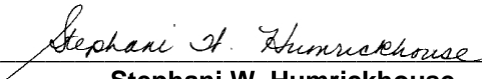


**SO ORDERED.**

**SIGNED this 30 day of March, 2011.**

  
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**Stephani W. Humrickhouse**  
**United States Bankruptcy Judge**

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**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF NORTH CAROLINA**

IN RE:

CHAPTER 11

HAMBONE DOG PROPERTIES, LLC

CASE NO. 10-05375-8-SWH

Debtor.

**ORDER CONFIRMING PLAN**

The Plan of Reorganization under Chapter 11 of the Bankruptcy Code filed by the Debtor on November 2, 2010 and amended December 16, 2010 and March 18, 2011 (hereinafter, "the Plan"), or a summary thereof, having been transmitted to creditors, and a Hearing on Confirmation of the Plan having been conducted in the United States Bankruptcy Court in Raleigh, North Carolina on December 21, 2010, and

The Court being advised as to the acceptance of classes of impaired claims of the Plan, and having considered the evidence presented at the hearing, the record of the case, and arguments of counsel for the Debtors, various creditors, and the Bankruptcy Administrator;

NOW, THEREFORE, the Court makes the following findings of fact and conclusions of law:

1. The Plan and the proponent comply with all requirements of 11 U.S.C. § 1129(a), in that all creditors have accepted the Plan or are unimpaired under the Plan.
2. It having been determined after hearing on notice that the applicable requirements for confirmation set forth in § 1129 of the Bankruptcy Code have been satisfied;

IT IS ORDERED THAT:

1. The Disclosure Statement is APPROVED.
2. The Plan as amended is CONFIRMED, subject to the following modifications:

(A) The Class 4 treatment shall be modified as follows:

1. Description of Debt. Debtor has two loan agreements with RBC Bank.

a. Note A. Debtor and RBC Bank entered into a loan agreement dated August 29, 2005 in the original amount of \$3,670,000.00. The loan was secured by a first deed of trust on Debtor's property in Sanford, North Carolina (both the Ham's and Zheng Garden), Goldsboro, North Carolina, and Rocky Mount, North Carolina.

b. Note B. Debtor and RBC bank entered into a loan agreement dated November 22, 2006 in the original amount of \$1,675,000.00. The loan was secured by a first deed of trust on Debtor's property in Greenville, North Carolina.

2. Impairment. This class will be impaired.

3. Treatment.

NOTE A. The Debtor's obligation to RBC Bank shall be treated as set forth below, The terms of treatment shall survive dismissal, conversion and the appointment of a Trustee or Examiner.

a. The automatic stay shall be deemed lifted as to Debtor's Rocky Mount, Goldsboro, and Sanford properties on the Effective Date and Debtor will, in RBC Bank's sole discretion and on a property by property basis, transfer the properties to RBC Bank by quitclaim deed or RBC Bank will foreclose on the properties. RBC Bank will credit Note A in the amount of \$2,900,000.00 (the agreed value of the Rocky Mount property being \$920,000.00; the agreed value of the Goldsboro property being \$600,000.00; and the agreed value of the Sanford property being \$1,380,000.00). The net remaining loan amount will be \$265,689.00 which amount will be increased by the addition of the actual attorneys fees and expenses of RBC Bank incurred as of the date of the entry of the order of confirmation. A statement of attorneys' fees and expenses incurred will be mailed to counsel for the Debtor within 10 days of the entry of this order of confirmation.

b. The sum of the net remaining Note A loan amount and attorneys fees set forth in subparagraph (a) above will be unsecured debt and will bear interest at 4.25% per annum. Monthly interest payments will begin on the 15th day of the first full month following the effective date. All principal and interest shall come due and will be paid in full 36 months after the Effective Date. It shall be an event of default if the Debtor fails to make any payment within ten (10) days of the due date. All other terms and conditions of Note A shall remain in full force and effect as they were on the date of Debtor's filing of its petition.

c. The Debtor shall maintain insurance on the collateral with RBC named as a loss payee at the expense of RBC until RBC takes possession of the property.

d Transfer of the Rocky Mount, Goldsboro and Sanford properties to RBC Bank shall not be subject to any transfer tax or revenue stamp tax pursuant to 11 U S C 1146. RBC Bank

and its assigns shall have no liability nor in any manner be responsible for any liabilities or obligations of the Debtor whether in rem or in personam and all creditors and claimants of the Debtor and all persons having any interest of any nature derived from or through the Debtor are permanently enjoined from pursuing any action against RBC.

NOTE B. The Debtor's obligation to RBC Bank shall be treated as set forth below . The terms of treatment shall survive dismissal, conversion and the appointment of a Trustee of Examiner.

a. The automatic stay shall be deemed lifted as to the Debtor's Greenville property and Debtor will, in RBC Bank's sole discretion, transfer the Greenville property to RBC Bank by quitclaim deed or RBC Bank will foreclose on the Greenville property. RBC Bank will credit Note B in the amount of \$1,130,000.00 as the agreed value of the Greenville property. The net remaining loan amount will be \$465,959.00, which amount will be increased by the addition of the actual attorneys fees and expenses of RBC Bank incurred as of the date of the entry of the order of confirmation. A statement of attorneys' fees and expenses incurred will be mailed to counsel for the Debtor within 10 days of the entry of the order of confirmation.

b. The sum of the net remaining Note B loan amount and attorneys fees set forth in subparagraph (a) above will be treated as unsecured debt and will bear interest at 4.25% per annum. Monthly interest payments will begin on the 15th day of the first full month following the effective date. All principal and interest shall come due and will be paid in full 36 months after the Effective Date. It shall be an event of default if the Debtor fails to make any payment within ten (10) days of the due date. All other terms and conditions of Note B shall remain in full force and effect as they were on the date of Debtor's filing of its petition.

c. The Debtor shall maintain insurance on the collateral with RBC named as a loss payee at the expense of RBC until RBC takes possession of the property.

d. The transfer of the Greenville property shall not be subject to any transfer tax or revenue stamp tax pursuant to 11 U.S.C. Section 1146. RBC Bank and its assigns shall have no liability nor in any manner be responsible for any liabilities or obligations of the Debtor, whether in rem or in personam and all creditors and claimants of the Debtor and all persons having any interest of any nature derived from or through the Debtor are permanently enjoined from pursuing any action against RBC Bank after the transfer of the Greenville property.

4. Cash collateral of RBC in the amount of \$47,141.44 minus any costs of insurance shall be paid to RBC upon transfer of the property securing notes A and B. Any insurance premium refunds from policies insuring properties which secure Notes A&B will be remitted to RBC.

(B) The Class 5 treatment shall be modified as follows:

1. Description of Debt. There are two loan agreements with Crescent State Bank ("Crescent").

Note A: Debtor and Crescent entered into a Note dated May 4, 2005 in the original principal

amount of \$1,700,000.00 (Note number 88001367 dated May 4, 2005). The loan was secured by a first deed of trust on Debtor's Samet Drive property in High Point, North Carolina. \$1,524,272.15 was owed as of the date of the petition.

Note B: On October 25, 2007 Debtor's wholly owned single member limited liability company entered into a Note with Crescent in the original principal amount of \$2,735,000.00 (Note number 88004080 dated October 25, 2007). Debtor entered into a guaranty agreement. Debtor merged with Ham's Acquisition, LLC or will complete the merger prior to the effective date. The loan was secured by a first deed of trust on the property on Cone Boulevard in Greensboro, North Carolina and by a second deed of trust on Debtor's property on Samet Drive in High Point, North Carolina. \$2,623,132.96 was owed as of the date of the petition.

2. Impairment. The class will be impaired.

3. Treatment. The Debtor's obligations to Crescent State Bank shall be treated as follows:

a. The obligations of both Note A and B shall be treated as a fully secured claim in the stipulated amount of \$4,325,101.13 combined for both Note A and Note B; this debt shall be amortized over a period of 20 years and bear interest at the rate of five percent (5%) per annum; Debtor shall pay Crescent \$28,718.19 per month on or before the 15th day of each month commencing on the first month after confirmation of Debtor's plan of reorganization;

b. Failure to make payments as specified in paragraph 3(A) above, or to pay the entire outstanding indebtedness on demand pursuant to paragraph 3(D) below, shall constitute an event of default under Notes A and B and the Deeds of Trust related thereto. In the event of such payment default, Crescent shall give written notice of default and Debtor shall have ten (10) days from the date such written notice is sent to cure said default;

c. If the Debtor defaults and fails to cure such default within ten (10) days from when written notice is sent, Crescent shall be permitted to exercise any and all available rights and remedies in the event of default provided under Notes A and B, and the Deeds of Trust that secure Notes A and B, including, without limitation, the right to foreclose on the properties of the Debtor in which Crescent holds a security interest;

d. Crescent shall have the right to demand payment in full of the entire indebtedness then outstanding on or after the fifth anniversary of the confirmation of Debtor's plan of reorganization;

e. All prepayment penalties shall be eliminated.

f. All other terms and conditions of the Notes, the Deeds of Trust that secure the Notes, and all attendant loan documents shall remain in force and effect as they were as of the date of Debtor's filing of its petition;

g. Crescent shall retain its liens with the priority thereof, as existed on the

Petition Date pursuant to § 1129(b)(2)(A)(i)(I) of the Bankruptcy Code, until its claim is paid in full.

h. The Debtor shall assign to Crescent Bank any and all administrative claims, and the right to pursue same, owed to the Debtor in the bankruptcy case captioned In re Ham's Restaurants, Inc., Case No. 09-09233-8-RDD (E.D.N.C. Bankr..) to the extent that those claims arise from or relate to amounts owed pursuant to that certain Lease Agreement dated October 10, 2007 between Hambone Dog Properties, LLC and Ham's Restaurants, Inc., and any amendments and addenda thereto (the Alease) or otherwise arise from or relate to the property of the Debtor and/or Ham's Lakeside Acquisition, LLC in which Crescent State Bank holds a security interest. Notwithstanding the assignment, the Debtor shall be permitted to file any such administrative claims for the benefit of Crescent;

(i). Except for adequate protection payments previously ordered, Crescent State Bank surrenders to Debtor any claim to funds in Debtor DIP account.

(C) The Class 6 treatment shall be modified as follows:

1. Description of Debt. Debtor and SunTrust Bank ("SunTrust") entered into a loan agreement dated June 28, 2006 in the original amount of \$1,770,000.00. The loan was secured by a first deed of trust on Debtor's two adjoining properties located at 2001 and 2011 North Main Street, High Point, North Carolina. SunTrust filed a proof of claim evidencing an oversecured claim in the amount of \$1,235,204.17 as of the date of the petition.

2. Impairment. This class will be impaired.

3. Treatment. The Debtor's obligation to SunTrust shall be treated as follows:

(a) The obligation shall be treated as a secured obligation in the amount of \$1,229,940.83, which represents the principal, accrued interest, reasonable fees, and reasonable attorneys' fees allowable under § 506(b) as of December 21, 2010.

(b) SunTrust shall retain its liens with the priority thereof, as existed on the Petition Date pursuant to § 1129(b)(2)(A)(i)(I) of the Bankruptcy Code, until its claim is paid in full.

(c) On the Effective Date, the Debtor shall execute and deliver to SunTrust a promissory note in the amount of \$1,229,940.83, which note shall constitute a renewal of the Debtor's obligations to SunTrust (the "SunTrust Renewal Note"). The SunTrust Renewal Note shall include, among terms: monthly payments of \$9,500, commencing on January 15, 2011 and continuing each subsequent month; maturity date of February 15, 2015; interest accrual at 5.00% per annum; and all other standard provisions contained in the previous promissory note evidencing the Debtor's obligation to SunTrust.

(d) Debtor will pay SunTrust Bank \$9,500.00 per month beginning January 15, 2011.

(e) There are no prepayment penalties in standard SunTrust documents.

(f) The Debtor shall maintain insurance on the collateral with SunTrust named as a loss payee.

(g) The Debtor shall maintain the collateral, normal wear and tear excepted.

(h) The Debtor shall pay all property taxes when due, except for taxes paid through this Plan.

(i) Throughout the period of repayment as set forth herein, it shall be an event of default if the Debtor fail to make any payment within fifteen (15) days of the due date.

(j) In the event of default under the terms of the SunTrust Renewal Note, the automatic stay provisions under the Bankruptcy Code shall automatically lift and SunTrust shall be entitled to exercise all state law remedies accordingly.

3. The Debtor's transfer, free and clear of all liens, of the Lynchburg Property (as that term is defined in the Plan) along with any related fixtures and personal property to Carolina Bank (or its assigns) is hereby approved, authorized and confirmed. Pursuant to 11 U.S.C. § 1146, these transfers shall not be subject to any transfer tax or revenue stamp tax. Carolina Bank and its assigns shall not have any liability for, nor in any manner be responsible for, any liabilities or obligations of the Debtor, whether in rem or in personam claims, and all creditors and claimants of the Debtor, and all persons having any interest of any nature derived from or through the Debtor, are permanently enjoined from pursuing any action against Carolina Bank after the transfer of the Lynchburg Property has been closed. Notwithstanding the Effective Date of the Plan, the transfer of the Lynchburg Property may be consummated upon entry of this Order Confirming Plan and the provisions of 11 U.S.C. 363(m) shall apply to the transfer.

### **Means of Implementation and Execution of Plan**

1. To the extent any language in the Plan is inconsistent with the provisions of this Order, the provisions of this Order shall govern.

2. Except as provided in this Order, the Plan, or in § 1141(d) of the Bankruptcy Code, the Debtor is hereby released from all dischargeable debts, provided, however that Confirmation is expressly conditioned upon the Debtor providing for the payment of all allowed claims assertable against the Debtor's estate as specified in the Plan and in this Order.

3. All objections to claims, including requests for costs and expenses under ' 506(b), fee applications, and adversary proceedings will be filed with the Court within sixty (60) days of the Effective Date, which shall be fourteen (14) days from the date of the entry of this Order.

4. The Effective Date of the Plan shall be the date on which the Order Confirming Plan becomes final and non-appealable, which shall be 14 days from the date of this Order.

5. The Debtor shall file Post-Confirmation Reports with the Clerk of Court pursuant to § 1106(a)(7) with a copy served upon the Bankruptcy Administrator. The first report shall be due on the earliest of September 30, December 31, March 31, or June 30, in the calendar year in which this Plan is confirmed. The Debtor shall file subsequent reports at the end of every succeeding quarter (December 31, March 31, June 30, or September 30), until the Plan is substantially consummated. Quarterly Reports shall reflect any progress made in consummating the Plan during the period covered by the report. Post-Confirmation Reports shall be filed in the format prescribed by the Bankruptcy Administrator. The Debtor will continue paying the quarterly fee to the United States Bankruptcy Court until the Motion for Final Decree is filed.

6. Within thirty (30) days of substantial consummation of the Plan, as defined by § 1101(2), the Debtor shall file a final report, in a format prescribed by the Bankruptcy Administrator, reflecting the payments made for all costs of administration and each class of creditors, and a motion for the entry of a Final Decree pursuant to Rule No. 3022, F.R.B.P.

7. The Debtor shall pay to the Clerk, United States Bankruptcy Court, the sum of \$0.00 for court costs.

8. The Debtors shall serve a copy of this Order on all creditors within seven (7) days of the entry of this Order and promptly file a Certificate of Service with the Clerk.

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