and/or Unexpired Lease to any affiliate of the Debtor or Reorganized Debtor on or prior to the Effective Date. The Debtor and Reorganized Debtor will take all necessary or appropriate steps to comply with state liquor, pharmacy, and food sales laws and regulations. Confirmation of the Plan and Consummation of the Restructuring Transactions shall not constitute a change of control under any Executory Contract or Unexpired Lease assumed by the Debtor on or prior to the Effective Date. Any assignment by the Reorganized Debtor of an Executory Contract or Unexpired Lease after the Effective Date shall be governed by the terms of the Executory Contract or Unexpired Lease and applicable non-bankruptcy law.

Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtor during this Chapter 11 Case shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

2. Proofs of Claim Based on Executory Contracts or Unexpired Leases that Have Been Assumed. Any and all Proofs of Claim based upon Executory Contracts or Unexpired Leases that have been assumed in this Chapter 11 Case, including hereunder, except Proofs of Claim asserting Cures pursuant to the order approving such assumption, including the Confirmation Order, shall be deemed disallowed as of the Effective Date without the need for any objection thereto or any further notice to or action, order, or approval of the Bankruptcy Court.

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D. Objections to Assumption of Executory Contracts and Unexpired Leases Including Cure of Defaults

With respect to each of the Executory Contracts or Unexpired Leases listed in or deemed listed in the schedule of "Assumed Executory Contracts and Unexpired Leases," the Debtor shall file and serve a notice of proposed Cure on or before the Effective Date. Such Cure shall be satisfied by the Debtor or the Reorganized Debtor by payment of the Cure in Cash on the Effective Date or as soon as reasonably practicable thereafter, or on such other terms as may be ordered by the Bankruptcy Court or agreed upon by the parties to the applicable Executory Contract or Unexpired Lease without any further notice to or action, order, or approval of the Bankruptcy Court. Any provisions or terms of the 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 solely by Cure, or by an agreed-upon waiver of Cure. Nothing herein or in the Confirmation Order shall impact any unresolved Cure disputes or pending Cure objections filed by parties to Executory Contracts and Unexpired Leases that have been previously assumed by the Debtor pursuant to section 365 of the Bankruptcy Code.

Except with respect to Executory Contracts and Unexpired Leases in which the Debtor, with the consent of Victory Park, and the applicable counterparties have stipulated in writing to payment of Cure, all requests for payment of Cure that differ from the amounts proposed by the Debtor in the notice of proposed Cure filed and served in accordance with ARTICLE V.D (*i.e.*, Cure objections) must be filed with the Court on or before ten (10) calendar days have elapsed from the date of the filing and service of the notice of proposed Cure and set for hearing in accordance with the Local Rules of the Bankruptcy Court. In addition, any non-Cure objection to the assumption of an Executory Contract or Unexpired Lease, to be deemed timely, must be filed with the Bankruptcy Court.

Any request for payment of Cure that is not timely filed shall be disallowed automatically and forever barred, estopped, and enjoined from assertion and shall not be enforceable against the Debtor or the Reorganized Debtor, without the need for any objection by the Reorganized Debtor or any further notice to or action, order, or approval of the Bankruptcy Court, and any Cure shall be deemed fully satisfied, released, and discharged upon payment by the Debtor of the amounts

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listed in the Debtor's proposed Cure schedule, notwithstanding anything included in the Schedules or in any Proof of Claim to the contrary; provided, however, that nothing shall prevent the Reorganized Debtor from paying any Cure despite the failure of the relevant counterparty to file such request for payment of such Cure. The Reorganized Debtor also may settle any Cure without any further notice to or action, order, or approval of the Bankruptcy Court.

If the Debtor or Reorganized Debtor, as applicable, object to any Cure or any other matter related to assumption, the Bankruptcy Court shall determine the Allowed amount of such Cure and any related issues. If there is a dispute regarding such Cure, the ability of the Reorganized Debtor or any assignee to provide "adequate assurance of future performance" within the meaning of section 365 of the Bankruptcy Code, or any other matter pertaining to assumption, then payment of 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 Debtor or Reorganized Debtor, as applicable, and the counterparty to the Executory Contract or Unexpired Lease. Any counterparty to an Executory Contract or Unexpired Lease that fails to timely object to the proposed assumption of any Executory Contract or Unexpired Lease and associated Cure will be deemed to have consented to such assumption and Cure.

Assumption of any Executory Contract or Unexpired Lease and satisfaction of any applicable Cure pursuant to the Plan or otherwise shall result in the full release and satisfaction of any cures, Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time prior to the effective date of assumption.

E. Preexisting Obligations to the Debtor Under Executory Contracts and Unexpired Leases

Rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of pre-existing obligations owed to the Debtor under such contracts or leases. In particular, notwithstanding any non-bankruptcy law to the contrary, the Reorganized Debtor expressly reserves and does not waive any right to receive, or any continuing

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obligation of a counterparty to provide, warranties or continued maintenance obligations on goods previously purchased by the contracting Debtor or Reorganized Debtor, as applicable, from counterparties to rejected or repudiated Executory Contracts.

F. Contracts and Leases Entered Into After the Commencement Date

Contracts and leases entered into after the Commencement Date by the Debtor, and any Executory Contracts and Unexpired Leases assumed by the Debtor, may be performed by the Reorganized Debtor in the ordinary course of business.

G. Reservation of Rights

Neither the exclusion nor inclusion of any contract or lease in the Plan Supplement, nor anything contained in the Plan, shall constitute an admission by the Debtor that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that any Reorganized Debtor has any liability thereunder. If there is any objection filed to the rejection of an Executory Contract or Unexpired Lease, the Debtor or Reorganized Debtor, as applicable, shall have 30 days after entry of a Final Order resolving such objection to alter their treatment of such contract or lease.

ARTICLE VI.

PROCEDURES FOR RESOLVING DISPUTED CLAIMS AND INTERESTS

A. Allowance of Claims and Interests

After the Effective Date, the Reorganized Debtor shall have and retain any and all rights and defenses the Debtor had with respect to any Claim or Interest immediately prior to the Effective Date, including the Causes of Action retained pursuant to ARTICLE IV.L. Except as expressly provided in the Plan or in any order entered in the Chapter 11 Case prior to the Effective Date (including the Confirmation Order), no Claim shall become an Allowed Claim unless and until (i) the Reorganized Debtor agrees that such Claim is Allowed or (ii) the Bankruptcy Court has entered a Final Order, including the Confirmation Order, in the Chapter 11 Case allowing such Claim or Interest. 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 Entities.

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B. Claims and Interests Administration Responsibilities

Except as otherwise specifically provided in the Plan, after the Effective Date, the Reorganized Debtor shall have the sole authority (1) to file, withdraw, or litigate to judgment, objections to Claims or Interests, (2) to settle or compromise any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court, and (3) to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court.

C. Estimation of Claims and Interests

Before or after the Effective Date, the Debtor or Reorganized Debtor, as applicable, may (but is not required to) at any time request that the Bankruptcy Court estimate any Disputed Claim that is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any Entity previously has objected to such Claim or Interest or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Claim or Interest, including during the litigation of any objection to any Claim or Interest or during the appeal relating to such objection. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim or Interest, that estimated amount shall constitute a maximum limitation on such Claim or Interest for all purposes under the Plan (including for purposes of distributions), and the Reorganized Debtor may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim or Interest.

D. Expungement or Adjustment to Paid, Satisfied, or Superseded Claims and Interests

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

E. No Interest

Unless otherwise specifically provided for in the Plan (including with respect to the Allowed amount of any Claims hereunder), required under applicable bankruptcy law, or agreed

to in the Confirmation Order, postpetition interest shall not accrue or be paid on Claims, and no holder of a Claim shall be entitled to interest accruing on or after the Commencement Date on any Claim or right. Additionally, and without limiting the foregoing, interest shall not accrue or be paid on any Disputed Claim with respect to the period from the Effective Date to the date a final distribution is made on account of such Disputed Claim, if and when such Disputed Claim becomes an Allowed Claim.

F. **DISALLOWANCE OF CLAIMS OR INTERESTS**

EXCEPT AS OTHERWISE AGREED, ANY AND ALL PROOFS OF CLAIM FILED AFTER THE APPLICABLE DEADLINE FOR FILING SUCH PROOFS OF CLAIM 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 SHALL NOT RECEIVE ANY DISTRIBUTIONS ON ACCOUNT OF SUCH CLAIMS UNDER THIS PLAN, UNLESS SUCH LATE PROOF OF CLAIM IS DEEMED TIMELY FILED BY A FINAL ORDER OF THE BANKRUPTCY COURT OR AS AGREED TO BY THE REORGANIZED DEBTOR.

All Secured Tax Claims, Other Secured Claims, Other Priority Claims, and Administrative Claims arising outside the ordinary course of the Debtor's business, of any Entity from which property is sought by the Debtor under section 542, 543, 550, or 553 of the Bankruptcy Code or that the Debtor or the Reorganized Debtor allege 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 (1) the Bankruptcy Court has determined by Final Order that such Entity or transferee is liable to turn over any property or monies under any of the aforementioned sections of the Bankruptcy Code and (2) such Entity or transferee has failed to turn over such property by the date set forth in such agreement or Final Order.

G. Amendments to Claims

On or after the Effective Date, except as otherwise provided herein, a Claim may not be filed or amended without the authorization of the Bankruptcy Court or the Reorganized Debtor,

and, to the extent such authorization is not received, any such new or amended Claim filed shall be deemed disallowed in full and expunged without any further notice to or action, order, or approval of the Bankruptcy Court, provided, that, after the Effective Date, holders of Claims in Class 3 and Class 4 may provide updated notice and address information for distribution purposes to the Distribution Agent.

H. No Distributions Pending Allowance

No payment or distribution provided under the Plan shall be made on account of any Disputed Claim or portion thereof, as applicable, unless and until such Disputed Claim becomes an Allowed Claim.

I. Distributions After Allowance

Subject to the treatment of such Claim under the Plan, as soon as practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Distribution Agent shall provide to the holder of such Claim the distribution, if any, to which such holder is entitled under the Plan as of the Effective Date, without any interest to be paid on account of such Claim unless required under applicable bankruptcy law.

ARTICLE VII.

PROVISIONS GOVERNING DISTRIBUTIONS

A. Distributions on Account of Claims Allowed as of the Effective Date

1. Delivery of Distributions in General. Except as otherwise provided in the Plan, a Final Order, or as otherwise agreed to by the relevant Entities, the Distribution Agent shall make initial distributions under the Plan on account of Claims Allowed on or before the Effective Date, subject to the Reorganized Debtor's right to object to Claims; provided, however, that (a) Allowed Administrative Claims with respect to liabilities incurred by the Debtor in the ordinary course of business during the Chapter 11 Case or assumed by the Debtor prior to the Effective Date shall be paid or performed in the ordinary course of business in accordance with the terms and conditions of any controlling agreements, course of dealing, course of business, or industry practice, and (b) Allowed Priority Tax Claims and Allowed Secured Tax Claims shall be paid in full in Cash on the Distribution Date or in installment payments over a period not more

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than five years after the Commencement Date pursuant to section 1129(a)(9)(C) of the Bankruptcy Code. To the extent any Allowed Priority Tax Claim or Allowed Secured Tax Claim is not due and owing on the Effective Date, such Claim shall be paid in full in Cash in accordance with the terms of any agreement between the Debtor and the holder of such Claim, or as may be due and payable under applicable non-bankruptcy law or in the ordinary course of business.

2. Delivery of Distributions on account of DIP Facility Claims. The DIP Facility Administrative Agent: (a) shall be deemed to be the holder of all DIP Facility Claims, as applicable, for purposes of distributions to be made hereunder, and the Distribution Agent shall make all distributions on account of Allowed DIP Facility Claims to or on behalf of the DIP Facility Administrative Agent; (b) shall hold or direct such distributions for the benefit of the holders of Allowed DIP Facility Claims, as applicable; and (c) shall arrange to deliver such distributions to or on behalf of such holders of Allowed DIP Facility Claims; provided, however, the DIP Facility Administrative Agent shall retain all rights as administrative agent under the DIP Facility in connection with delivery of distributions to DIP Facility Lenders; and provided further, however, that the Debtor's obligations to make distributions in accordance with ARTICLE III.B.1 shall be deemed satisfied upon delivery of distributions to the DIP Facility Administrative Agent.

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 Entities (including the Debtor or the Reorganized Debtor, as applicable, and Victory Park), distributions under the Plan on account of Disputed Claims (other than Disputed Claims in Class 3) that become Allowed after the Effective Date shall be made on the Periodic Distribution Date; provided, however, that (a) Disputed Claims that are Administrative Claims with respect to liabilities incurred by the Debtor in the ordinary course of business during the Chapter 11 Case or assumed by the Debtor on or before the Effective Date that become Allowed after the Effective Date shall be paid or performed in the ordinary course of business in accordance with the terms and conditions of any controlling agreements, course of dealing, course of business, or industry practice and (b) Disputed Claims that are Priority Tax Claims or Secured Tax Claims that become Allowed Priority Tax Claims or

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Allowed Secured Tax Claims after the Effective Date shall be paid in full in Cash on the Periodic Distribution Date that is at least 30 days after the Disputed Claim becomes an Allowed Claim or over a five-year period as provided in section 1129(a)(9)(C) of the Bankruptcy Code with annual interest provided by applicable non-bankruptcy law.

2. Special Rules for Distributions to Holders of Disputed Claims. Notwithstanding any provision otherwise in the Plan and except as otherwise agreed by the relevant Entities (including the Debtor or the Reorganized Debtor, as applicable, and Victory Park, as applicable), (a) 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 and (b) any Entity that holds both an Allowed Claim and a Disputed Claim shall not receive any distribution on the Allowed Claim unless and until all objections to the Disputed Claim have been resolved by settlement or Final Order or the Claims have been Allowed or expunged. All distributions made pursuant to the Plan on account of a Disputed Claim that is deemed an Allowed Claim by the Bankruptcy Court shall be made together with any dividends, payments, or other distributions made on account of, as well as any obligations arising from, the distributed property as if such Allowed Claim had been an Allowed Claim on the dates distributions were previously made to holders of Allowed Claims included in the applicable Class; provided, however, that no interest shall be paid on account of such Allowed Claims unless required under applicable bankruptcy law or specifically provided for in the Plan (including with respect to the Allowed amount of any Claims hereunder).

C. Delivery of Distributions

1. Record Date for Distributions. On the Distribution Record Date, the Claims Register shall be closed and when making distributions on or after the Effective Date, the Distribution Agent shall be authorized and entitled to recognize only those record holders listed in the Claims Register as of the close of business on the Distribution Record Date. Notwithstanding the foregoing, if a Claim or Interest is transferred less than 20 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

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certification and waiver of any objection to the transfer by the transferor.

2. Distribution Process. Except as otherwise provided herein, the Distribution Agent shall make, on and after the Effective Date, all distributions to holders of Allowed Claims required under the Plan. Except as otherwise provided in the Plan, and notwithstanding any authority to the contrary, distributions to holders of Allowed Claims shall be made, on or after the Effective Date, to holders of record as of the Distribution Record Date by the Distribution Agent: (a) to the signatory set forth on any of the Proofs of Claim filed by such holder or other representative identified therein (or at the last known addresses of such holder if no Proof of Claim is filed or if the Debtor has been notified in writing of a change of address); (b) at the addresses set forth in any written notices of address changes delivered to the Distribution Agent after the date of any related Proof of Claim; (c) in accordance with Federal Rule of Civil Procedure 4, as modified and made applicable by Bankruptcy Rule 7004 if no Proof of Claim has been filed and the Distribution Agent has not received a written notice of a change of address; (d) at the addresses reflected in the Schedules if no Proof of Claim has been filed and the Distribution Agent has not received a written notice of a change of address; or (e) on any counsel that has appeared in the Chapter 11 Case on the holder's behalf. The Debtor, the Reorganized Debtor, and the Distribution Agent, as applicable, shall not incur any liability whatsoever on account of any distributions under the Plan.

3. Compliance Matters. In connection with the Plan, to the extent applicable, the Reorganized Debtor and the Distribution Agent shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Reorganized Debtor and the Distribution Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including 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 they believe are reasonable and appropriate. The

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Reorganized Debtor 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.

4. Fractional, De Minimis, Undeliverable, and Unclaimed Distributions.

a. Fractional Distributions. Notwithstanding any other provision of the Plan to the contrary, the Distribution Agent shall not be required to make distributions or payments of fractions of dollars. Whenever any payment of Cash of a fraction of a dollar pursuant to the Plan would otherwise be required, the actual payment shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars or less being rounded down.

b. De Minimis Distributions. The Distribution Agent shall not have any obligation to make a distribution on account of an Allowed Claim if the amount to be distributed to the specific holder of an Allowed Claim on the particular Periodic Distribution Date does not equal or exceed $25.00.

c. Undeliverable Distributions. If any distribution to a holder of an Allowed Claim is returned to a Distribution Agent as undeliverable, no further distributions shall be made to such holder unless and until such Distribution Agent 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; provided, however, the Distribution Agent shall make reasonable efforts to locate the holder of such Claim. Undeliverable distributions shall remain in the possession of the Reorganized Debtor until such time as a distribution becomes deliverable, or such distribution reverts to the Reorganized Debtor or is cancelled pursuant to ARTICLE VII.C.4.d, and shall not be supplemented with any interest, dividends, or other accruals of any kind.

d. Reversion. Any distribution under the Plan that is an Unclaimed Distribution for a period of six months after distribution shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and such Unclaimed Distribution shall revest in the Reorganized Debtor. Upon such revesting, the Claim of any holder or its successors with respect to such property shall be cancelled, discharged, and forever barred notwithstanding any applicable federal

or state escheat, abandoned, or unclaimed property laws to the contrary.

5. Surrender of Cancelled Instruments or Securities. Except as otherwise specifically provided in the Plan, on the Effective Date, or as soon as reasonably practicable thereafter, each holder of a Certificate shall be deemed to have surrendered such Certificate to the Distribution Agent. Such Certificate shall be cancelled solely with respect to the Debtor, and such cancellation shall not alter the obligations or rights of any non-Debtor third parties vis-à-vis one another with respect to such Certificate. Notwithstanding that a holder of a Certificate will be deemed to have surrendered such Certificate, regardless of any actual surrender, the deemed surrender of a Certificate shall have the same effect as if such holder had actually surrendered such Certificate (including but not limited to the discharge of such holder's Claim pursuant to the Plan), and such holder shall be deemed to have relinquished all rights, Claims and interests with respect to such Certificate. Notwithstanding the foregoing paragraph, this ARTICLE VII.C.5 shall not apply to any Claims Reinstated pursuant to the terms of the Plan.

6. Lost, Stolen, Mutilated, or Destroyed Debt Securities. Any holder of Allowed Claims evidenced by a Certificate that has been lost, stolen, mutilated, or destroyed shall, in lieu of surrendering such Certificate, deliver to the Distribution Agent, an affidavit of loss acceptable to the Distribution Agent setting forth the unavailability of the Certificate, and such additional indemnity as may be required reasonably by the Distribution Agent to hold the Distribution Agent harmless from any damages, liabilities, or costs incurred in treating such holder as a holder of an Allowed Claim. Upon compliance with this procedure by a holder of an Allowed Claim evidenced by such a lost, stolen, mutilated, or destroyed Certificate, such holder shall, for all purposes pursuant to the Plan, be deemed to have surrendered such Certificate.

D. Claims Paid or Payable by Third Parties

1. Claims Paid by Third Parties. The Distribution Agent 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 an Entity that is not a Debtor or Reorganized Debtor. To the extent a holder of a Claim receives a distribution on

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account of such Claim and receives payment from an Entity that is not a Debtor or a Reorganized Debtor on account of such Claim, such holder shall, no later than 15 days after receipt thereof, repay or return the distribution to the Reorganized Debtor, 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.

2. Claims Payable by Insurance Carriers. No distributions under the Plan need to be made on account of an Allowed Claim that is payable pursuant to one of the Debtor's 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 Debtor's insurers agrees to satisfy in full a Claim, then immediately upon such insurers' agreement, such Claim may be expunged to the extent of any agreed upon satisfaction on the Claims Register by the Bankruptcy Court 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 specifically 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 Debtor 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.

E. Setoffs

Except as otherwise expressly provided for in the Plan or a Final Order of the Bankruptcy Code, the Reorganized Debtor pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable non-bankruptcy law, or as may be agreed to by the holder of a Claim, may set off against any Allowed Claim and the distributions to be made pursuant to the Plan on account of such Allowed Claim (before any distribution is made on account of such Allowed Claim), any Claims, rights, and Causes of Action of any nature that the Debtor or Reorganized Debtor, as applicable, may hold against the holder of such Allowed Claim, to the

extent such Claims, rights, or Causes of Action against such holder have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim pursuant to the Plan shall constitute a waiver or release by the Debtor or Reorganized Debtor of any such Claims, rights, and Causes of Action that the Debtor or Reorganized Debtor may possess against such holder. In no event shall any Holder of a Claim be entitled to set off any Claim against any Claim, right, or Cause of Action of the Debtor or the Reorganized Debtor, as applicable, unless such Holder has timely filed a Proof of Claim with the Bankruptcy Court preserving such setoff.

F. Allocation Between Principal and Accrued Interest

Except as otherwise specifically provided in the Plan, the aggregate consideration paid to holders with respect to their Allowed Claims shall be treated pursuant to the Plan as allocated first to the principal amount of such Allowed Claims (to the extent thereof) and, thereafter, to the interest, if any permitted pursuant to the Plan, accrued through the Effective Date.

ARTICLE VIII.

EFFECT OF CONFIRMATION OF THE PLAN

A. DISCHARGE OF CLAIMS AND TERMINATION OF INTERESTS

EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THE PLAN AND EFFECTIVE AS OF THE EFFECTIVE DATE: (1) THE RIGHTS AFFORDED IN THE PLAN AND THE TREATMENT OF ALL CLAIMS AND INTERESTS SHALL BE IN EXCHANGE FOR AND IN COMPLETE SATISFACTION, DISCHARGE, AND RELEASE OF ALL CLAIMS AND INTERESTS OF ANY NATURE WHATSOEVER, INCLUDING ANY INTEREST ACCRUED ON SUCH CLAIMS FROM AND AFTER THE COMMENCEMENT DATE, AGAINST THE DEBTOR OR ANY OF ITS ASSETS, PROPERTY, OR ESTATE; (2) THE PLAN SHALL BIND ALL HOLDERS OF CLAIMS AND INTERESTS, NOTWITHSTANDING WHETHER ANY SUCH HOLDERS FAILED TO VOTE TO ACCEPT OR REJECT THE PLAN, VOTED TO ACCEPT THE PLAN OR VOTED TO REJECT THE PLAN; (3) ALL CLAIMS AND INTERESTS SHALL BE SATISFIED, DISCHARGED, AND RELEASED IN FULL, AND THE DEBTOR'S LIABILITY WITH RESPECT THERETO SHALL BE EXTINGUISHED COMPLETELY, INCLUDING ANY LIABILITY OF THE KIND SPECIFIED UNDER SECTION 502(g) OF THE BANKRUPTCY CODE; AND (4) ALL ENTITIES SHALL BE PRECLUDED FROM ASSERTING AGAINST THE DEBTOR, THE DEBTOR'S ESTATE, THE REORGANIZED DEBTOR, EACH OF THEIR SUCCESSORS AND ASSIGNS, AND EACH OF THEIR ASSETS AND PROPERTIES ANY OTHER CLAIMS OR INTERESTS BASED UPON ANY DOCUMENTS, INSTRUMENTS, OR ANY ACT OR OMISSION, TRANSACTION, OR OTHER ACTIVITY OF ANY KIND OR NATURE THAT OCCURRED PRIOR TO THE EFFECTIVE DATE.

B. Subordinated Claims

The allowance, classification, and treatment of all Allowed Claims and Allowed 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 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 of the Bankruptcy Code, or otherwise, and any such rights shall be settled, compromised, and released pursuant to the Plan. Specifically, pursuant to section 510 of the Bankruptcy Code, the Reorganized Debtor reserves the right to re-classify any Allowed Claim in accordance with any contractual, legal, or equitable subordination relating thereto.

C. Compromise and Settlement of Claims and Controversies

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 or any distribution to be made on account of an Allowed Claim, the provisions of the Plan shall constitute a good faith compromise of all Claims, Interests, and controversies 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 Allowed Interest. 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, as well as a finding by the Bankruptcy Court that any such compromise or settlement is in the best interests of the Debtor, its Estate, and holders of Claims and Interests and is fair, equitable, and reasonable. 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 Debtor may compromise and settle Claims against them and Causes of Action against other Entities.

D. **RELEASES BY THE DEBTOR**

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, AND PURSUANT TO SECTION 1123(b) OF THE BANKRUPTCY CODE, ON THE EFFECTIVE DATE AND EFFECTIVE AS OF THE EFFECTIVE DATE, FOR

GOOD AND VALUABLE CONSIDERATION, THE ADEQUACY OF WHICH IS HEREBY CONFIRMED, INCLUDING: (1) THE SETTLEMENT, RELEASE, AND COMPROMISE OF DEBT AND ALL OTHER GOOD AND VALUABLE CONSIDERATION PAID PURSUANT HERETO; AND (2) THE SERVICES OF THE RELEASED PARTIES IN FACILITATING THE EXPEDIENT IMPLEMENTATION OF THE RESTRUCTURING TRANSACTIONS CONTEMPLATED HEREBY, EACH OF THE DEBTOR, THE REORGANIZED DEBTOR, AND THE DEBTOR'S ESTATE (INCLUDING ALL ENTITIES CLAIMING DIRECTLY, INDIRECTLY, DERIVATIVELY, OR OTHERWISE THROUGH THE DEBTOR OR THE REORGANIZED DEBTOR OR ITS ESTATE) OR ITS AFFILIATES DISCHARGE AND RELEASE AND SHALL BE DEEMED TO HAVE PROVIDED A FULL DISCHARGE AND RELEASE TO EACH RELEASED PARTY AND THEIR RESPECTIVE PROPERTY (THE "DEBTOR RELEASE") FROM ANY AND ALL CLAIMS, OBLIGATIONS, DEBTS, RIGHTS, SUITS, DAMAGES, REMEDIES, RIGHTS OF SETOFF, CAUSES OF ACTION, AND LIABILITIES WHATSOEVER (INCLUDING ANY DIRECT, INDIRECT, DERIVATIVE, OR OTHER CLAIMS ASSERTED ON BEHALF OF THE DEBTOR) WHETHER KNOWN OR UNKNOWN, MATURED OR UNMATURED, FORESEEN OR UNFORESEEN, LIQUIDATED OR UNLIQUIDATED, CONTINGENT OR NON-CONTINGENT, EXISTING AS OF THE EFFECTIVE DATE IN LAW, EQUITY, OR OTHERWISE, WHETHER FOR TORT, CONTRACT VIOLATIONS OF FEDERAL OR STATE SECURITIES LAWS, OR OTHERWISE, ARISING FROM OR RELATED IN ANY WAY TO THE DEBTOR, THE RESTRUCTURING TRANSACTIONS, THE CHAPTER 11 CASE, THE ISSUANCE OF ANY SECURITY AND MEMBERSHIP INTEREST OF THE DEBTOR, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM OR INTEREST THAT IS TREATED IN THE PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN THE DEBTOR, ANY RELEASED PARTIES, THE RESTRUCTURING OF CLAIMS AND INTERESTS PRIOR TO OR IN THE CHAPTER 11 CASE, THE NEGOTIATION, FORMULATION OR PREPARATION OF THE PLAN, THE DISCLOSURE STATEMENT, THE PLAN SUPPLEMENT, OR RELATED AGREEMENTS, INSTRUMENTS, OR OTHER DOCUMENTS, UPON ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE TAKING PLACE ON OR BEFORE THE EFFECTIVE DATE, INCLUDING THOSE THAT THE DEBTOR WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT IN THEIR OWN RIGHT OR THAT ANY HOLDER OF A CLAIM OR AN INTEREST OR OTHER ENTITY WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT ON BEHALF OF THE DEBTOR OR ITS ESTATE; PROVIDED, HOWEVER, THAT THE FOREGOING DEBTOR RELEASE SHALL NOT OPERATE TO WAIVE OR RELEASE ANY CLAIMS OR LIABILITIES OF THE DEBTOR: (1) ARISING UNDER ANY CONTRACTUAL OBLIGATION OWED TO THE DEBTOR, INCLUDING UNDER THE EXIT FACILITY OR (2) EXPRESSLY SET FORTH IN AND PRESERVED BY THE PLAN, THE PLAN SUPPLEMENT, OR RELATED DOCUMENTS. NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, THE PLAN DOES NOT RELEASE ANY CAUSES OF ACTION THAT THE DEBTOR OR THE REORGANIZED DEBTOR HAVE OR MAY HAVE NOW OR IN THE FUTURE AGAINST ANY ENTITY (INCLUDING, BUT NOT LIMITED TO, A RELEASED PARTY) ARISING OUT OF OR RELATING TO ANY ACT OR OMISSION OF A RELEASED PARTY THAT CONSTITUTES WILLFUL MISCONDUCT OR GROSS NEGLIGENCE, EACH AS DETERMINED BY A FINAL ORDER OF THE BANKRUPTCY COURT.

THE DEBTOR, REORGANIZED DEBTOR, AND THE DEBTOR'S ESTATE (INCLUDING ALL ENTITIES CLAIMING DIRECTLY, INDIRECTLY, DERIVATIVELY, OR OTHERWISE THROUGH THE DEBTOR OR THE REORGANIZED DEBTOR OR ITS ESTATE) FURTHER ACKNOWLEDGE AND AGREE THAT THE FOREGOING RELEASE OF CLAIMS INCLUDES THE RELEASE

OF ANY UNKNOWN CLAIMS AGAINST THE RELEASED PARTIES. THE DEBTOR RELEASE IS A FULL AND FINAL RELEASE OF ANY AND ALL SUCH, CLAIMS AND THE RELEASE PARTIES EXPRESSLY WAIVE, AS TO SUCH CLAIMS, THE BENEFITS OF SECTION 1542 OF CALIFORNIA CIVIL CODE (OR ANY SIMILAR LAW IN ANY OTHER STATE), WHICH PROVIDES:

> **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.**

ENTRY OF THE CONFIRMATION ORDER SHALL CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019, OF THE DEBTOR RELEASE, WHICH INCLUDES BY REFERENCE EACH OF THE RELATED PROVISIONS AND DEFINITIONS CONTAINED HEREIN, AND FURTHER, SHALL CONSTITUTE THE BANKRUPTCY COURT'S FINDING THAT THE DEBTOR RELEASE IS: (1) IN EXCHANGE FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY THE RELEASING PARTIES; (2) A GOOD FAITH SETTLEMENT AND COMPROMISE OF THE CLAIMS RELEASED BY THE DEBTOR RELEASE; (3) IN THE BEST INTERESTS OF THE DEBTOR AND ALL HOLDERS OF CLAIMS AND INTERESTS; (4) FAIR, EQUITABLE, AND REASONABLE; (5) GIVEN AND MADE AFTER DUE NOTICE AND OPPORTUNITY FOR HEARING; AND (6) A BAR TO THE DEBTOR OR THE REORGANIZED DEBTOR ASSERTING ANY CLAIM OR CAUSE OF ACTION RELEASED PURSUANT TO THE DEBTOR RELEASE.

E. **RELEASES BY HOLDERS OF CLAIMS**

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, ON THE EFFECTIVE DATE AND AS OF THE EFFECTIVE DATE, THE RELEASING PARTIES DISCHARGE AND RELEASE (AND EACH ENTITY SO DISCHARGED AND RELEASED SHALL BE DEEMED DISCHARGED AND RELEASED BY THE RELEASING PARTIES) (THE "THIRD PARTY RELEASE") THE REORGANIZED DEBTOR, ITS ESTATE, ITS PROPERTY, AND THE RELEASED PARTIES AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS AND THEIR RESPECTIVE PROPERTY FROM ANY AND ALL CLAIMS, INTERESTS, OBLIGATIONS, DEBTS, RIGHTS, SUITS, DAMAGES, REMEDIES, CAUSES OF ACTION, AND LIABILITIES WHATSOEVER, INCLUDING ANY DIRECT, INDIRECT, DERIVATIVE, OR OTHER CLAIMS ASSERTED ON BEHALF OF THE RELEASING PARTY, WHETHER KNOWN OR UNKNOWN, MATURED OR UNMATURED, FORESEEN OR UNFORESEEN, EXISTING OR HEREINAFTER ARISING, IN LAW, EQUITY, OR OTHERWISE, WHETHER FOR TORT, CONTRACT, VIOLATION OF FEDERAL OR STATE SECURITIES LAW OR OTHERWISE, ARISING FROM OR RELATED IN ANY WAY TO THE DEBTOR, THE RESTRUCTURING TRANSACTIONS, THE CHAPTER 11 CASE, THE ISSUANCE OF ANY SECURITY AND MEMBERSHIP INTEREST OF THE DEBTOR, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM OR INTEREST THAT IS TREATED IN THE PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN THE DEBTOR, ANY RELEASED PARTIES, THE RESTRUCTURING OF CLAIMS AND INTERESTS PRIOR TO OR IN THE CHAPTER 11 CASE, THE NEGOTIATION, FORMULATION OR PREPARATION OF THE PLAN, THE DISCLOSURE STATEMENT, THE PLAN SUPPLEMENT, OR RELATED AGREEMENTS, INSTRUMENTS, OR OTHER DOCUMENTS, UPON ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE TAKING PLACE ON OR BEFORE THE EFFECTIVE DATE, INCLUDING THOSE THAT THE DEBTOR WOULD HAVE BEEN LEGALLY

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ENTITLED TO ASSERT IN ITS OWN RIGHT (WHETHER INDIVIDUALLY OR COLLECTIVELY) OR THAT ANY HOLDER OF A CLAIM OR AN INTEREST OR OTHER ENTITY WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT ON BEHALF OF ITSELF, THE DEBTOR, OR ITS ESTATE; PROVIDED, HOWEVER, THAT THE FOREGOING THIRD PARTY RELEASE SHALL NOT OPERATE TO RELEASE CLAIMS, OBLIGATIONS, DEBTS, RIGHTS, SUITS, DAMAGES, REMEDIES, CAUSES OF ACTION, AND LIABILITIES OF ANY RELEASING PARTY: (1) AGAINST A RELEASING PARTY OR AN ENTITY RELEASING UNDER THIS THIRD PARTY RELEASE ARISING FROM ANY CONTRACTUAL OBLIGATIONS OWED TO THE RELEASING PARTY OR LIABILITIES OF ANY RELEASING PARTY; (2) EXPRESSLY SET FORTH IN AND PRESERVED BY THE PLAN, THE PLAN SUPPLEMENT, OR RELATED DOCUMENTS; (3) AGAINST A PROFESSIONAL WITH RESPECT TO SUCH PROFESSIONAL'S FINAL FEE APPLICATION OR ACCRUED PROFESSIONAL COMPENSATION CLAIMS IN THIS CHAPTER 11 CASE; OR (4) UNDER ANY EXECUTORY CONTRACT OR UNEXPIRED LEASE THAT IS ASSUMED BY THE DEBTOR IN ACCORDANCE WITH SECTION 365 OF THE BANKRUPTCY CODE. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE RELEASES SET FORTH ABOVE DO NOT RELEASE ANY POST-EFFECTIVE DATE OBLIGATIONS OF ANY ENTITY UNDER THE PLAN OR ANY DOCUMENT, INSTRUMENT, OR AGREEMENT (INCLUDING THOSE SET FORTH IN THE PLAN SUPPLEMENT) EXECUTED TO IMPLEMENT THE PLAN. FOR THE AVOIDANCE OF DOUBT, NOTHING IN THIS PARAGRAPH SHALL IN ANY WAY AFFECT THE OPERATION OF ARTICLE VIII.A OF THE PLAN, PURSUANT TO SECTION 1141(d) OF THE BANKRUPTCY CODE.

THE RELEASING PARTIES FURTHER ACKNOWLEDGE AND AGREE THAT THE FOREGOING RELEASE OF CLAIMS INCLUDES THE RELEASE OF ANY UNKNOWN CLAIMS AGAINST THE RELEASED PARTIES. THE THIRD PARTY RELEASE IS A FULL AND FINAL RELEASE OF ANY AND ALL SUCH, CLAIMS AND THE RELEASE PARTIES EXPRESSLY WAIVE, AS TO SUCH CLAIMS, THE BENEFITS OF SECTION 1542 OF CALIFORNIA CIVIL CODE (OR ANY SIMILAR LAW IN ANY OTHER STATE), WHICH PROVIDES:

> **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.**

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, THE PLAN DOES NOT RELEASE ANY CAUSES OF ACTION THAT THE DEBTOR OR THE REORGANIZED DEBTOR HAVE OR MAY HAVE NOW OR IN THE FUTURE AGAINST ANY ENTITY (INCLUDING A RELEASED PARTY) ARISING OUT OF OR RELATING TO ANY ACT OR OMISSION OF A RELEASED PARTY THAT CONSTITUTES WILLFUL MISCONDUCT OR GROSS NEGLIGENCE, EACH AS DETERMINED BY A FINAL ORDER OF THE BANKRUPTCY COURT.

ENTRY OF THE CONFIRMATION ORDER SHALL CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019, OF THE THIRD PARTY RELEASE, WHICH INCLUDES BY REFERENCE EACH OF THE RELATED PROVISIONS AND DEFINITIONS CONTAINED HEREIN, AND FURTHER, SHALL CONSTITUTE THE BANKRUPTCY COURT'S FINDING THAT THE THIRD PARTY RELEASE IS: (1) IN EXCHANGE FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY THE RELEASING PARTIES; (2) A GOOD FAITH SETTLEMENT AND COMPROMISE OF THE CLAIMS RELEASED BY THE THIRD PARTY RELEASE; (3) IN THE BEST INTERESTS OF THE DEBTOR AND

HOLDERS OF CLAIMS AND INTERESTS; (4) FAIR, EQUITABLE, AND REASONABLE; (5) GIVEN AND MADE AFTER DUE NOTICE AND OPPORTUNITY FOR HEARING; AND (6) A BAR TO ANY RELEASING PARTIES ASSERTING ANY CLAIM OR CAUSE OF ACTION RELEASED PURSUANT TO THE THIRD PARTY RELEASE.

F. **WAIVER OF STATUTORY LIMITATIONS ON RELEASES**

EACH OF THE RELEASING PARTIES IN EACH OF THE RELEASES CONTAINED IN ARTICLE VIII.D AND ARTICLE VIII.E EXPRESSLY ACKNOWLEDGES THAT ALTHOUGH ORDINARILY A GENERAL RELEASE MAY NOT EXTEND TO CLAIMS THAT THE RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR, WHICH IF KNOWN BY IT MAY HAVE MATERIALLY AFFECTED ITS SETTLEMENT WITH THE ENTITY RELEASED, THEY HAVE CAREFULLY CONSIDERED AND TAKEN INTO ACCOUNT IN DETERMINING TO ENTER INTO THE ABOVE RELEASES THE POSSIBLE EXISTENCE OF SUCH UNKNOWN LOSSES OR CLAIMS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EACH RELEASING PARTY EXPRESSLY WAIVES ANY AND ALL RIGHTS CONFERRED UPON IT BY ANY STATUTE OR RULE OF LAW THAT PROVIDES THAT A RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CLAIMANT DOES NOT KNOW OR SUSPECT TO EXIST IN ITS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY IT MAY HAVE MATERIALLY AFFECTED ITS SETTLEMENT WITH THE RELEASED PARTY, INCLUDING, WITHOUT LIMITATION, THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542. THE RELEASES CONTAINED IN ARTICLE VIII.D AND ARTICLE VIII.E ARE EFFECTIVE REGARDLESS OF WHETHER THOSE RELEASED MATTERS ARE PRESENTLY KNOWN, UNKNOWN, SUSPECTED OR UNSUSPECTED, FORESEEN OR UNFORESEEN.

G. **EXCULPATION**

THE EXCULPATED PARTIES SHALL NEITHER HAVE NOR INCUR ANY LIABILITY TO ANY ENTITY FOR ANY ACT TAKEN OR OMITTED TO BE TAKEN IN CONNECTION WITH OR RELATED TO FORMULATING, NEGOTIATING, PREPARING, DISSEMINATING, IMPLEMENTING, ADMINISTERING, CONFIRMING, OR EFFECTING THE EFFECTIVE DATE OF THE PLAN, THE DISCLOSURE STATEMENT, THE RESTRUCTURING TRANSACTIONS, OR ANY CONTRACT, INSTRUMENT, RELEASE, OR OTHER AGREEMENT OR DOCUMENT CREATED OR ENTERED INTO IN CONNECTION WITH THE PLAN OR ANY OTHER PREPETITION OR POSTPETITION ACT TAKEN OR OMITTED TO BE TAKEN IN CONNECTION WITH OR IN CONTEMPLATION OF THE PLAN OR THE RESTRUCTURING OF THE DEBTOR (COLLECTIVELY, "EXCULPATED CLAIMS"); PROVIDED THAT THE FOREGOING PROVISIONS OF THIS EXCULPATION SHALL HAVE NO EFFECT ON (A) ANY POST-EFFECTIVE DATE OBLIGATIONS OF ANY ENTITY UNDER THE PLAN OR ANY DOCUMENT, INSTRUMENT, OR AGREEMENT (INCLUDING THOSE SET FORTH IN THE PLAN SUPPLEMENT) EXECUTED TO IMPLEMENT THE PLAN, (B) THE LIABILITY OF ANY ENTITY THAT RESULTS FROM ANY SUCH ACT OR OMISSION THAT IS DETERMINED IN A FINAL ORDER TO HAVE CONSTITUTED GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, OR (C) CLAIMS UNDER ANY EXECUTORY CONTRACT OR UNEXPIRED LEASE THAT IS ASSUMED BY THE DEBTOR IN ACCORDANCE WITH SECTION 365 OF THE BANKRUPTCY CODE; PROVIDED, FURTHER, THAT EACH EXCULPATED PARTY SHALL BE ENTITLED TO RELY UPON THE ADVICE OF COUNSEL CONCERNING HIS, HER, OR ITS DUTIES PURSUANT TO, OR IN CONNECTION WITH, THE PLAN; PROVIDED FURTHER, THAT THE FOREGOING "EXCULPATION" SHALL NOT APPLY TO ANY ACTS OR OMISSIONS EXPRESSLY

SET FORTH IN AND PRESERVED BY THE PLAN, THE PLAN SUPPLEMENT OR RELATED DOCUMENTS, EXCEPT FOR ACTS OR OMISSIONS OF RELEASING PARTIES.

H. **INJUNCTION**

EXCEPT AS OTHERWISE PROVIDED IN THE PLAN OR THE CONFIRMATION ORDER, ALL ENTITIES WHO HAVE HELD, HOLD, OR MAY HOLD CLAIMS, INTERESTS, CAUSES OF ACTION, OR LIABILITIES THAT: (1) ARE SUBJECT TO COMPROMISE AND SETTLEMENT PURSUANT TO THE TERMS OF THE PLAN; (2) HAVE BEEN RELEASED PURSUANT TO ARTICLE VIII.D; (3) HAVE BEEN RELEASED PURSUANT TO ARTICLE VIII.E; (4) ARE SUBJECT TO EXCULPATION PURSUANT TO ARTICLE VIII.G, INCLUDING EXCULPATED CLAIMS (BUT ONLY TO THE EXTENT OF THE EXCULPATION PROVIDED IN ARTICLE VIII.E); OR (5) ARE OTHERWISE STAYED OR TERMINATED PURSUANT TO THE TERMS OF THE PLAN, ARE PERMANENTLY ENJOINED AND PRECLUDED, FROM AND AFTER THE EFFECTIVE DATE, FROM: (A) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND, INCLUDING ON ACCOUNT OF ANY CLAIMS, INTERESTS, CAUSES OF ACTIONS, OR LIABILITIES THAT HAVE BEEN COMPROMISED OR SETTLED AGAINST THE DEBTOR, THE REORGANIZED DEBTOR, OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR ESTATE OF ANY ENTITY, DIRECTLY OR INDIRECTLY, SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, INTERESTS, CAUSES OF ACTION, OR LIABILITIES; (B) ENFORCING, ATTACHING, COLLECTING, OR RECOVERING BY ANY MANNER OR MEANS ANY JUDGMENT, AWARD, DECREE, OR ORDER AGAINST THE DEBTOR, THE REORGANIZED DEBTOR, OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR ESTATE OF THE DEBTOR, THE REORGANIZED DEBTOR, OR ANY ENTITY SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, INTERESTS, CAUSES OF ACTION, OR LIABILITIES; (C) CREATING, PERFECTING, OR ENFORCING ANY LIEN, CLAIM, OR ENCUMBRANCE OF ANY KIND AGAINST THE DEBTOR, THE REORGANIZED DEBTOR, OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR ESTATE OF THE DEBTOR, THE REORGANIZED DEBTOR, OR ANY ENTITY SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION, OR LIABILITIES; (D) ASSERTING ANY RIGHT OF SETOFF, SUBROGATION, OR RECOUPMENT OF ANY KIND AGAINST ANY OBLIGATION DUE FROM THE DEBTOR, THE REORGANIZED DEBTOR, OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR ESTATE OF THE DEBTOR, THE REORGANIZED DEBTOR, OR ANY ENTITY SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, INTERESTS, CAUSES OF ACTION, OR LIABILITIES UNLESS SUCH HOLDER HAS FILED A TIMELY PROOF OF CLAIM WITH THE BANKRUPTCY COURT PRESERVING SUCH RIGHT OF SETOFF PURSUANT TO SECTION 553 OF THE BANKRUPTCY CODE OR OTHERWISE; AND (E) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND AGAINST THE DEBTOR, THE REORGANIZED DEBTOR, VICTORY PARK, OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR ESTATE OF THE DEBTOR, THE REORGANIZED DEBTOR, OR ANY ENTITY SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR

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WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, INTERESTS, CAUSES OF ACTION, OR LIABILITIES RELEASED, SETTLED, OR COMPROMISED PURSUANT TO THE PLAN; PROVIDED THAT NOTHING CONTAINED HEREIN SHALL PRECLUDE AN ENTITY FROM OBTAINING BENEFITS DIRECTLY AND EXPRESSLY PROVIDED TO SUCH ENTITY PURSUANT TO THE TERMS OF THE PLAN.

I. Protection Against Discriminatory Treatment

Consistent with section 525 of the Bankruptcy Code and paragraph 2 of Article VI of the United States Constitution, no Governmental Unit shall discriminate against the Reorganized Debtor or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Debtor, or another Entity with whom the Reorganized Debtor has been associated, solely because the Debtor has been a debtor under chapter 11, has been insolvent before the commencement of the Chapter 11 Case (or during the Chapter 11 Case but before the Debtor is granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Case.

J. Recoupment

In no event shall any holder of Claims or Interests be entitled to recoup any Claim or Interest against any Claim, right, or Cause of Action of the Debtor or the Reorganized Debtor, as applicable, unless such holder actually has performed such recoupment and provided notice thereof in writing to the Debtor on or before the Effective Date, notwithstanding any indication in any Proof of Claim or Interest or otherwise that such holder asserts, has, or intends to preserve any right of recoupment.

K. Release of Liens

Except as otherwise provided in the Plan or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estate 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 Debtor and its successors and assigns.

L. Provisions Related to Fleming Business Park, LLC

Notwithstanding anything to the contrary in the Plan or the Confirmation Order: (a) with

respect to the lease and sublease between Fleming Business Park, LLC as lessor, Cha Cha as lessee, and Mi Pueblo as sublessee for the property in Milpitas, California, (or any such other relationship as may result from the proposed assumption and assignment of the lease from Cha Cha to Mi Pueblo or NewCo) any lien of any Entity shall be limited to the proceeds, if any, of the prospective assignment or other disposition of such lease or sublease, and no Entity shall have any lien on such lease or the subject real property; (b) Fleming Business Park, LLC is not a Releasing Party and is not granting the Third Party Release; (c) the recoupment and setoff rights of Fleming Business Park, LLC are not impaired or affected.

ARTICLE IX.

CONDITIONS PRECEDENT TO CONSUMMATION OF THE PLAN

A. Conditions Precedent to the Effective Date

It shall be a condition to the Effective Date that the following conditions shall have been satisfied or waived pursuant to ARTICLE IX.B:

1. the Bankruptcy Court shall have approved the Disclosure Statement, in a manner acceptable to the Debtor and Victory Park, as containing adequate information with respect to the Plan within the meaning of section 1125 of the Bankruptcy Code and such order shall be in full force and effect and shall have become a Final Order;

2. the Confirmation Order: (a) shall be entered by the Bankruptcy Court on or before May 30, 2014 (as such date may be extended with the consent of the Debtor and Victory Park); and (b) shall be in full force and effect and, unless waived by the Debtor and Victory Park, shall have become a Final Order;

3. the Plan and Plan Supplement, including any amendments, modifications, or supplements thereto, shall be in form and substance acceptable to the Debtor and Victory Park and shall not have been modified without the consent of Victory Park;

4. the Transaction Expenses, to the extent not previously paid, shall be paid concurrently with the Effective Date in Cash;

5. the transfer of the Transferred Cha Cha Assets from Cha Cha to Mi Pueblo shall have been completed or shall be completed concurrently with the Effective Date;

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6. the Restructuring Transactions shall have been consummated;

7. the Debtor shall have obtained the Exit Facility on terms as provided in the Plan, and on terms and conditions acceptable to the Debtor and Victory Park, and all conditions precedent to the consummation of the Exit Facility shall have been waived or satisfied in accordance with the terms thereof and the closing of the Exit Facility shall occur concurrently with the Effective Date; and

8. with respect to all actions, documents, Certificates, and agreements necessary to implement the Plan (a) all conditions precedent to such documents and agreements shall have been satisfied or waived pursuant to the terms of such documents or agreements, (b) such documents, Certificates, and agreements shall have been tendered for delivery, (c) to the extent required, such documents, Certificates, and agreements shall have been filed with and approved by any applicable Governmental Units in accordance with applicable laws, and (d) such actions, documents, Certificates and agreements shall have been effected or executed.

B. Waiver of Conditions Precedent

The Debtor and Victory Park may jointly waive any of the conditions to the Effective Date set forth in ARTICLE IX.A at any time without any notice to other Entities 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 or consummate the Plan.

C. Effect of Non-Occurrence of Conditions to Consummation

If prior to Consummation, the Confirmation Order is vacated pursuant to a Final Order, then except as provided in any order of the Bankruptcy Court vacating the Confirmation Order, the Plan will be null and void in all respects, and nothing contained in the Plan or Disclosure Statement shall (1) constitute a waiver or release of any Claims, Interests, or Causes of Action, (2) prejudice in any manner the rights of the Debtor or any other Entity, or (3) constitute an admission, acknowledgment, offer, or undertaking of any sort by the Debtor or any other Entity.

ARTICLE X.

RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective

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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 Interests;

2. decide and resolve all matters related to the granting and denying, in whole or in part, of any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or the Plan; provided, however, that from and after the Effective Date, the payment of the fees and expenses of any professionals of the Reorganized Debtor shall be made in the ordinary course of business and shall not be subject to Bankruptcy Court review or approval;

3. resolve any matters related to Executory Contracts or Unexpired Leases, including: (a) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which the Debtor is party or with respect to which the Debtor may be liable, and to hear, determine, and, if necessary, liquidate, any Cure or Claims arising therefrom, including pursuant to section 365 of the Bankruptcy Code; (b) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed; (c) the Reorganized Debtor's amendment, modification, or supplement, after the Effective Date, pursuant to ARTICLE V, of the list of Executory Contracts and Unexpired Leases to be assumed or rejected or otherwise; and (d) any dispute regarding whether a contract or lease is or was executory or expired;

4. resolve any matters related to the transfer of the Transferred Cha Cha Assets;

5. ensure that distributions to holders of Allowed Claims are accomplished pursuant to the provisions of the Plan and adjudicate any and all disputes arising from or relating to distributions under the Plan;

6. adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications involving the Debtor

that may be pending on the Effective Date;

7. adjudicate, decide, or resolve any and all matters related to Causes of Action of the Debtor or brought by or against the Reorganized Debtor;

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

9. 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, the Plan Supplement, or the Disclosure Statement;

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

11. grant any consensual request to extend the deadline for assuming or rejecting Unexpired Leases to the extent such request is in accordance with section 365(d)(4) of the Bankruptcy Code;

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

13. enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of all contracts, instruments, releases, indentures, and other agreements or documents approved by Final Order in the Chapter 11 Case;

14. 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 Consummation or enforcement of the Plan;

15. resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the releases, exculpation, injunctions, and other provisions contained in ARTICLE VIII above and enter such orders as may be necessary or appropriate to implement such releases, exculpation, injunctions, and other provisions, including the Debtor Release and the Third Party Release;

16. resolve any cases, controversies, suits, disputes, or Causes of Action with respect

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to the repayment or return of distributions and the recovery of additional amounts owed by the holder of a Claim for amounts not timely repaid pursuant to ARTICLE VII.D;

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

18. 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;

19. enter an order or Final Decree concluding or closing the Chapter 11 Case;

20. 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;

21. determine requests for the payment of Claims and Interests entitled to priority pursuant to section 507 of the Bankruptcy Code;

22. 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;

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

24. hear and determine all disputes involving the existence, nature, or scope of the Debtor's discharge;

25. except as otherwise limited herein, recover all assets of the Debtor and property of the Estate, wherever located;

26. enforce all orders previously entered by the Bankruptcy Court; and

27. hear any other matter not inconsistent with the Bankruptcy Code.

ARTICLE XI.

MISCELLANEOUS PROVISIONS

A. No Stay of Confirmation Order

The Confirmation Order shall contain a waiver of any stay of enforcement otherwise applicable, including pursuant to Bankruptcy Rules 3020(e), 6004(h), 6006(d), and 7062.

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B. Modification of Plan

Subject to the limitations contained in the Plan: (1) the Debtor 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 Debtor or the Reorganized Debtor, as the case may be, may, with the consent of Victory Park and 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.

C. Revocation or Withdrawal of Plan

The Debtor reserves the right, to revoke or withdraw the Plan before the Confirmation Date and to file subsequent chapter 11 plans. If the Debtor revokes or withdraws the Plan, or if Confirmation, Consummation 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 Unexpired Leases effected by the Plan, and any document or agreement executed pursuant hereto will be null and void in all respects, and (3) nothing contained in the Plan shall (a) constitute a waiver or release of any Claims, Interests, or Causes of Action, (b) prejudice in any manner the rights of any Debtor or any other Entity, or (c) constitute an admission, acknowledgement, offer, or undertaking of any sort by the Debtor or any other Entity.

D. Confirmation of the Plan

The Debtor requests Confirmation of the Plan under section 1129(b) of the Bankruptcy Code with respect to any Impaired Class that does not accept the Plan pursuant to section 1126 of the Bankruptcy Code. The Debtor reserves the right to amend the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification.

E. Additional Documents

On or before the Effective Date, the Debtor, with the consent of Victory Park, may file with the Bankruptcy Court such agreements and other documents as may be necessary or

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appropriate to effectuate and further evidence the terms and conditions of the Plan. The Debtor or the Reorganized Debtor, as applicable, with the consent of Victory Park, and all holders of Claims receiving distributions pursuant to the Plan and all other Entities 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.

F. Payment of Statutory Fees and Filing of Post-Confirmation Quarterly Reports

All fees payable pursuant to 28 U.S.C. § 1930(a), as defined by the Bankruptcy Court at a hearing pursuant to section 1128 of the Bankruptcy Code, shall be paid for each quarter (including any fraction thereof) until the Chapter 11 Case is converted, dismissed, or closed, whichever occurs first. As soon as practicable after the end of the first full calendar quarter beginning after the entry of the Confirmation Order, the Reorganized Debtor shall file a post-Confirmation status report that: (1) explains the progress made toward substantial consummation of the Plan; (2) includes a statement of receipts and disbursements, with the ending cash balance, for the such period beginning during the week that the Confirmation Order was entered through the end of such first full calendar quarter; and (3) includes information sufficiently comprehensive to enable the Bankruptcy Court to determine (a) whether the Confirmation Order has become a Final Order, (b) whether deposits, if any, required under the Plan have been distributed, (c) whether any property proposed by the Plan to be transferred has been transferred, (d) whether the Reorganized Debtor has assumed the business or management of the property dealt with by the Plan, (e) whether payments under the Plan have commenced, (f) whether accrued fees due to the United States Trustee under 28 U.S.C. §1930(a)(6) have been paid, and (g) whether all motions, contested matters, and adversary proceeding have been finally resolved. Further reports shall be filed every approximately ninety (90) days thereafter until the entry of a final decree to the extent required by applicable law, unless otherwise ordered by the Court. A copy of each such report shall be served, no later than the day upon which it is filed with the Bankruptcy Court, upon the United States Trustee and such other Entities who request in writing that such reports be served to such Entities by special notice filed with the Bankruptcy Court before the filing of such report. Failure to timely file any required reports may constitute a

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ground for the bringing of a motion to convert or dismiss the Chapter 11 Case, whichever is in the best interest of the creditors and the estate, pursuant to Section 1112(b) of the Code; provided that all Entities reserve all of their rights to oppose any such motion. The Debtor or Reorganized Debtor will timely file any other post-Confirmation quarterly reports in the form prescribed by the United States Trustee to the extent required by applicable law.

G. Reservation of Rights

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order. None of the filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by any Debtor with respect to the Plan, the Disclosure Statement, or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of the Debtor with respect to the holders of Claims or Interests prior to the Effective Date.

H. Successors and Assigns

The rights, benefits, and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, affiliate, officer, director, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

I. Service of Documents

1. After the Effective Date, any pleading, notice, or other document required by the Plan to be served on or delivered to the Reorganized Debtor shall be served on:

Debtor	**Counsel to the Debtor**
CHA CHA ENTERPRISES, LLC 1775 Story Road San Jose, California 95122 Attn: President	FELDERSTEIN FITZGERALD WILLOUGHBY & PASCUZZI LLP 400 Capitol Mall, Suite 1750 Sacramento, California 95814 Attn: Paul J. Pascuzzi Telephone: (916) 329-7400, ext. 222

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Counsel to the United States Trustee	Counsel to Mi Pueblo
OFFICE OF THE UNITED STATES TRUSTEE 280 S. 1st Street #268 San Jose, California 95113 Attn: John S. Wesolowski Telephone: (408) 535-5525	BINDER & MALTER, LLP 2775 Park Avenue Santa Clara, California 95050 Attn: Robert G. Harris Telephone: (408) 295-1700
Counsel to the DIP Lenders and Exit Lenders	
PAUL HASTINGS LLP 191 N. Wacker Drive, 30th Floor Chicago, Illinois 60606 Attn: Marc J. Carmel Telephone: (312) 499-6040 PAUL HASTINGS LLP 1117 S. California Avenue Palo Alto, California 94304 Attn: Todd M. Schwartz Telephone: (650) 320-1883	

J. **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 EXISTING 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.

K. Entire Agreement

Except as otherwise indicated, the Plan supersedes 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.

L. Plan Supplement 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. After the exhibits and documents are filed, copies of such exhibits and documents shall be made available upon written request to the Debtor's counsel at the address above or by downloading such exhibits and documents from the Bankruptcy Court's website at www.canb.uscourts.gov. Unless otherwise ordered by the Bankruptcy Court, to the extent any exhibit or document in the Plan Supplement is inconsistent

with the terms of any part of the Plan that does not constitute the Plan Supplement, such part of the Plan that does not constitute the Plan Supplement shall control.

M. Severability

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 (subject to the consent of Victory Park). 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 (subject to the consent of Victory Park). 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 Debtor's and Victory Park's consent, and (3) nonseverable and mutually dependent.

N. Reservation of Rights to Seek to Convert Case to Chapter 7

The United States Trustee and parties in interest reserve any right they may have to file a motion to seek to convert the Chapter 11 Case to a case under chapter 7 of title 11 if the Debtor materially defaults on any obligations under the Plan, and, if such motion is granted, any

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remaining property of the Debtor not already administered shall be administered by the chapter 7 trustee in accordance with chapter 7 of the Bankruptcy Code, and all Entities reserve all of their rights to oppose any such motion.

San Jose, California

Dated: April 25, 2014

PROPONENT:
CHA CHA ENTERPRISES, LLC,
a California limited liability company

By: */s/ Juvenal Chavez*
Juvenal Chavez, its Manager

FELDERSTEIN FITZGERALD
WILLOUGHBY & PASCUZZI LLP

By: */s/ Paul J. Pascuzzi*
PAUL J. PASCUZZI
Attorneys for Debtor and Debtor-in-Possession
CHA CHA ENTERPRISES, LLC

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