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IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF OREGON

In re  
McGrath's Publick Fish House, Inc.,  
  
Debtor.

Case No. 10-60500-fra11  
**FIRST MODIFICATION OF**  
**DEBTOR'S THIRD AMENDED**  
**PLAN OF REORGANIZATION**  
**(Dated August 12, 2010)**

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1 McGrath's Publick Fish House, Inc., as debtor and debtor-in-possession,  
2 proposes this ~~Second~~modification to the Third Amended Plan of Reorganization ("Plan")  
3 pursuant to Section 1121(a) of Title 11 of the United States Code.

4 **ARTICLE 1**

5 **DEFINITIONS**

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

19 1.1. "Administrative Expense Claim" means any Claim entitled to the priority  
20 afforded by Sections 503(b) and 507(a)(2) of the Bankruptcy Code.

21 1.2. "Allowance Date" means the date that a Claim is Allowed.

22 1.3. "Allowed" means, with respect to any Claim, proof of which has been properly  
23 Filed or, if no Proof of Claim was so Filed, which was or hereafter is listed on the Schedules as  
24 liquidated in amount and not disputed or contingent, and, in either case, (a) a Claim as to which  
25 no objection to the allowance thereof, or motion to estimate for purposes of allowance, shall  
26 have been Filed on or before any applicable period of limitation that may be fixed by the

1 Bankruptcy Code, the Bankruptcy Rules and/or the Bankruptcy Court, or (b) if an objection, or  
2 a motion to estimate for purposes of allowance, has been Filed, there has been a Final Order  
3 entered with regard to such objection or motion fixing the amount of such Claim.

4 1.4. "Allowed Secured Claim" means an Allowed Claim that is secured by a Lien,  
5 security interest or other charge against or interest in property in which the Debtor has an  
6 interest or that is subject to setoff under Section 553 of the Bankruptcy Code, to the extent of  
7 the value of the interest of the holder of such Claim in the Debtor's interest in such property or  
8 to the extent of the amount subject to setoff, as the case may be.

9 1.5. "Allowed General Unsecured Claim" means an Allowed Claim that is not an  
10 Allowed Secured Claim, Administrative Expense Claim, Priority Tax Claim or Other Priority  
11 Claim.

12 1.6. "Available Cash" ~~At~~at any particular time means all Cash Proceeds, including  
13 Unclaimed Cash that was originally disbursed pursuant to the Plan, and not designated as  
14 Reserved Funds.

15 1.7. "Avoidance Actions" means all claims and causes of action of the Debtor or its  
16 estate arising under Chapter 5 of the Bankruptcy Code.

17 1.8. "Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as amended  
18 from time to time, set forth in Sections 101 et seq. of Title 11 of the United States Code.

19 1.9. "Bankruptcy Court" means the United States Bankruptcy Court for the District  
20 of Oregon, or such other court that exercises jurisdiction over this Chapter 11 Case or any  
21 proceeding therein, including the United States District Court for the District of Oregon, to the  
22 extent that the reference to this Chapter 11 Case or any proceeding therein is withdrawn.

23 1.10. "Bankruptcy Rules" means, collectively, the Federal Rules of Bankruptcy  
24 Procedure, as amended and promulgated under Section 2075, Title 28, of the United States  
25 Code, and the local rules and standing orders of the Bankruptcy Court.  
26

1 1.11. "Business Day" means a day other than a Saturday, Sunday or other day on  
2 which banks in Portland, Oregon are authorized or required by law to be closed.

3 1.12. "Cash" means lawful currency of the United States of America, funds held in  
4 deposit or other accounts at financial institutions, and cash equivalents.

5 1.13. "Chapter 11 Case" means the case under Chapter 11 of the Bankruptcy Code  
6 with respect to the Debtor pending in the United States Bankruptcy Court for the District of  
7 Oregon, administered as McGrath's Publick Fish House, Inc., Case No. 10-60500-fra11.

8 1.14. "Claim" means (a) any right to payment from Debtor arising before the  
9 Effective Date, whether or not such right is reduced to judgment, liquidated, unliquidated,  
10 fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or  
11 unsecured; or (b) any right to an equitable remedy against Debtor arising before the Effective  
12 Date for breach of performance if such breach gives rise to a right of payment from Debtor,  
13 whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent,  
14 matured, unmatured, disputed, undisputed, secured or unsecured. "Claim" shall exclude any  
15 claim or right to payment of the kind specified in Sections 726(a)(4) and (5) of the Bankruptcy  
16 Code.

17 1.15. "Class" means one of the classes of Claims defined in Article 3 hereof.

18 1.16. "Collateral" means any property in which Debtor has an interest that is subject  
19 to a Lien or security interest securing the payment of an Allowed Secured Claim.

20 1.17. "Confirmation Order" means the order of the Bankruptcy Court confirming the  
21 Plan in accordance with the provisions of Chapter 11 of the Bankruptcy Code.

22 1.18. "Creditor" means any entity holding a Claim against Debtor.

23 1.19. "Debtor" means McGrath's Publick Fish House, Inc., as Debtor and  
24 Debtor-in-Possession in this Chapter 11 Case.

25 1.20. "Disclosure Statement" means the Debtor's Disclosure Statement as amended,  
26 modified, restated or supplemented from time to time, pertaining to the Plan.

1 1.21. "Disputed Claim" means a Claim with respect to which a Proof of Claim has  
2 been timely Filed or deemed timely Filed under applicable law, and as to which an objection  
3 was timely Filed and has neither been withdrawn nor denied by a Final Order, or a Claim as to  
4 which a Proof of Claim has not been Filed and which has been listed on Debtor's Schedules as  
5 disputed, contingent of unliquidated and no Final Order has been entered allowing such Claim  
6 in whole or in part.

7 1.22. "Effective Date" means the first Business Day after the Confirmation Order  
8 becomes a Final Order.

9 1.23. "Filed" means filed (a) with the Bankruptcy Court in this Chapter 11 Case or  
10 other court of competent jurisdiction; or (b) with the Trustee of the Creditors' Trust (defined  
11 hereafter) after the date of the entry of an order closing this Chapter 11 Case (the "Closing  
12 Date") to reflect adjustment in the amounts of Claims resulting from events contemplated in  
13 Article 3 of the Plan that occur after the Closing Date.

14 1.24. "Final Order" means an order or judgment entered on the docket by the Clerk of  
15 the Bankruptcy Court or any other court exercising jurisdiction over the subject matter and the  
16 parties (a) that has not been reversed, stayed, modified or amended; and (b) as to which no stay  
17 is pending.

18 1.25. "General Unsecured Claim" means an Unsecured Claim that is not an  
19 Administrative Claim, ~~a Secured Claim~~, a Tax Claim or an Other Priority Claim.

20 1.26. "General Unsecured Creditor" means the holder of an Allowed General  
21 Unsecured Claim.

22 1.27. "Interests" means all rights of the owners of the issued and outstanding shares  
23 of common stock of the Debtor.

24 1.28. "Lien" has the meaning defined in Section 101(37) of the Bankruptcy Code,  
25 including liens held by taxing authorities.

26

1 1.29. "Loan Documents" means all documents executed by Debtor (or following the  
2 Effective Date, the Reorganized Debtor) that evidence indebtedness owed by Debtor, or  
3 Reorganized Debtor, including, without limitation, promissory notes, loan agreements, lease  
4 agreements, financing agreements, and related guaranties, as well as all related documents,  
5 including but not limited to documents evidencing the creation or perfection of Liens, such as  
6 deeds of trust, mortgages, security agreements and financing statements, as well as all  
7 amendments and modifications to any of the foregoing.

8 1.30. "Net Cash Flow" means Reorganized Debtor's net sale proceeds less (a) cost of  
9 goods sold, (b) labor, (c) operating expenses, (d) administrative expenses, (e) U.S. Trustee  
10 fees, (f) compensation owing to the Trustee of the Creditors' Trust, (g) the expense of obtaining  
11 a bond for the Trustee of the Creditors' ~~Trust~~Trust, and (h) debt service payments, all as more  
12 particularly described in Exhibit 1 attached hereto.

13 1.31. "Other Priority Claim" means any Claim for an amount entitled to priority in  
14 right of payment under Section 507(a)(3), (4), (5), (6) or (7) of the Bankruptcy Code.

15 1.32. "Petition Date" means February 3, 2010, the date on which the petition  
16 commencing this Chapter 11 Case was filed.

17 1.33. "Plan" means this Plan of Reorganization, as amended, modified, restated or  
18 supplemented from time to time.

19 1.34. "Potential Rejection Claim" means an undetermined and unliquidated Claim  
20 that would arise from the rejection of an executory contract or unexpired lease to which Debtor  
21 is a party or by which it is bound.

22 1.35. "Priority Tax Claim" means a Claim of a governmental unit of the kind entitled  
23 to priority under Section 507(a)(8) of the Bankruptcy Code.

24 1.36. "Pro Rata" means the ratio of an Allowed Claim in a particular Class to the  
25 aggregate amount of all Allowed Claims in that Class.  
26

1 1.37. "Rejection Claim" means a Claim arising from the rejection of an unexpired  
2 lease or executory contract pursuant to this Plan or Final Order of the Bankruptcy Court.

3 1.38. "Reorganized Debtor" means Debtor from and after the Effective Date in the  
4 form organized to operate the business of the Debtor pursuant to section 5.3 of the Plan.

5 1.39. "Reserved Funds" means, at any particular time, Cash equal to the aggregate of  
6 (a) the Cash in the Unpaid Claims Reserve Fund; and (b) the amount ~~while~~which in  
7 Reorganized Debtor's reasonable judgment is necessary to pay Allowed but unpaid Secured  
8 Claims, Priority Tax Claims, Other Priority Claims, and Administrative Expense Claims on the  
9 terms provided in the Plan. Any Cash that does not constitute Reserved Funds shall be  
10 Available Cash.

11 1.40. "Restated Articles of Incorporation" means the ~~Restated Articles of~~  
12 ~~Incorporation~~organizational documents of the Reorganized Debtor, which shall, among other  
13 things, modify and amend Debtor's ~~Articles of Incorporation~~organizational documents to  
14 prohibit the issuance of non-voting equity securities to the extent required by Section  
15 1123(a)(6) of the Bankruptcy Code to be adopted effective as of the Effective Date.

16 1.41. "Rights of Action" means any and all claims, demands, rights, actions, causes  
17 of suits, and suits of the Debtor or the estate, of any kind or character whatsoever, known or  
18 unknown, suspected or unsuspected, whether arising before, on or after the Petition Date, in  
19 contract or in tort, at law or in equity or under any theory of law, including, but not limited to  
20 (1) derivative claims, (2) rights of setoff, counterclaim, or recoupment, and claims on contract  
21 and for breaches of duties imposed by law, (3) the right to object to Claims or Interests, (4)  
22 claims pursuant to § 362 of the Bankruptcy Code, (5) such claims and defenses as fraud,  
23 mistake, duress, and usury, and (6) Avoidance Actions.

24 1.42. "Schedules" means the Schedules of Assets and Liabilities and the Statement of  
25 Financial Affairs Filed by Debtor pursuant to Section 521 of the Bankruptcy Code, as  
26 amended, modified, restated or supplemented from time to time.



1 1.43. "Secured Claim" means any Claim against Debtor held by any entity to the  
2 extent such Claim constitutes a secured Claim under Sections 506(a) or 1111(b) of the  
3 Bankruptcy Code.

4 1.44. "Unclaimed Cash" means Cash (together with any interest earned thereon) that  
5 is unclaimed by a Creditor following a distribution pursuant to the Plan and includes Cash  
6 attributable to (a) checks that have been returned as undeliverable without a proper forwarding  
7 address, (b) checks that have not been cashed within 90 days after the date such checks were  
8 mailed (whether or not distributed pursuant to the Plan), and (c) checks that were not mailed or  
9 delivered because of the absence of a proper address to which to mail or deliver such property.  
10 Unclaimed Cash is Available Cash because Unclaimed Cash is not within the Unpaid Claims  
11 Reserve Fund and, therefore, is not within the definition of Reserved Funds.

12 1.45. "Unpaid Claims Reserve Fund" at any particular time means the aggregate of:  
13 (a) Cash reserved for the benefit of holders of Disputed Claims; and (b) the Cash reserved for  
14 the benefit of holders of Potential Rejection Claims.

15 1.46. "Utility Deposits" means deposits with utilities made by Debtor after the  
16 Petition Date pursuant to Section 366(b) of the Bankruptcy Code.

17 **ARTICLE 2**

18 **UNCLASSIFIED CLAIMS**

19 2.1. Administrative Expense Claims. Each holder of an Allowed Administrative  
20 Expense Claim shall be paid in full from Available Cash within sixty (60) days after the  
21 Effective Date or within five (5) days after the Allowance Date, whichever is later, unless such  
22 holder shall in writing agree to a different treatment of such Claim (including, without  
23 limitation, any different treatment that may be provided for in any documentation, statute or  
24 regulation governing such Claim); provided, however, that Administrative Expense Claims  
25 representing obligations incurred in the ordinary course of business by Debtor during this  
26 Chapter 11 Case shall be paid by Debtor or Reorganized Debtor in the ordinary course of

1 business and in accordance with any terms and conditions of the particular transaction and any  
2 agreements relating thereto.

3 2.2. Priority Tax Claims. Each holder of an Allowed Priority Tax Claim shall be  
4 paid by the Reorganized Debtor the full amount of its Allowed Priority Tax Claim within sixty  
5 (60) days after the Effective Date or within five (5) days after the Allowance Date, whichever  
6 is later.

7 2.3. Other Priority Claims. Each holder of an Allowed Other Priority Claim shall be  
8 paid by the Reorganized Debtor the full amount of its Allowed Other Priority Claim within  
9 sixty (60) days after the Effective Date or within five (5) days after the Allowance Date,  
10 whichever is later.

11 2.4. Bankruptcy Fees. Fees payable by Debtor under 28 USC § 1930, or to the  
12 Clerk of the Bankruptcy Court, will be paid in full in Cash within ten (10) days after the  
13 Effective Date. Thereafter, the Reorganized Debtor shall continue to pay quarterly fees of the  
14 Office of the United States Trustee and to file quarterly reports with the Office of the United  
15 States Trustee until this case is closed by the Court, dismissed or converted. This requirement  
16 is subject to any amendments to 28 USC § 1930(a)(6) that Congress makes retroactively  
17 applicable to confirmed Chapter 11 cases.

### 18 **ARTICLE 3**

#### 19 **CLASSIFICATION AND TREATMENT OF CLAIMS**

20 For purposes of this Plan, Claims (except those treated under Article 2 of the  
21 Plan) are classified and will be treated as provided below. A Claim is classified in a particular  
22 Class only to the extent that such claim qualifies within the description of such Class, and is  
23 classified in a different Class to the extent that such claim qualifies within the description of  
24 such different Class.

25 3.1. Class 1 consists of the Allowed Secured Claim of GE CFBP in the approximate  
26 amount of \$~~1,124,800~~1,000,000 as of the Petition Date (or such other amount as determined by

1 the Bankruptcy Court) secured by its Lien against the real estate improvements and restaurant  
 2 equipment and furniture at Debtor's restaurant located at 3805 Center Street NE at Lancaster  
 3 Mall in Salem, Oregon ("Store 2"). The Class 1 Claim will be amortized over fifteen (15) years  
 4 and paid in equal monthly installments of ~~\$14,621, including~~ principal and interest ~~at~~  
 5 ~~8.90%~~ with interest at the rate of 7% per annum, or such other rate as determined by the Court  
 6 at the Confirmation Hearing. The first such monthly payment will be paid within the first ten  
 7 (10) days of the first full month following the Effective Date. Each subsequent monthly  
 8 payment will be paid within the first ten (10) days of each subsequent calendar month until ~~the~~  
 9 ~~Class 1 Claim is~~ thirty days after the sixth anniversary of the Effective Date at which time the  
 10 then remaining unpaid balance of the approximate \$1,000,000 shall be paid in full. GE CFBP  
 11 will retain its Lien on the Collateral until the Class 1 Claim is paid in full.

12 3.2. Class 2 consists of the Allowed Secured Claim of Key Equipment Finance in  
 13 the amount of \$575,933 as of the Petition Date secured by its Lien against Debtor's furniture,  
 14 fixtures and equipment at the restaurant located at 350 Circle Boulevard in Corvallis, Oregon  
 15 ("Store 6"). The Class 2 Claim will be paid in equal monthly installments of \$6,479.83,  
 16 including principal and interest at 6%. The first such monthly payment will be paid within the  
 17 first ten (10) days of the first full month following the Effective Date. Each subsequent  
 18 monthly payment will be paid within the first ten (10) days of each subsequent calendar month  
 19 until the Class 2 Claim is paid in full. Key Equipment Finance will retain its Lien on the  
 20 Collateral until the Class 2 Claim is paid in full.

21 3.3. Class 3 consists of the Allowed Secured Claim of KeyBank in the amount of  
 22 \$1,383,590 as of the Petition Date secured by its Lien against Debtor's real property at the  
 23 restaurant located at 68 E Stewart Avenue in Medford, Oregon ("Store 7"). The Class 3 Claim  
 24 will be amortized over 15 years with interest at 6% per annum. The Class 3 Claim will be paid  
 25 in equal monthly installments of \$12,100 which include principal and interest. The first such  
 26 monthly payment will be paid within the first ten (10) days of the first full month following the

1 Effective Date. Each subsequent monthly payment will be paid within the first ten (10) days of  
2 each subsequent calendar month until the ~~fifth~~seventh anniversary of the first monthly  
3 payment at which time the then remaining unpaid balance shall be paid in full. KeyBank will  
4 retain its Lien on the Collateral until the Class 3 Claim is paid in full.

5 3.4. Class 4 consists of the Allowed Secured Claim of Sterling in the amount of  
6 \$4,800,000 secured by a senior Lien against Debtor's real and personal property at the  
7 restaurant located at 12501 SE Second Circle in Vancouver, Washington ("Store 9"), and a  
8 junior Lien on Debtor's real property and fixtures and a senior Lien against the equipment and  
9 furniture at Store 7, and a senior Lien against Debtor's real and personal property at the  
10 restaurant located at 10435 W Colfax Drive in Lakewood, Colorado ("Store 20"). The Class 4  
11 Claim will be paid as follows:

12 a. \$2,700,000 of the Class 4 Claim will be amortized over twenty (20)  
13 years with interest at 6% per annum. This portion of the Class 4 Claim will be paid in sixty  
14 (60) equal installments of principal and interest of \$19,344. The first such monthly payment  
15 will be paid within the first ten (10) days of the first full month following the Effective Date.  
16 Each subsequent monthly payment will be paid within the first ten (10) days of each  
17 subsequent calendar month until the fifth anniversary of the first monthly payment at which  
18 time the then remaining unpaid balance shall be paid in full. This \$2,700,000 obligation will  
19 be evidenced by a promissory note and secured by a first Lien against the real property and a  
20 second Lien against the personal property at Store 9;

21 b. \$400,000 of the Class 4 Claim will be amortized over twenty (20) years  
22 with interest at 6% per annum. This portion of the Class 4 Claim will be paid in equal  
23 installments of principal and interest of \$2,865.80. The first such monthly payment will be  
24 paid within the first ten (10) days of the first full month following the Effective Date. Each  
25 subsequent monthly payment will be paid within the first ten (10) days of each subsequent  
26

1 calendar month until the fifth anniversary of the first monthly payment at which time the then  
2 remaining unpaid balance shall be paid in full. This \$400,000 obligation will be evidenced  
3 by a promissory note and secured by a junior Lien against the real property and a senior Lien  
4 against the equipment and furniture at Store 7; and

5 c. \$1,700,000 of the Class 4 Claim will be satisfied by either a sale of  
6 Store 20 on terms satisfactory to Sterling or by granting a deed in lieu of foreclosure conveying  
7 Store 20 to Sterling. Debtor will list and attempt to sell Store 20 for a period of six (6) months  
8 following the Effective Date. If Store 20 is sold, \$1,700,000 of the Class 4 Claim will be  
9 deemed satisfied. If Store 20 does not sell within the six (6) month period, the Reorganized  
10 Debtor will deliver to Sterling a deed in lieu of foreclosure conveying Store 20 to Sterling in  
11 satisfaction of \$1,700,000 of the Class 4 Claim. Debtor will continue to operate Store 20  
12 during the period that it is being offered for sale. Any positive Net Cash Flow that results from  
13 operations during the sale period will be paid first towards satisfaction of the tax Liens that  
14 encumber Store 20, and then to Sterling to reduce the Class 4 Claim. This \$1,700,000  
15 obligation will be evidenced by a non-interest bearing promissory note and secured by a deed  
16 of trust against the assets of Store 20. If Store 20 is sold and the net proceeds of the sale exceed  
17 \$1,700,000, Sterling shall be entitled to retain the excess sale proceeds. Any amount that  
18 Sterling receives from the sale of Store 20 in excess of \$1,700,000 will reduce its Class 34  
19 Claim.

20 3.5. Class 5 consists of the Allowed Secured Claim of SBA in the amount of  
21 \$95,000 secured by its senior Lien against Debtor's personal property and equipment and its  
22 junior lien on Debtor's real property at Store 9, and its junior Lien against Debtor's real and  
23 personal property and equipment at Store 20. The Class 5 Claim will be paid in sixty (60)  
24 equal monthly installments of \$1,831.98 including principal and interest at 5.895% per annum.  
25 The first such monthly payment will be paid within the first ten (10) days of the first full month  
26 following the Effective Date. Each subsequent monthly payment will be paid within the first

1 ten (10) days of each subsequent calendar month until the Class 5 Claim is paid in full. SBA  
2 will retain its Lien on the personal property and equipment at Store 9 until the Class 5 Claim is  
3 paid in full, but its Lien on Debtor's real property at Store 9 and its Lien on the Collateral at  
4 Store 20 shall be extinguished on the Effective Date.

5 3.6. Class 6 consists of the Allowed Secured Claim of KeyBank in an amount equal  
6 to the value of Debtor's interest in the building and improvements located at 860 West 1250  
7 South in Orem, Utah ("Store 10"), which amount is uncertain but is less than the balance owing  
8 to KeyBank. The Class 6 Claim is secured by a Lien against such building and improvements.  
9 The Class 6 Claim will be satisfied by Debtor's [saleconveyance](#) of its interest in the building  
10 and improvements ~~at Store 10 and the payment of the proceeds up to the amount of the Class 6~~  
11 ~~Claim, or the conveyance of Debtor's interest in such property, to KeyBank.~~ [of Store 10 to](#)  
12 [KeyBank.](#)

13 3.7. Class 7 consists of the Allowed Secured Claim of Key Equipment Finance in an  
14 amount equal to the value of Debtor's fixtures and equipment at Store 10, which amount is  
15 uncertain but is less than the balance owing to Key Equipment Finance. The Class 7 Claim is  
16 secured by a Lien against such fixtures and equipment. The Class 7 Claim will be satisfied by  
17 Debtor's [saleconveyance](#) of its interest in the fixtures and equipment at Store 10 ~~and the~~  
18 ~~payment of the proceeds up to the amount of the Class 7 Claim, or the conveyance of such~~  
19 ~~property,~~ to Key Equipment Finance.

20 3.8. Class 8 consists of the Allowed Secured Claim of KeyBank in the amount of  
21 \$896,306 secured by a Lien on Debtor's interest in the real property and improvements at the  
22 restaurant located at 10950 S. State Street in Sandy, Utah ("Store 11"). The Class 8 Claim will  
23 be paid in equal monthly installments of \$5,843.75, including principal and interest at 6%. The  
24 first such monthly payment will be paid within the first ten (10) days of the first full month  
25 following the Effective Date. Each subsequent monthly payment will be paid within the first  
26

1 ten (10) days of each subsequent calendar month until the Class 8 Claim is paid in full.  
2 KeyBank will retain its Lien on the Collateral until the Class 8 Claim is paid in full.

3 3.9. Class 9 consists of the Allowed Secured Claim of Key Equipment Finance in  
4 the amount of \$142,500 secured by a Lien on Debtor's fixtures and equipment at Store 11. The  
5 Class 9 Claim will be paid in equal monthly installments of \$2,437.50, including principal and  
6 interest at 6%. The first such monthly payment will be paid within the first ten (10) days of the  
7 first full month following the Effective Date. Each subsequent monthly payment will be paid  
8 within the first ten (10) days of each subsequent calendar month until the Class 9 Claim is paid  
9 in full. Key Equipment Finance will retain its Lien on the Collateral until the Class 9 Claim is  
10 paid in full.

11 3.10. Class 10 consists of the alleged Secured Claim of Key Equipment Finance  
12 secured by a Lien on Debtor's personal property at the restaurant located at 190 South 400  
13 West in Salt Lake City, Utah ("Store 12"). The Class 10 Claim may be avoidable because Key  
14 Equipment Finance's financing statement does not appear to adequately describe its Collateral.  
15 The Class 10 Claim has been satisfied by Debtor's surrender of its personal property to Inland  
16 US Management LLC, the landlord of Store 12, subject to the interest, if any, of Key  
17 Equipment Finance.

18 3.11. Class 11 consists of the Allowed Secured Claim of US Bank in the principal  
19 amount of \$860,902, together with interest accruing thereon and fees and costs related thereto,  
20 secured by a Lien on Debtor's interest in the real property, furniture, fixtures and equipment at  
21 the restaurant located at 908 Main Street in Layton, Utah ("Store 13"). Debtor has listed for  
22 sale its interest in the real property (together with its interest in the furniture, fixtures and  
23 equipment) through December 1, 2010, or such further period as may be agreed upon by  
24 Debtor, US Bank and US Bancorp. During the listing period Debtor and then Reorganized  
25 Debtor will operate Store 13. Debtor and then Reorganized Debtor will not be obligated to  
26 make any debt service payments during the listing period. Net Cash Flow derived from

1 operations during the listing period will be used to pay only either US Bank or taxes which are  
2 the delinquent part of the rent owing to the landlord of Store 13. Net proceeds (gross less  
3 reasonable and necessary costs of sale) from the sale of Store 13 will be used first to pay the  
4 Class 11 Claim as well as the Class 12 Claim described below. If Store 13 is sold for less than  
5 the total amount of the Class 11 and Class 12 Claims, that portion of the purchase price  
6 attributable to Debtor's interest in the real property, furniture and equipment will be deemed to  
7 satisfy the Class 11 Claim in full. The actual distribution of net proceeds between the holders  
8 of the Class 11 and Class 12 Claims will be determined by the allocation between the real and  
9 personal property and fixtures made by the buyer or if there is no allocation by buyer then  
10 proportionally based on the relative amounts of the two Claims. If Store 13 is not sold during  
11 the listing period, Store 13 will be included as part of the Reorganized Debtor. The entire  
12 Class 11 Claim will be amortized over twenty (20) years at interest at 6% per annum, and paid  
13 in equal monthly installments of \$6,167.77 which includes principal and interest. The first  
14 such monthly payment will be paid within ten (10) days of the first full month following the  
15 expiration of the listing period. Each subsequent monthly payment will be paid within the first  
16 ten (10) days of each subsequent month until the earlier of (a) such time as the Reorganized  
17 Debtor ceases to operate Store 13, or (b) the seventh anniversary of the first payment at which  
18 time the then remaining unpaid balance will be paid in full. Debtor will provide US Bank with  
19 such notes, deeds of trust, security agreements and amendments as US Bank generally requires  
20 for such loans. US Bank will retain its Lien on the Collateral until the Class 11 Claim is paid in  
21 full.

22 3.12. Class 12 consists of the Allowed Secured Claim of US Bancorp in the amount  
23 of \$241,595 secured by a Lien on Debtor's fixtures and certain computer equipment at Store  
24 13. Debtor has listed for sale its interest in the fixtures (together with the real property,  
25 furniture and equipment) through December 1, 2010, or such further period as may be agreed  
26 upon by Debtor, US Bank and US Bancorp. During the listing period Debtor and then



1 Reorganized Debtor will operate Store 13. Debtor and then Reorganized Debtor will not be  
 2 obligated to make any debt service payments during the listing period. Net Cash Flow derived  
 3 from operations during the listing period will be used to pay only either US Bank or taxes  
 4 which are the delinquent part of the rent owing to the landlord. Net proceeds (gross proceeds  
 5 less reasonable and necessary costs of sale) from the sale of Store 13 will be used first to pay  
 6 the Class 12 Claim as well as the Class 11 Claim described above. The distribution of the net  
 7 proceeds between Class 11 and Class 12 will be determined by the allocation between the real  
 8 and personal property and fixtures made by the buyer and if there is no allocation by the buyer  
 9 then Pro Rata based on the relative amounts of the two Claims. If the proceeds from the sale of  
 10 Store 13 are insufficient to pay the Class 12 Claim in full the holder of the Class 12 Claim will  
 11 be entitled to a deficiency claim to be paid as discussed in the treatment of the Class 34 Claims  
 12 below. If Store 13 is not sold during the listing period, Store 13 will be included as part of the  
 13 Reorganized Debtor. The Class 12 Claim will be paid with interest at 6.6% per annum and  
 14 paid in equal monthly installments of \$1,558.62 which includes principal and interest. The  
 15 first such monthly payment will be paid within ten (10) days of the first full month following  
 16 the expiration of the listing period. Each subsequent monthly payment will be paid within the  
 17 first ten (10) days of each subsequent month until the earlier of (a) such time as the  
 18 Reorganized Debtor ceases to operate Store 13, or (b) the seventh anniversary of the first  
 19 payment at which time the then remaining unpaid balance will be paid in full. Debtor will  
 20 provide US Bancorp with such notes, deeds of trust, security agreements and amendments as  
 21 US Bancorp generally requires for such loans. US Bancorp will retain its Lien on the  
 22 Collateral until the Class 12 Claim is paid in full.

23 3.13. Class 13 consists of the Allowed Secured Claim of Maricopa County, Arizona,  
 24 in the amount of ~~\$8,118.20~~8,118.20 or such other amount as determined by the Bankruptcy  
 25 Court, secured by its Lien against Debtor's personal property and equipment at the restaurant  
 26 located at 1610 South Stapley Drive in Mesa, Arizona ("Store 14"). As discussed below in the

1 treatment of the Class 14 Claim, Debtor has listed Store 14 for sale through December 1, 2010,  
2 or such further time as may be agreed between Debtor, US Bank and US Bancorp. Maricopa  
3 County will retain its Lien, and all rights relating thereto, against the personal property and  
4 equipment following the Effective Date. In the event that Store 14 is sold by Debtor or  
5 Reorganized Debtor, Maricopa County will be paid the amount of its Allowed Secured Claim  
6 from the sale proceeds prior to distributions to other secured creditors with interests in Store  
7 14.

8 3.14. Class 14 consists of the Allowed Secured Claim of US Bancorp in the amount  
9 of \$203,410 secured by a Lien against various items of furniture, fixtures, equipment and  
10 personal property at Store 14. Debtor has listed for sale its interest in the furniture, fixtures,  
11 equipment and personal property (and Debtor's affiliate, McGrath-Marshall LLC, has listed the  
12 real property at Store 14 which is US Bank's Collateral) through December 1, 2010. After  
13 December 1, 2010, Reorganized Debtor (and McGrath-Marshall LLC) will confer with US  
14 Bancorp and US Bank regarding alternatives and will take such action as US Bank and US  
15 Bancorp require as long as it does not cause economic hardship to Debtor or Reorganized  
16 Debtor. During the listing period Debtor and Reorganized Debtor will operate Store 14. No  
17 debt service payments will be required during the listing period. Net Cash Flow, if any,  
18 derived from operations during the listing period will be used only to pay US Bank or US  
19 Bancorp or taxes encumbering Store 14. After payment of senior Liens, if any, net proceeds  
20 from the sale of Store 14 will be allocated as requested by the buyer or, if there is no such  
21 request, proportionally between US Bank and US Bancorp based on the amount of debt related  
22 to Store 14 owing to each. To the extent that US Bancorp receives more in such sale than the  
23 amount of the Class 14 Claim, it will reduce its Class 34 Claim; to the extent that it receives  
24 less from the sale than the amount of its Class 14 Claim, it will increase the amount of its Class  
25 34 Claim. Debtor or Reorganized Debtor may cease operating and close Store 14 during the  
26 listing period if the financial results of operations create an economic hardship for Debtor or

1 Reorganized Debtor but only after first providing US Bank and US Bancorp with thirty (30)  
2 days written notice. US Bancorp will retain its Lien on the Collateral until the Class 14 Claim  
3 is paid in accordance with this Plan.

4 3.15. Class 15 consists of the Allowed Secured Claim of US Bank in the principal  
5 amount of \$934,565 as of the Petition Date together with accrued and unpaid interest and fees  
6 and costs related to such claim secured by a Lien on Debtor's interest in the real property at the  
7 restaurant located at 3211 SW Cedar Hills Boulevard in Beaverton, Oregon ("Store 15"). On  
8 the Effective Date, Debtor will pay approximately \$17,000 to pay the past due interest on the  
9 Class 15 Claim. The Class 15 Claim will be paid in equal monthly installments of \$8,787.23,  
10 including principal and interest at a floating rate equal to US Bank's prime rate plus 1.5% with  
11 a floor of 4.75% and a cap of 8%. The first such monthly payment will be paid within the first  
12 ten (10) days of the first full month following the Effective Date. Each subsequent monthly  
13 payment will be paid within the first ten (10) days of each subsequent calendar month until the  
14 tenth anniversary of the Effective Date at which time the then remaining unpaid balance shall  
15 be paid in full. On or before the Effective Date, Debtor will provide US Bank with such notes,  
16 deeds of trust, security agreements and amendments as US Bank generally requires for such  
17 loans. US Bank will retain its Lien on the Collateral until the Class 15 Claim is paid in full.

18 3.16. Class 16 consists of the Allowed Secured Claim of US Bancorp in the amount  
19 of \$422,337.45 as of the Petition Date secured by a Lien on Debtor's furniture, fixtures,  
20 equipment and personal property at Store 15. The Class 16 Claim will be paid in equal  
21 monthly installments of \$7,833.60, including principal and interest at a floating rate equal to  
22 US Bank's prime rate plus 1.5% with a floor of 4.75% and a cap of 8%. The first such monthly  
23 payment will be paid within the first ten (10) days of the first full month following the  
24 Effective Date. Each subsequent monthly payment will be paid within the first ten (10) days of  
25 each subsequent calendar month until the fifth anniversary of the Effective Date at which time  
26 the then remaining unpaid balance shall be paid in full. On or before the Effective Date,

1 Debtor will provide US Bancorp with such notes, deeds of trust, security agreements and  
2 amendments as US Bancorp generally requires for such loans. US Bancorp will retain its Lien  
3 on the Collateral until the Class 16 Claim is paid in full.

4 3.17. Class 17 consists of the Allowed Secured Claim of Snohomish County,  
5 Washington, in the amount of ~~\$11,577.51~~11,577.51, or such other amount as determined by  
6 the Bankruptcy Court, and secured by a Lien on Debtor's personal property at the restaurant  
7 located at 3000 184th St SW, Suite 870 in Lynnwood, Washington ("Store 17"). Snohomish  
8 County will retain its Lien on Debtor's personal property following the Effective Date.

9 3.18. Class 18 consists of the Allowed Secured Claims of GE Capital Franchise  
10 Finance Corp., secured by a Lien on the improvements and Debtor's personal property at Store  
11 17. The Class 18 Claim has been satisfied by Debtor's rejection of its lease and surrender of the  
12 personal property to GE Capital Franchise Finance Corp.

13 3.19. Class 19 consists of the Allowed Secured Claim of Maricopa County, Arizona,  
14 in the amount of ~~\$11,133.58~~11,133.58, or such other amount as determined by the Bankruptcy  
15 Court, and secured by a Lien on Debtor's personal property and equipment at the restaurant  
16 located at 7000 East Mayo Blvd, Building #5 in Phoenix, Arizona ("Store 18"). Maricopa  
17 County will retain its Lien, and all rights relating thereto, against the personal property and  
18 equipment following the Effective Date. In the event that Store 18 is sold by Debtor, Maricopa  
19 County will be paid the amount of its Allowed Secured Claim from the sale proceeds prior to  
20 distributions to other secured creditors with interests in Store 18.

21 3.20. Class 20 consists of the Allowed Secured Claim of KeyBank, in an amount  
22 equal to the value of Debtor's interest in the building and improvements at Store 18, which  
23 amount is uncertain but is less than the balance owing to KeyBank. The Class 20 Claim is  
24 secured by a Lien against such building and improvements. The Class 20 Claim will be  
25 satisfied by Debtor's sale of its interest in the building and improvements at Store 18, and after  
26 payment of senior Liens the payment of the proceeds up to the amount of the ~~Claim~~Class 20

1 Claim, or the conveyance of its interest in such property, to KeyBank. The amount of  
 2 KeyBank's Class 34 Claim will be adjusted based on the amount, if any, KeyBank receives an  
 3 account of the Class 20 Claim.

4 3.21. Class 21 consists of the Allowed Secured Claim of General Electric Capital  
 5 Corporation secured by a Lien on Debtor's furniture, fixtures, equipment and personal property  
 6 at Store 18. The Class 21 Claim has been satisfied by surrender of the furniture, fixtures,  
 7 equipment and personal property to General Electric Capital Corporation. Additionally,  
 8 Debtor has listed for sale its interest in the furniture, fixtures and equipment (together with its  
 9 interest in the real property) at Store 18. If, within the listing period (as may be extended with  
 10 GECC's consent), GECC's Collateral at Store 18 is not sold (either because no buyer is  
 11 obtained or because the buyer desires to purchase only Debtor's interest in the real property),  
 12 then GECC shall have 30 days following written notice from Debtor either to remove said  
 13 Collateral and/or to sell it in place. If Store 18 is sold with GECC's Collateral, then the sale  
 14 proceeds will be allocated by agreement between GECC and Key Bank. If those parties cannot  
 15 reach agreement, the Bankruptcy Court will retain jurisdiction to decide the allocation.  
 16 Pending liquidation of GECC's Collateral at Store 18, the value of that Collateral shall be  
 17 estimated at \$140,000 and GECC's resulting Class 34 "Scottsdale" deficiency Claim shall be  
 18 estimated at \$717,411.42 for purposes of distribution. Once GECC's collateral is liquidated,  
 19 all the net proceeds shall be paid to GECC in satisfaction of the Class 21 Claim, and GECC's  
 20 Scottsdale deficiency Claim shall be adjusted up or down accordingly. GECC shall notify the  
 21 Trustee of the Creditors' Trust of the net proceeds received and final deficiency Claim  
 22 adjustment, and the Trustee shall true-up future distributions on account of GECC's Scottsdale  
 23 deficiency Claim to account for such adjustment.

24 3.22. Class 22 consists of the Allowed Secured Claim of Maricopa County, Arizona  
 25 in the amount of ~~\$36,155.30~~ 36,155.30, or such other amount as may be determined by order of  
 26 the Bankruptcy Court, and secured by a Lien on Debtor's interest in real property at the

1 restaurant located at 1800 North Litchfield Road in Goodyear, Arizona ("Store 19"). Maricopa  
2 County will retain its Lien, and all rights relating thereto, against the real property following  
3 the Effective Date. In the event that Store 19 is sold by Debtor, Maricopa County will be paid  
4 the amount of its Allowed Secured Claim from the sale proceeds prior to distributions to other  
5 secured creditors with interests in Store 19.

6 3.23. Class 23 consists of the Allowed Secured Claim of Maricopa County, Arizona  
7 in the amount of \$~~12,470.99~~12,470.99, or such other amount as may be determined by order of  
8 the Bankruptcy Court, and secured by a Lien on Debtor's personal property and equipment at  
9 Store 19. Maricopa County will retain its Lien, and all rights relating thereto, against the  
10 personal property and equipment following the Effective Date. In the event that Store 19 is  
11 sold by Debtor, Maricopa County will be paid the amount of its Allowed Secured Claim from  
12 the sale proceeds prior to distributions to other secured creditors with interests in Store 19.

13 3.24. Class 24 consists of the Allowed Secured Claim of Arizona Business Bank in  
14 an amount which is equal to Debtor's interest in the real property, inventory, building materials  
15 and general intangibles related to the property at Store 19, which amount is uncertain but is less  
16 than the balance owing to Arizona Business Bank. The Class 24 Claim is secured by a senior  
17 Lien on Debtor's real property, inventory, building materials and general intangibles and a  
18 junior Lien on Debtor's furniture, fixtures and equipment at Store 19. Debtor has listed for sale  
19 its interest in the real property and inventory (together with the furniture, fixtures and  
20 equipment which are the Collateral of GECC as described below). During the listing period  
21 Debtor and Reorganized Debtor will operate Store 19. No debt service payments will be  
22 required during the listing period. After payment of senior Liens, proceeds from the sale of  
23 Store 19 will be used to pay the Class 24 Claim as well as the Class 25 Claim described below.  
24 If a sale of the assets of Store 19 includes only Arizona Business Bank's Collateral, and not  
25 GECC's Collateral, then Arizona Business Bank and GECC shall negotiate a period of time,  
26

1 not less than thirty (30) days, within which GECC may sell its Collateral at Store 19. Arizona  
 2 Business Bank will retain its Lien on its Collateral until the Class 24 Claim is paid.

3 3.25. Class 25 consists of the Allowed Secured Claim of GECC secured by a senior  
 4 Lien on Debtor's furniture, fixtures and equipment related to the property at Store 19, which  
 5 amount is uncertain but is less than the balance owing to GECC. Debtor has listed for sale its  
 6 interest in the furniture, fixtures and equipment (together with the real property). During the  
 7 listing period Debtor and Reorganized Debtor will operate Store 19 unless the continued  
 8 operations create an economic hardship for the Debtor. As long as Reorganized Debtor  
 9 operates Store 19 during the listing period, Reorganized Debtor will continue to make what it  
 10 is now making as "adequate protection" payments of \$2,500.00 per month to compensate  
 11 GECC for depreciation of the furniture, fixtures and equipment pending sale. The first such  
 12 monthly payment will be paid within the first ten (10) days of the first full month following the  
 13 Effective Date. Each subsequent monthly payment will be paid within the first ten (10) days of  
 14 each subsequent calendar month. After payment of senior Liens, proceeds from the sale of  
 15 Store 19 will be used first to pay the Class 25 Claim as well as the Class 24 Claim described  
 16 above. GECC will retain its Lien on its Collateral until the Class 25 Claim is paid. If, within  
 17 the listing period (as may be extended with GECC's consent), GECC's Collateral at Store 19 is  
 18 not sold (either because no buyer is obtained or because the buyer desires to purchase only the  
 19 real property), then GECC shall have 30 days following written notice from Debtor either to  
 20 remove said Collateral and/or to sell it in place. If Store 19 is sold with GECC's Collateral,  
 21 then the sale proceeds will be allocated by agreement between GECC and Arizona Business  
 22 Bank. If those parties cannot reach agreement, the Bankruptcy Court will retain jurisdiction to  
 23 decide the allocation. Pending liquidation of GECC's Collateral at Store 19, such Claim shall  
 24 be estimated at \$140,000 and GECC's resulting Class 34 "Goodyear" deficiency Claim shall be  
 25 estimated at \$953,486.45 for purposes of distribution. Once GECC's Collateral is liquidated,  
 26 all the net proceeds shall be paid to GECC in satisfaction of the Class 25 Claim, and GECC's

1 Goodyear deficiency Claim shall be adjusted up or down accordingly. GECC shall notify the  
 2 Trustee of the Creditors' Trust of the net proceeds received and final deficiency Claim  
 3 adjustment, and the Trustee shall true-up future distributions on account of GECC's Goodyear  
 4 deficiency Claim to account for such adjustment.

5 3.26. Class 26 consists of the Allowed Secured Claim of Jefferson County, Colorado,  
 6 secured by a Lien on Debtor's real property at the restaurant located at 14035 West Colfax  
 7 Drive in Lakewood, Colorado ("Store 20"). Jefferson County will retain its Lien on Debtor's  
 8 real property following the Effective Date.

9 3.27. Class 27 consists of the Allowed Secured Claim of Jefferson County, Colorado,  
 10 secured by a Lien on Debtor's personal property and equipment at Store 20. Jefferson County  
 11 will retain its Lien on Debtor's personal property and equipment following the Effective Date.

12 3.28. Class 28 consists of the Allowed Secured Claim of GE CBFP in the amount of  
 13 \$500,000 secured by a senior Lien on Debtor's real property and a junior Lien on Debtor's  
 14 equipment and personal property at the restaurant located at 1911 South 320th Street in Federal  
 15 Way, Washington ("Store 21"). The Class 28 Claim will be amortized over ten (10) years and  
 16 paid in equal monthly installments of \$5,551.83, including principal and interest at ~~6.006~~% per  
 17 annum, or such other rate as determined by the Court at the Confirmation Hearing. The first  
 18 such monthly payment will be paid within the first ten (10) days of the first full month  
 19 following the Effective Date. Each subsequent monthly payment will be paid within the first  
 20 ten (10) days of each subsequent calendar month until the seventh anniversary of the Effective  
 21 Date at which time the then remaining unpaid balance shall be paid in full. ~~Because there is a~~  
 22 ~~disagreement about the value~~ As an additional payment on account of the Class 28 Claim, upon  
 23 completion of each of the twelve month periods that commence on the third-~~and~~, fourth, fifth,  
 24 and sixth anniversary of the Effective Date, Reorganized Debtor will make additional "annual"  
 25 payments equal to fifty percent (50%) of the amount that the Net Cash Flow derived from Store  
 26 21 exceeds \$27,778 during ~~a~~each of the fourth, fifth, sixth, and seventh twelve month ~~period~~



1 ~~exceeds \$27,778.~~periods following the Effective Date. Each such "annual" payment will be  
 2 made thirty (30) days after the conclusion of each twelve month period. Such additional  
 3 payments shall be deemed to satisfy ~~the additional amount of the Class 28 Claim~~Reorganized  
 4 Debtor's obligation to pay additional amounts on account of the Class 28 Claim; provided,  
 5 however, that if Reorganized Debtor pays the then outstanding balance of the \$500,000  
 6 obligation prior to the seventh anniversary of the Effective Date, Reorganized Debtor's  
 7 obligation to pay the additional payments referenced in the preceding two sentences shall  
 8 immediately cease. GE CBFP will retain its Lien on the Collateral until the Class 28 Claim is  
 9 paid in full.

10 3.29. Class 29 consists of the Allowed Secured Claim of GECC secured by a senior  
 11 Lien on Debtor's personal property and equipment at Store 21. The Class 29 Claim shall be  
 12 paid as follows:

13 a. The minimum amount of \$250,000 will be amortized over ten (10)  
 14 years and paid in equal monthly installments of \$2,775.51 including principal and interest at  
 15 6% per annum. The first such monthly payment will be paid within the first ten (10) days of  
 16 the first full month following the Effective Date. Each subsequent monthly payment will be  
 17 paid within the first ten (10) days of each subsequent calendar month until thirty days after the  
 18 ~~fifth~~seventh anniversary of the Effective Date at which time the then remaining unpaid balance  
 19 of the \$250,000 shall be paid in full.

20 b. ~~Because there is a disagreement about the value~~As an additional  
 21 payment on account of the Class 29 Claim, upon completion of each of the twelve month  
 22 periods that commence on the third ~~and~~, fourth, fifth, and sixth anniversary of the Effective  
 23 Date, Reorganized Debtor will make additional "annual" payments equal to fifty percent  
 24 (50%) of the amount that the Net Cash Flow derived from Store 21 exceeds \$27,778 during  
 25 ~~a~~each of the fourth, fifth, sixth, and seventh twelve month ~~period exceeds \$27,778.~~periods  
 26 following the Effective Date. Each such "annual" payment will be made thirty (30) days after

1 the conclusion of each twelve month period. Such additional payments shall be deemed to  
 2 satisfy ~~the~~Reorganized Debtor's obligation to pay additional ~~amount~~amounts on account of the  
 3 Class 29 Claim above the minimum amount of ~~\$250,000~~250,000; provided, however, that if  
 4 Reorganized Debtor pays the then outstanding balance of the \$250,000 obligation referenced  
 5 in subsection a. prior to the seventh anniversary of the Effective Date, Reorganized Debtor's  
 6 obligation to pay the additional payments referenced in this subsection b. shall immediately  
 7 cease. GECC will retain its Lien on the Collateral until the Class 29 Claim is paid in full.

8 3.30. Class 30 consists of the Allowed Secured Claim of Bank of the West in the  
 9 amount of \$15,000.00 secured by a Lien on Debtor's point of sale equipment located at Stores 9  
 10 and 20. The Class 30 Claim will be amortized over ten (10) years and paid in equal monthly  
 11 installments of \$185.50, including principal and interest at 8.44%. The first such monthly  
 12 payment will be paid within the first ten (10) days of the first full month following the Effective  
 13 Date. Each subsequent monthly payment will be paid within the first ten (10) days of each  
 14 subsequent calendar month until the seventh anniversary of the Effective Date at which time the  
 15 then remaining unpaid balance shall be paid in full. Bank of the West will retain its Lien on the  
 16 Collateral until the Class 30 Claim is paid in full.

17 3.31. Class 31 consists of the Allowed Secured Claim of US Bank in the principal  
 18 amount of \$56,811.13 as of the Petition Date together with accrued and unpaid interest and  
 19 fees and costs related to such claim secured by a Lien on Debtor's furnishings, fixtures,  
 20 equipment and leasehold improvements at Store 99, Debtor's headquarters located at 1935  
 21 Davcor Street SE in Salem, Oregon. On the Effective Date, Debtor will pay US Bank  
 22 approximately \$20,000 to cure past due payment defaults on this loan (other than fees and  
 23 costs). The Class 31 Claim will be paid in equal monthly installments of \$1,747.82, including  
 24 principal and interest at 6.44%. The first such monthly payment will be paid within the first  
 25 ten (10) days of the first full month following the Effective Date. Each subsequent monthly  
 26 payment will be paid within the first ten (10) days of each subsequent calendar month until the

1 Class 31 Claim is paid in full. On or before the Effective Date, Debtor will provide US Bank  
 2 with such notes, deeds of trust, security agreements and amendments as US Bank generally  
 3 requires for such loans. US Bank will retain its Lien on the Collateral until the Class 31 Claim  
 4 is paid in full.

5 3.32. Class 32 consists of the Allowed Secured Claim of GreatAmerica Leasing  
 6 Corp. in the amount of \$31,800 as of the Petition Date secured by a Lien on Debtor's computer  
 7 equipment which enables credit card processing at restaurants located at six Oregon locations.  
 8 The Class 32 Claim will be paid in equal monthly installments of \$1,800, including principal  
 9 and interest at 9.99%. The first such monthly payment will be paid within the first ten (10)  
 10 days of the first full month following the Effective Date. Each subsequent monthly payment  
 11 will be paid within the first ten (10) days of each subsequent calendar month until the Class 32  
 12 Claim is paid in full. GreatAmerica Leasing Corp will retain its Lien on the Collateral until the  
 13 Class 32 Claim is paid in full.

14 3.33. Class 33 consists of the Allowed Secured Claim of US Bank, which US Bank  
 15 asserts is equal to \$985,937.11 arising from its set-off rights against the cash in Debtor's bank  
 16 accounts at US Bank as of the Petition Date. Debtor will satisfy the Class 33 Claim as follows:

17 a. Debtor's will pay on the Effective Date approximately \$17,000 to  
 18 satisfy past due interest relating to the Class 15 Claim and \$20,000 to cure delinquencies on the  
 19 Class 31 Claim;

20 b. On or before the Effective Date Debtor's will grant to US Bank (using  
 21 US Bank's standard deed of trust for such loan) a second position deed of trust on Store 99 to  
 22 secure up to \$425,000 of (i) US Bank's Claim arising from Debtor's guarantee to satisfy any  
 23 deficiency arising from the sale of Store 14, and (ii) any ~~Claim~~claim US Bank may have as a  
 24 result of ~~Debtor's~~a default in the treatment of the Class 11 Claim as provided herein or in  
 25 documents related to such treatment. ~~US Bank's Claims, including, but not limited to any~~  
 26 defaults that may result from the closure of Store 13 which is the subject of the Class 11 Claim.

1 US Bank's Class 33 Claim on account of any and all of Debtor's obligations to US Bank  
 2 relating to Store 14 and the Class 11 Claim may not exceed ~~\$425,000;~~ \$550,000. If the amount  
 3 of US Bank's claims following the sale of Store 14 and any default in the treatment of the Class  
 4 11 Claim exceed \$550,000, the amount of the difference between such claims and \$550,000  
 5 shall be included in Class 34 and treated as provided therein;

6 c. the \$425,000 amount described in ~~(b)~~ above will not bear interest and  
 7 Reorganized Debtor will have no obligation to make any payment on account of the \$425,000  
 8 amount until the earlier of (i) the date of the closing of a sale or refinance of Store 99 or (ii) the  
 9 fifth anniversary of the Effective Date at which time Reorganized Debtor shall pay the  
 10 \$425,000 amount to US Bank; provided however, in no event may US Bank receive on account  
 11 of its Class 33 Claim more than it is entitled to on account of its Claim arising from Debtor's  
 12 guarantee regarding Store 14 and any default in the treatment of the Class 11 Claim; and  
 13 further provided that nothing contained herein shall limit US Bank's remedies in the event  
 14 Debtor defaults in its obligation to pay the sum secured by the deed of trust described in ~~(b)~~  
 15 ~~above, and;~~

16 d. Reorganized Debtor will maintain all of its bank accounts at US Bank  
 17 ~~and,~~ except for Debtor's existing deferred compensation account for its Vice President, Jim  
 18 Marshall, which is currently held at Merrill Lynch, and will at all times maintain minimum  
 19 aggregate collected deposits in its US Bank accounts not less than \$250,000 to further secure  
 20 ~~Debtor's obligation to pay up to \$425,000 on account of the Claims described in (b)(i) and (ii)~~  
 21 ~~above~~ the obligations to pay the Class 33 Claim as described in b(i) and b(ii) above; provided  
 22 however, that US Bank may not realize on its interest in such deposits until the earlier of the (i)  
 23 liquidation of US Bank's interest in Store 99 as provided above or (ii) the date the amount of  
 24 collected funds in such bank accounts falls below \$250,000. If US Bank realizes on its interest  
 25 in the accounts after liquidation of its interest in Store 99, the amount US Bank will be entitled  
 26 to realize will be the difference, if any, between \$550,000 and the amount US Bank received on

1 account of its \$425,000 note secured by its second position deed of trust. If US Bank realizes  
 2 on its interest in the accounts because the amount of collected funds in the accounts fell below  
 3 \$250,000, then US Bank can realize on the amount of such collected funds, and such amount  
 4 will reduce the \$550,000 obligation dollar for dollar; and

5 e. Debtor releases US Bank and US Bancorp from any and all claims  
 6 relating to Debtor's pre- or post- petition payments to US Bank or US Bancorp.

7 3.34. Class 34 consists of the holders of Allowed General Unsecured Claims. The  
 8 Plan provides two alternatives for the treatment of the holders of Class 34 Claims. Under one  
 9 alternative, John McGrath will pay ~~\$1,500,000 on the Effective Date to purchase~~ 500,000 and a  
 10 new investor will pay \$1,000,000 to acquire all of the ~~newly issued stock of~~ new equity  
 11 interests in the Reorganized Debtor ("Alternative A"). This transaction is described in more  
 12 detail in Section 5.3 below. Under Alternative A each holder of an Allowed General  
 13 Unsecured Claim will receive (a) a pro rata share of these funds (which equals an  
 14 approximately ten percent (10%) distribution) within approximately sixty (60) days after the  
 15 Effective Date, and (b) a pro rata share of the six semi-annual payments described below.

16 Under Alternative B, seventy-five percent (75%) of the newly issued stock of  
 17 Reorganized Debtor will be placed in a Creditors' Trust. These equity interests will be sold, or  
 18 there may be a sale of all or substantially all of the assets of the Reorganized Debtor (either a  
 19 "Sale") no sooner than three years but no later than approximately five years after the Effective  
 20 Date. Under Alternative B, each holder of an Allowed General Unsecured Claim will receive  
 21 (a) a pro rata share of the appropriate percentage of the proceeds of a Sale, and (b) a pro rata  
 22 share of the six semi-annual payments described below.

23 Each of the six (6) semi-annual payments which are to be paid under the Plan  
 24 (regardless of whether Alternative A or B is implemented) shall be equal to 60% of  
 25 Reorganized Debtor's Net Cash Flow during the applicable six month period. The total of the  
 26

1 six payments made by Reorganized Debtor must equal not less than \$1.5 million. The  
2 payments shall be made as follows:

3 a. Each semi-annual payment, including the first such payment, will be  
4 delivered to the Trustee of the Creditors' Trust (defined below) - together with a detailed report  
5 summarizing the calculation of Net Cash Flow for the relevant six-month period (the "Cash  
6 Flow Report") - no later than thirty (30) business days after the conclusion of each six full  
7 calendar months following the Effective Date of the Amended Plan. If the total of the first two  
8 semi-annual payments is less than \$375,000, the Reorganized Debtor shall pay an additional  
9 "guarantee payment" equal to the difference between \$375,000 and the sum of these two  
10 semi-annual payments, which amount shall be paid on or before forty-five (45) days after the  
11 conclusion of the second six full calendar months following the Effective Date of the Amended  
12 Plan (collectively, such initial distributions together with the guarantee payment, if any, are  
13 referred to as the "Year One Payments.")

14 b. If the total of the third and fourth semi-annual payments is less than  
15 \$525,000, the Reorganized Debtor shall pay an additional "guarantee payment" equal to the  
16 difference between \$525,000 and the sum of these two semi-annual payments, which amount  
17 shall be paid on or before forty-five (45) days after the conclusion of the fourth six full  
18 calendar months following the Effective Date of the Amended Plan (collectively, such initial  
19 distributions together with the guarantee payment, if any, are referred to as the "Year Two  
20 Payments.")

21 c. If the total of the fifth and sixth semi-annual payments is less than  
22 \$600,000, the Reorganized Debtor shall pay an additional "guarantee payment" equal to the  
23 difference between \$600,000 and the sum of these two semi-annual payments, which amount  
24 shall be paid on or before forty-five (45) days after the conclusion of the sixth six full calendar  
25 months following the Effective Date of the Amended Plan (collectively, such initial  
26

1 distributions together with the guarantee payment, if any, are referred to as the “Year Three  
2 Payments.”)

3 d. The Reorganized Debtor will promptly provide the Net Cash Flow  
4 Reports to any holder of an Allowed Class 34 Claims upon written request from such Creditor.  
5 In addition, the Trustee may, upon 10 business days’ notice to the Reorganized Debtor, audit  
6 the Reorganized Debtor’s books and records and independently calculate the Reorganized  
7 Debtor’s Net Cash Flow with respect to any semi-annual payment or guarantee payment to  
8 Class 34. Upon completion of its audit, the Trustee may, upon 15 business days’ notice,  
9 require the Reorganized Debtor to adjust the amount of such payment to ensure that such  
10 payment accurately reflects 60% of the Reorganized Debtor’s Net Cash Flow or the guaranteed  
11 minimum payment, as applicable. The results of any such audit will be provided to any holders  
12 of an Allowed Class 34 Claims promptly upon written request from such creditor to the  
13 Trustee. In the event that a dispute arises between the Reorganized Debtor, the Trustee, and/or  
14 any holder of an Allowed Class 34 Claims with respect to the calculation of the Reorganized  
15 Debtors’ Net Cash Flow or any other matter with respect to the payments to be made to Class  
16 34 creditors, the parties will seek, in good faith, to resolve such disputes among themselves,  
17 and in the event that a consensual resolution is not possible, the Bankruptcy Court will retain  
18 jurisdiction to resolve such disputes.

19 Net Cash Flow will be calculated as set forth in Exhibit 2. Reorganized  
20 Debtor's accountants, currently AKT LLP, will calculate Reorganized Debtor's Net Cash Flow  
21 on a semi-annual basis.

22 The Trustee will reconcile the amount of General Unsecured Claims to reflect  
23 post Effective Date events prior to making the initial ~~Distribution~~distribution as well as  
24 subsequent distributions to the holders of Class 34 Claims. The Trustee shall adjust the  
25 amount of distributions to the holders of Class 34 Claims as necessary in light of post Effective  
26

1 [Date events to provide that each such holder receives its pro rata share to the extent reasonably](#)  
2 [possible.](#)

3 The Trustee will reserve reasonable amounts from distribution on account of  
4 General Unsecured Claims that are, or are anticipated to be, Disputed Claims until such Claims  
5 are Allowed or disallowed by a Final Order. After a Claim becomes an Allowed General  
6 Unsecured Claim, the Trustee will make such distributions as are necessary to provide an equal  
7 percentage of distribution to the holders of all Allowed General Unsecured Claims.

8 3.35. Class 35 consists of the holders of Interests in Debtor. Under Alternative A, all  
9 of the currently issued and outstanding stock of the Debtor will be cancelled on the Effective  
10 Date, and the holders of the Class 35 Interests will not retain anything on account of these  
11 Interests. Under Alternative B, ~~John~~[Mr. and Mrs. McGrath](#) will retain twenty-five percent  
12 (25%) of the issued and outstanding shares of stock of the Debtor which will be converted into  
13 twenty-five (25%) of the issued and outstanding shares of stock of the Reorganized Debtor.

14 The holders of Claims in Classes 10, 13, 17, 18, 19, 22, 23, 26, 27 and 31 are  
15 unimpaired. The holders of Claims for Classes 1-9, 11, 12, 14, 15, 16, 20, 21, 24, 25, 28, 29,  
16 30, 32, 33, 34 and 35 are impaired.

#### 17 **ARTICLE 4**

#### 18 **DISPUTED CLAIMS; OBJECTIONS TO CLAIMS**

19 4.1. Disputed Claims; Objections to Claims. Only holders of Claims that are  
20 Allowed Claims and not subject to an action described in 11 U.S.C. § 502(d) shall be entitled to  
21 distributions under the Plan. Debtor reserves the right to contest and object to any Claims and  
22 previously scheduled amounts, including, without limitation, those Claims and scheduled  
23 amounts that are specifically referenced herein, are not listed in the Schedules, are listed  
24 therein as disputed, contingent and/or unliquidated in amount, or are listed therein at a different  
25 amount than the Debtor currently believes is validly due and owing. Unless otherwise ordered  
26 by the Bankruptcy Court, all objections to Claims and scheduled amounts (other than



1 Administrative Expense Claims) shall be Filed and served upon counsel for Debtor (if filed by  
 2 a party other than Debtor) and upon the holder of the Claim objected to on or before the later of  
 3 (a) one hundred twenty (120) days after Effective Date or (b) one hundred twenty (120) days  
 4 after the date (if any) on which a Proof of Claim is Filed in respect of a Rejection Claim,  
 5 whichever is later. The last day for filing objections to Administrative Expense Claims shall  
 6 be set pursuant to an order of the Bankruptcy Court. All Disputed Claims shall be resolved by  
 7 the Bankruptcy Court, except to the extent that (a) Debtor may otherwise elect consistent with  
 8 the Plan and the Bankruptcy Code or (b) the Bankruptcy Court may otherwise order.

## 9 ARTICLE 5

### 10 IMPLEMENTATION OF THE PLAN

11 5.1. Restated Articles of Incorporation. The Reorganized Debtor shall be deemed to  
 12 have adopted the Restated Articles of Incorporation on the Effective Date and shall promptly  
 13 thereafter cause the same to be filed with the Secretary of State of the State of Oregon. After  
 14 the Effective Date, the Reorganized Debtor may amend the Restated Articles of Incorporation  
 15 and may amend its bylaws in accordance with the Restated Articles of Incorporation, such  
 16 bylaws and applicable state law.

17 5.2. Selection of Alternative Plan. At or before the commencement of the hearing  
 18 on confirmation of the Plan, the Debtor will inform the Court whether Mr. and Mrs. McGrath  
 19 and the investor will be able to pay \$1,500,000 in cash for all of the ~~stock of~~ equity interest in  
 20 the Reorganized Debtor. If Mr. and Mrs. McGrath ~~has~~ and the investor have such funds,  
 21 Alternative A will be presented to the Court for confirmation, and if confirmed will be  
 22 implemented on the Effective Date, and Mr. and Mrs. McGrath and the investor will pay  
 23 \$1,500,000 in good funds to the Trustee on the Effective Date. Alternatively, the Debtor may  
 24 inform the Court that Alternative B will be presented to the Court for confirmation, and if  
 25 confirmed will be implemented on the Effective Date.

1        5.3. Procedure for Implementing Alternative A. If Alternative A is approved, then  
2 on or before the Effective Date, Mr. McGrath will pay \$500,000 to the Debtor in exchange for  
3 all of the newly issued shares of the common stock of the Reorganized Debtor, and transfer  
4 half of those shares of stock to his wife. Mr. and Mrs. McGrath shall then contribute all of their  
5 stock to a newly formed S corporation ("Holdco"). Reorganized Debtor will become a  
6 wholly-owned subsidiary of Holdco. Holdco will make a qualified subchapter S subsidiary  
7 election ("QSub election") for Debtor.

8                As a consequence of the QSub election, Reorganized Debtor will become  
9 disregarded for federal income tax purposes, and Holdco will be treated as if it holds the  
10 Reorganized Debtor's assets directly. For federal income tax purposes, the transaction is  
11 treated as if the shareholders contributed their stock of Reorganized Debtor to Holdco, and  
12 then Holdco liquidated Reorganized Debtor. The transaction should be tax free either as an F  
13 Reorganization (mere change of form) or a tax-free contribution under Internal Revenue Code  
14 Section 351 followed by a tax-free subsidiary liquidation under Internal Revenue Code Section  
15 332.

16                For non-tax state law purposes, the result of this transaction is that Holdco will  
17 own all of the issued and outstanding stock of Reorganized Debtor, which will continue to own  
18 all of its assets, contracts, liabilities, etc.

19                Reorganized Debtor will then immediately convert from a corporation to an  
20 LLC under the Oregon conversion statute. For federal income tax purposes, Reorganized  
21 Debtor will continue to be disregarded as a single-member LLC. Accordingly, it will go from  
22 a disregarded Q sub to a disregarded LLC. The conversion should have no federal income tax  
23 consequences.

24                For non-tax state law purposes, Reorganized Debtor will continue to be a  
25 wholly-owned subsidiary of Holdco, albeit an LLC, and continue to own all of its assets and  
26

1 liabilities. Generally, its contract rights and obligations should "ride through" the conversion  
2 without triggering third-party consent requirements.

3 Once the conversion to an LLC is accomplished, the new value investor  
4 ("Johnson") will purchase a preferred interest in the Reorganized Debtor (which will be an  
5 LLC) for \$1 million in cash. For federal income tax purposes, Reorganized Debtor will  
6 become a partnership when Johnson purchases a preferred interest in the LLC, because the  
7 LLC will have two owners. Unlike an S corporation, an LLC may issue a preferred interest  
8 and maintain flow-through tax treatment. The creation of the tax partnership will be achieved  
9 by contributing cash to the Reorganized Debtor in exchange for a preferred interest.

10 For state law purposes, the structure is identical before and after Johnson's  
11 purchase of its interest except that the Reorganized Debtor now has two members.

12 The Debtor contemplates that all of these transactions will take place  
13 consecutively on or before the Effective Date.

14 The preferred interest will be entitled to earn a twenty percent (20%) annual  
15 rate of return on the \$1,000,000 investment. Reorganized Debtor will pay twelve percent  
16 (12%), \$120,000, in cash annually in two semi-annual payments of \$60,000 each. Eight  
17 percent (8%), \$80,000, will accrue until all of Reorganized Debtor's payments to the holders of  
18 Allowed Class 34 Claims have been completed. Each \$60,000 semi-annual payment may only  
19 be made after all payments to Secured Creditors and the holders of Allowed Class 34 Claims  
20 due during the corresponding six month period have been made. After Reorganized Debtor  
21 has discharged its obligations to the holders of Allowed Class 34 Claims, Reorganized Debtor  
22 may pay the accrued unpaid eight percent (8%) return and redeem the preferred interest.

23 5.4. ~~5.3.~~ Creditors' Trust. Regardless of whether Alternative A or Alternative B is  
24 implemented, on the Effective Date, the Reorganized Debtor will establish a trust for the  
25 benefit of all holders of Class 34 Claims (the "Creditors' Trust"). John H. Mitchell will be the  
26 trustee of the Creditors' Trust ("Trustee"). The Trustee will be compensated in an hourly basis

1 at \$225 per hour. The Trustee shall be required to post a bond equal to \$1,500,000, or in such  
 2 other amount as the Bankruptcy Court may require, after request of any party in interest and  
 3 opportunity for hearing. The cost of the bond and the Trustee's compensation shall be paid by  
 4 Debtor and treated as an expense of Debtor. A copy of the Creditors' Trust Agreement will be  
 5 presented to the Court at or before the hearing on confirmation of the Plan.

6 If Alternative A is implemented, the \$1,500,000 paid to acquire the equity  
 7 interests in the stock of the Reorganized Debtor as well as the Year One Payments, Year Two  
 8 Payments and Year Three Payments will be deposited into the Creditors' Trust. The Trustee  
 9 will be responsible for distributing those funds to the holders of Allowed Class 34 Claims.

10 If Alternative B is implemented, seventy-five percent (75%) of the stock of the  
 11 Reorganized Debtor will be deposited into the Creditors' Trust as soon as practicable after the  
 12 Effective Date. Debtor will also deposit \$25,000 from its cash on hand. In addition, the Year  
 13 One Payments, Year Two Payments and Year Three Payments will be deposited into the  
 14 Creditors' Trust. The Creditors' Trust Agreement will provide for a Sale any time after the  
 15 third anniversary of the Effective Date and on or about the fifth anniversary of the Effective  
 16 Date.

17 The Creditors' Trust will not be under the supervision of the Office of the  
 18 United States Trustee.

19 5.5. ~~5.4. Other Equity Interests.~~ If Alternative A is implemented, Mr. and Mrs.  
 20 McGrath will grant a security interest in ~~his stock of~~ the equity interests in the Reorganized  
 21 Debtor to secure ~~his obligation to repay those persons who loaned him money to enable him to~~  
 22 ~~make the \$1,500,000 payment for such stock~~ their guarantee that the Reorganized Debtor will  
 23 perform its obligations to Johnson.

24 If Alternative B is implemented, ~~John~~ Mr. and Mrs. McGrath will jointly retain  
 25 a twenty-five percent (25%) equity interest in the Reorganized Debtor after the Effective Date.  
 26 The amount of Mr. and Mrs. McGrath's equity interests may be increased pursuant to the terms

1 of ~~his~~ Mr. McGrath's employment agreement as described below. Mr. ~~and Mrs.~~ McGrath shall  
 2 grant a security interest in all of ~~his~~ their stock in the Reorganized Debtor to the Trustee to  
 3 secure ~~his~~ their nonrecourse guarantee (meaning that Mr. ~~and Mrs.~~ McGrath will not have  
 4 personal liability) that the Reorganized Debtor will pay at least \$1,500,000 in semi-annual  
 5 payments to the holders of Class 34 Claims.

6 5.6. ~~5.5.~~ Board of Directors. Under either Alternative A or Alternative B, the Board  
 7 of Directors shall consist of John McGrath; ~~the Trustee of the Creditors' Trust~~ ~~and~~ Jim Balis,  
 8 the owner and president of ~~RMG.~~ The Restaurant Management Group ("RMG"); and Steve  
 9 Johnson, the representative of the new value investor.

10 5.7. ~~5.6.~~ Management. Under either alternative the Reorganized Debtor will  
 11 continue to be managed by Mr. McGrath as Chief Executive Officer. ~~As discussed above,~~  
 12 RMG will continue to provide consulting services for a minimum period of six months.

13 If Alternative B is selected, Mr. McGrath will enter into an employment  
 14 agreement, the form of which will be provided at or before the commencement of the  
 15 confirmation hearing. Mr. McGrath's initial salary, bonus and benefits will be the same as that  
 16 currently provided to him; provided, however, that he will be entitled to an annual salary  
 17 increase equal to 3% beginning on the first anniversary of the Effective Date. In addition, the  
 18 employment agreement will provide that Mr. McGrath will be eligible to receive an annual  
 19 stock bonus. During each of the first three twelve month periods following the Effective Date,  
 20 the bonus will be equal to 1% of the issued and outstanding stock of the Reorganized Debtor  
 21 for each full \$50,000 distributed by the Reorganized Debtor to the Trustee in excess of the  
 22 amount described in the line entitled "Payment to Unsecured Creditors" on Exhibit 7 attached  
 23 to the Disclosure Statement. The employment agreement will provide for an additional 1% for  
 24 each full \$50,000 by which the Reorganized Debtor's EBITDA for the rolling twelve month  
 25 period immediately prior to a Sale exceeds the EBITDA for the third twelve month period  
 26 following the Effective Date.

1            Additionally, if Alternative B is selected, in all matters of Reorganized Debtor  
2 that require shareholder approval or that are otherwise submitted to the shareholders of  
3 Reorganized Debtor for a vote, each shareholder shall be entitled to one vote for each share of  
4 Reorganized Debtor that it holds.

5            5.8. ~~5.7.~~ Life Insurance Policy. Under either alternative, the policy insuring Mr.  
6 McGrath's life will be amended naming the Reorganized Debtor as the Beneficiary, and, if  
7 Alternative A is implemented, a pledge of the policy as collateral to Johnson.

8            5.9. ~~5.8.~~ Amended Loan Documents. Within 30 days after the Effective Date, the  
9 Reorganized Debtor and each Secured Creditor whose Claim is impaired under the Plan shall  
10 enter into amended Loan Documents, satisfactory to both the Reorganized Debtor and the  
11 applicable Secured Creditor, necessary to implement the treatment of each Claim set forth in  
12 the Plan (unless specific documents are provided for in the treatment of such ~~claim~~Claim,  
13 which shall have terms not inconsistent with the Plan).

14            5.10. ~~5.9.~~ Distributions. Distributions to the holders of Claims shall be made as  
15 provided in Article 3 above.

16            5.11. ~~5.10.~~ Retiree Benefits. On and after the Effective Date, to the extent required  
17 by Section 1129(a)(13) of the Bankruptcy Code, the Reorganized Debtor shall continue to pay  
18 all retiree benefits, if any, as that term is defined in Section 1114 of the Bankruptcy Code,  
19 maintained or established by the Debtor prior to the Effective Date, without prejudice to  
20 Reorganized Debtor's rights under applicable non-bankruptcy law to modify, amend or  
21 terminate the foregoing arrangements.

1 **ARTICLE 6**

2 **EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

3 6.1. Assumption of Executory Contracts and Unexpired Leases. The following  
4 executory contracts and unexpired leases either have already been assumed by Debtor, or will  
5 be assumed by Debtor on and as of the Effective Date:

6 a. The lease between *The City of Salem* and Debtor for the real property at  
7 350 Chemeketa Street in Salem, Oregon.

8 b. The ground lease between *Lancaster Development Co. LLC* and Debtor  
9 for the real property at 3805 Center Street NE in Salem, Oregon.

10 c. The lease between *RPP Bend I, LLC* and Debtor for the real property at  
11 3118 N Highway 97 in Bend, Oregon.

12 d. The lease between *Pan Pacific Retail Properties (Milwaukie*  
13 *Marketplace)* and Debtor for the real property at 11050 SE Oak Street in Milwaukie, Oregon.

14 e. The lease between *Outlot Developers, LLC* and Debtor for the real  
15 property at 1036 Valley River Way in Eugene, Oregon.

16 f. The lease between *Outlot Developers, LLC* and Debtor for the real  
17 property at 350 Circle Boulevard in Corvallis, Oregon.

18 g. The lease between *Sundance Development, Inc.* and Debtor for the real  
19 property at 1749 S Cole Road in Boise, Idaho.

20 h. The ground lease between *Macerich South Towne LP* and Debtor for the  
21 real property at 10590 S. State Street in Sandy, Utah.

22 i. The ground lease between *JT Layton Crossing North, L.C.* and Debtor  
23 (as successor to McGrath's Properties, LLC), as modified by the First Amendment to Lease,  
24 for the real property at 908 Main Street in Layton, Utah.

25 j. The ground lease between *Center Developments Oreg., Ltd.* and Debtor  
26 for the real property at 3211 SW Cedar Hills Boulevard in Beaverton, Oregon.

1 k. The ground lease between *certain Tenant-In-Common entities affiliated*  
2 *with Steadfast Commons, LLC* and Debtor (as successor to McGrath's Properties, LLC) for the  
3 real property at 1911 South 320th Street in Federal Way, Washington.

4 l. The insurance contract between *Brokers National Life Assurance Co*  
5 and Debtor for dental insurance, effective January 1, 2010.

6 m. The insurance contract between *Regence BlueCross BlueShield of*  
7 *Oregon* and Debtor for medical insurance, effective July 1, 2009.

8 n. The insurance contract between *The Guardian Life Insurance Co of*  
9 *America* and Debtor for dental, life & ADD insurance, effective July 1, 2009.

10 o. The 401(k) employee benefit plan between *Great West Retirement*  
11 *Services* and Debtor (Plan #338252-01).

12 ~~p. The deferred compensation agreement dated November 12, 1998~~  
13 ~~between James R Marshall as employee and Debtor as employer.~~

14 p. ~~q.~~ The life insurance policy on John McGrath (policy number 7058263),  
15 issued by *Genworth Life and Annuity Insurance Co.*

16 q. ~~r.~~ The insurance contract(s) between *Liberty Northwest Insurance* and  
17 Debtor (policy number C10 163326), for business general liability, vehicle, umbrella, liquor  
18 liability, and blanket premise insurance covering the Oregon, Washington, and Idaho  
19 properties to be retained by Debtor under this Plan, as well as business umbrella insurance on  
20 the Arizona, Colorado and Utah properties to be retained by Debtor under this Plan.

21 r. ~~s.~~ The insurance contract(s) between *American Economy Insurance* and  
22 Debtor (policy number 02CE209482-10), for business general liability, liquor liability  
23 insurance, and blanket premise insurance covering the Arizona, Colorado and Utah properties  
24 to be retained by Debtor under this Plan.



1           s.     ~~t.~~—The insurance contract between *American States Insurance* and  
2 Debtor (policy number 01CI3381531), for vehicle insurance covering the Arizona, Colorado  
3 and Utah properties to be retained by Debtor under this Plan.

4           t.     ~~u.~~—The insurance contract between *Scottsdale Indemnity Company* and  
5 Debtor (policy number EKI~~3005222~~3021169), covering director & officer liability.

6           u.     ~~v.~~—The insurance contract between *Carolina Casualty Insurance* and  
7 Debtor (policy number 4887943), covering employment practices liability.

8           v.     ~~w.~~—The insurance contract between *Liberty Northwest Insurance* and  
9 Debtor (policy number WC41NC970173010), for workman's compensation insurance  
10 covering Debtor's Oregon properties.

11           w.     ~~x.~~—The insurance contract between *Liberty Northwest Insurance* and  
12 Debtor (policy number WC41NC011362010), for workman's compensation insurance  
13 covering Debtor's Idaho property.

14           x.     ~~y.~~—The insurance contract between *Liberty Mutual* and Debtor (policy  
15 number WC1163950925010), for workman's compensation insurance covering the Arizona,  
16 Colorado and Utah properties to be retained by Debtor under this Plan.

17           y.     ~~z.~~—The Master Purchase Agreement between *Enterprise Merchant*  
18 *Solutions Inc.* ("EMS") and Debtor, for hardware and software maintenance services provided  
19 by EMS to Debtor relating to certain computer equipment financed by Marlin Leasing Corp.,  
20 and located at various store locations.

21           z.     ~~aa.~~—The Aloha Hosted Solutions Agreement dated October 19, 2009  
22 between *Radiant Systems, Inc.* and Debtor, for restaurant guard software provided to Debtor  
23 relating to certain computer equipment financed by GreatAmerica Leasing Corp., and located  
24 at six Oregon stores (Beaverton, Bend, Corvallis, Eugene, Milwaukie, and Salem-Lancaster).

25           aa.    ~~bb.~~—The Product Supply Agreement(s) between *Airgas NorPac* and  
26 Debtor.

1           **bb.**   ~~ee.~~ The Linen and/or Uniform Rental Service Agreement(s) between  
2 *ALSCO Inc.* as supplier and Debtor as customer.

3           **cc.**   ~~dd.~~ The Product and Services Supply Agreement(s) between *Ecolab*  
4 *Inc.* as supplier and Debtor as customer for required wearwashing, housekeeping, laundry and  
5 other cleaning and sanitizing chemical products.

6           **dd.**   ~~ee.~~ The Lease Agreement between *Ikon Financial Services* and Debtor  
7 (Lease #1016400-2550768) for Ricoh MP171 copiers at six of Debtor's Oregon store locations  
8 (Bend, Eugene, Medford, Corvallis, Beaverton and Milwaukie).

9           **ee.**   ~~ff.~~ The Master Maintenance and Sales Agreements between *Ikon Office*  
10 *Solutions, Inc.* and Debtor for copier maintenance and repair, as relating only to those copiers  
11 retained by Debtor under this Plan.

12           **ff.**   ~~gg.~~ The Music Service Agreements between *Muzak LLC* and Debtor, as  
13 relating only to those properties retained by Debtor under this Plan (includes TV satellite  
14 receivers / networks / etc.).

15           **gg.**   ~~hh.~~ The Preferred Customer Agreement between *Pacific Seafood* and  
16 Debtor.

17           **hh.**   ~~ii.~~ The Master Distribution Agreement between *SYSCO Food Services*  
18 *of Portland, Inc.* and Debtor.

19           **ii.**   ~~jj.~~ The contracts between *ADT Security Services, Inc.* and Debtor for  
20 security-related services at the following locations: Salem corporate office (Acct  
21 #108311282); Salem-Lancaster Mall (Acct #108313058); Eugene, OR (Acct #128300079);  
22 Medford, OR (Acct #128301447); Boise, ID (Acct #119602633); and Vancouver, WA (Acct  
23 #108311541).

24           **jj.**   ~~kk.~~ The contract(s) between *American Security Alarms Inc.* and Debtor  
25 for security-related services at the following locations: Corvallis, OR; Beaverton, OR; and  
26 Federal Way, WA.

1            kk.    ~~ll.~~ The contract between *East Cascade Security Systems, fka Vyanet* and  
2 Debtor for security-related services at the Bend, OR location.

3            ll.       ~~mm.~~ The contract between *Sound Security Inc., dba Sonitrol Pacific* and  
4 Debtor for security-related services at the Milwaukie, OR location.

5            mm.    ~~nn.~~ The contract between *Stanley Convergent Security Solutions* and  
6 Debtor for security-related services at the Salem, OR downtown location.

7            nn.       ~~oo.~~ The Equipment Finance Agreement between *Marlin Leasing Corp*  
8 and Debtor for computer equipment located at various store locations to be retained by Debtor  
9 under this Plan.

10            The foregoing list of Executory Contract and Unexpired Leases may be  
11 amended at any time prior to the conclusion of the hearing on confirmation of the Plan.

12            6.2.    Curing Defaults; Adequate Assurance of Performance. Debtor will cure  
13 defaults and provide adequate assurance of future performance to the counter parties to the  
14 executory contracts and unexpired leases to be assumed by Debtor. Debtor believes that the  
15 only monetary defaults are in regard to the leases for Store 3 (Bend), Store 4 (Milwaukie) and  
16 Store 13 (Layton). The defaults in regard to Store 3 and 4 will be cured within sixty (60) days  
17 of the Effective Date, and the default in regard to Store 13 will be cured in installments as  
18 agreed between Debtor and Store 13's landlord as described in Exhibit 7 of the Disclosure  
19 Statement. Debtor believes that the Projections attached as Exhibit 7 provide adequate  
20 assurance of future performance as the Projections show that the Reorganized Debtor can  
21 reasonably be expected to operate profitably and pay its expenses in a timely manner.

22            6.3.    Leases and Executory Contracts Rejected. All executory contracts and  
23 unexpired leases that exist as of the Effective Date between Debtor and any other entity not  
24 specifically assumed above are hereby rejected.

25            6.4.    Rejection Claims. Rejection Claims must be Filed no later than thirty (30) days  
26 after the Effective Date. Any such Rejection Claim not filed within such time shall be forever

1 barred from assertion against Debtor, the Reorganized Debtor, and their property and estate.  
 2 Each Rejection Claim resulting from such rejection shall constitute a Class ~~48~~<sup>34</sup> Claim, ~~or~~  
 3 ~~Class 49 Claim, whichever is applicable.~~

#### 4 ARTICLE 7

#### 5 EFFECT OF CONFIRMATION

6 The effect of confirmation shall be as set forth in Section 1141 of the  
 7 Bankruptcy Code. Except as otherwise expressly provided in the Plan, all persons who have  
 8 held, hold or may hold Claims, or who may have held, hold or may hold any Interest, are  
 9 permanently enjoined, from and after the Effective Date, from: (a) commencing or continuing  
 10 in any manner any action or other proceedings of any kind with respect to any Claims or  
 11 Interests against Reorganized Debtor; (b) enforcing, attaching, collecting or recovering by any  
 12 manner or any means any judgment, award, decree or order against Reorganized Debtor; (c)  
 13 creating, perfecting or enforcing any encumbrances of any kind against Reorganized Debtor  
 14 with respect to those Claims except as specifically described in the Plan; (d) asserting any  
 15 setoff, right of subrogation or recoupment of any kind against any obligation due to Debtor,  
 16 Reorganized Debtor or their property, except for (i) application of security deposits, expense  
 17 adjustments and reconciliations expressly permitted by the terms of any rejected lease, or (ii)  
 18 pursuant to the provisions of any assumed lease; and (e) proceeding in any manner in any place  
 19 whatsoever that does not conform to, does not comply with, or is inconsistent with the  
 20 provisions of the Plan or the order confirming the Plan.

#### 21 ARTICLE 8

#### 22 MODIFICATION, REVOCATION OR WITHDRAWAL OF THE PLAN

23 8.1. Modification of Plan. Debtor may alter, amend or modify the Plan pursuant to  
 24 Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 at any time prior to the time  
 25 the Bankruptcy Court has entered the Confirmation Order. After such time, and prior to the  
 26 substantial consummation of the Plan, Debtor or the Reorganized Debtor may, so long as the

1 treatment of holders of Claims and Interest under the Plan is not adversely affected, institute  
2 proceedings in Bankruptcy Court to remedy any defect or omission or to reconcile any  
3 inconsistencies in the Plan, Disclosure Statement or Confirmation Order, or other matters as  
4 may be necessary to carry out the purposes and effects of the Plan; provided, however, that  
5 prior notice of such proceedings shall be served, if necessary, in accordance with Bankruptcy  
6 Rule 2002.

7 8.2. Revocation or Withdrawal of Plan.

8 a. Right to Revoke. Debtor reserves the right to revoke or withdraw the  
9 Plan at any time prior to the Effective Date.

10 b. Effective of Withdrawal or Revocation. If Debtor revokes or withdraws  
11 the Plan prior to the Effective Date, the Plan shall be deemed null and void. In such event,  
12 nothing contained herein shall be deemed to constitute a waiver or release of any claims by or  
13 against Debtor or any other entity, or to prejudice in any manner the rights of Debtor or any  
14 other entity in any further proceedings involving Debtor.

15 c. Nonconsensual Confirmation. Debtor may request that the Bankruptcy  
16 Court confirm the Plan pursuant to Section 1129(b) of the Bankruptcy Code if the  
17 requirements of all provisions of Section 1129(a) of the Bankruptcy Code except Section  
18 1129(a)(8) are met.

19 **ARTICLE 9**

20 **RETENTION OF JURISDICTION**

21 9.1. Retained Jurisdiction. Notwithstanding the entry of the Confirmation Order,  
22 the Court shall retain jurisdiction of this Chapter 11 Case pursuant to and for the purposes set  
23 forth in Section 1127(b) of the Bankruptcy Code and

24 a. to classify the Claim or interest of any Creditor or equity holder,  
25 reexamine Claims or Interests which have been allowed for voting purposes, and determine  
26 any objections that may be Filed to Claims or Interests;

1           b.       to hear and determine any motions or contested matters involving taxes,  
2 tax refunds, tax attributes and tax benefits and similar or related matters with respect to Debtor  
3 or its estate, arising prior to the Effective Date or relating to the period of administration of the  
4 Chapter 11 Case, including, without limitation, matters concerning state, local and federal  
5 taxes in accordance with ~~Section~~Sections 346, 505 and 1146 of the Bankruptcy Code;

6           c.       to determine requests for payment of Claims entitled to priority under  
7 Section 507(a)(2) of the Bankruptcy Code, including compensation and reimbursement of  
8 expenses in favor of professionals employed at the expense of the estate;

9           d.       to hear and determine actions to avoid transfers or recover preferences  
10 and all other Rights of Action asserted by Debtor pending on the Effective Date or asserted by  
11 the Reorganized Debtor after the Effective Date;

12           e.       to recover all assets of Debtor or the Reorganized Debtor, wherever  
13 located;

14           f.       to hear and determine any pending applications for the assumption,  
15 assignment or rejection of an executory contract or an unexpired lease and the allowance of  
16 Claims resulting therefrom;

17           g.       to approve the sale or lease of property free and clear of all Liens and  
18 encumbrances in accordance with 11 U.S.C. § 363 if so requested by Debtor or the  
19 Reorganized Debtor;

20           h.       to resolve controversies and disputes regarding the interpretation of this  
21 Plan, including but not limited to, controversies or disputes relating to implementation of the  
22 Plan;

23           i.       to implement the provisions of this Plan and enter orders in aid of  
24 execution of the Plan or to enforce the Confirmation Order and/or the discharge, or the effect of  
25 the discharge, provided to Debtor;

26

1 j. to adjudicate adversary proceedings and contested matters pending or  
2 hereafter commenced in this Chapter 11 Case;

3 k. to enter and implement such orders as may be appropriate in the event  
4 the Confirmation Order is for any reason stayed, revoked, modified or vacated;

5 l. to hear and determine any applications to modify the Plan, to cure any  
6 defect or omission, or to reconcile any inconsistency in the Plan or related documents or in any  
7 order of the Bankruptcy Court, including the Confirmation Order;

8 m. to ensure that distributions to holders of Allowed Claims are  
9 accomplished as provided herein, including, but not limited to resolving disputes regarding the  
10 calculation of Net Cash Flow;

11 n. to hear and determine any other matters related hereto and not  
12 inconsistent with Chapter 11 of the Bankruptcy Code; and

13 o. to enter a final decree closing this Chapter 11 proceeding.

14 9.2. Failure of Bankruptcy Court to Exercise Jurisdiction. If the Bankruptcy Court  
15 abstains from exercising or declines to exercise jurisdiction over any matter arising under,  
16 arising in, or related to the Chapter 11 Case, including the matters set forth in Section 9.1  
17 above, this Article shall not prohibit or limit the exercise of jurisdiction by any other court  
18 having competent jurisdiction with respect to such subject matter.

19 **ARTICLE 10**

20 **MISCELLANEOUS PROVISIONS**

21 10.1. Revesting. Except as otherwise expressly provided herein, on the Effective  
22 Date, all property and assets of the estate of Debtor shall revert in the Reorganized Debtor, free  
23 and clear of all claims, Liens, encumbrances, and charges of Creditors arising on or before the  
24 Effective Date.

25 10.2. Rights of Action. Except as otherwise expressly provided herein, any rights or  
26 causes of action (including, without limitation, any and all Rights of Action) accruing to

1 Debtor shall become assets of the Reorganized Debtor which may pursue such rights of action,  
2 as appropriate, in accordance with what it determines to be in the best interests of Creditors  
3 consistent with the terms of this Plan.

4 10.3. Governing Law. Except to the extent the Bankruptcy Code, the Bankruptcy  
5 Rules or other federal laws are applicable, the laws of the State of Oregon shall govern the  
6 construction and implementation of the Plan, and all rights and obligations arising under the  
7 Plan.

8 10.4. Withholding and Reporting Requirements. In connection with the Plan and all  
9 instruments issued in connection therewith and distributions thereon, the Reorganized Debtor  
10 shall comply with all withholding, reporting, certification and information requirements  
11 imposed by any federal, state, local or foreign taxing authorities and all distributions hereunder  
12 shall, to the extent applicable, be subject to any such withholding, reporting, certification and  
13 information requirements. Entities entitled to receive distributions hereunder shall, as a  
14 condition to receiving such distributions, provide such information and take such steps as the  
15 Reorganized Debtor may reasonably require to ensure compliance with such withholding and  
16 reporting requirements, and to enable the Reorganized Debtor to obtain the certifications and  
17 information as may be necessary or appropriate to satisfy the provisions of any tax law.

18 10.5. Time. Unless otherwise specified herein, in computing any period of time  
19 prescribed or allowed by the Plan, the day of the act or event from which the designated period  
20 begins to run shall not be included. The last day of the period so computed shall be included,  
21 unless it is not a Business Day, in which event the period runs until the end of the next  
22 succeeding day which is a Business Day.

23 10.6. Section 1146(c) Exemption. Pursuant to Section 1146(c) of the Bankruptcy  
24 Code, the issuance, transfer or exchange of any security under the Plan, or the execution,  
25 delivery or recording of an instrument of transfer pursuant to, in implementation of or as  
26 contemplated by the Plan, or the revesting, transfer or sale of any real property of Debtor or the



1 Reorganized Debtor pursuant to, in implementation of or as contemplated by the Plan, shall not  
2 be taxed under any state or local law imposing a stamp tax, transfer tax, or similar tax or fee.  
3 Consistent with the foregoing, each recorder of deeds or similar official for any city, county or  
4 governmental unit in which any instrument hereunder is to be recorded shall, pursuant to the  
5 Confirmation Order, be ordered and directed to accept such instrument without requiring the  
6 payment of any documentary stamp tax, deed stamps, transfer tax, intangible tax or similar tax.

7 10.7. Severability. In the event that any provision of the Plan is determined to be  
8 unenforceable, such determination shall not limit or affect the enforceability and operative  
9 effect of any other provisions of the Plan. To the extent that any provision of the Plan would,  
10 by its inclusion in the Plan, prevent or preclude the Bankruptcy Court from entering the  
11 Confirmation Order, the Bankruptcy Court, on the request of Debtor, may modify or amend  
12 such provision, in whole or in part, as necessary to cure any defect or remove any impediment  
13 to the confirmation of the Plan existing by reason of such provision.

14 10.8. Binding Effect. The provisions of the Plan shall bind Debtor, the Reorganized  
15 Debtor, all Creditors, and all holders of Claims and Interests, and their respective successors,  
16 heirs and assigns.

17 10.9. Recordable Order. The Confirmation Order shall be deemed to be in recordable  
18 form, and shall be accepted by any recording officer for filing and recording purposes without  
19 further or additional orders, certifications or other supporting documents.

20 10.10. Unclaimed Cash. Unclaimed Cash shall be deemed Available Cash, and the  
21 Allowed Claim upon which the Unclaimed Cash was originally distributed shall be deemed  
22 disallowed.

23 10.11. Saturday, Sunday or Legal Holiday. If any payment or act is required to be  
24 made or performed on a date that is not a Business Day, then the making of such payment or  
25 the performance of such act may be completed on the next succeeding Business Day, but shall  
26 be deemed to have been completed as of the required date.

1 10.12. Utility Deposits. All utilities holding a utility deposit made during the Chapter  
2 11 Case shall immediately after the Effective Date return or refund such utility deposit to  
3 Reorganized Debtor. At the sole option of Reorganized Debtor, the Reorganized Debtor may  
4 apply any utility deposit that has not been refunded to Reorganized Debtor in satisfaction of  
5 any payments due or to become due from the Debtor or the Reorganized Debtor to a utility  
6 holding such a utility deposit.

7 10.13. Final Order. Any requirement in the Plan for a Final Order may be waived by  
8 Debtor; provided, however, that nothing contained herein shall prejudice the right of any party  
9 in interest to seek a stay pending appeal with respect to such Final Order.

10 10.14. Notices. Any notice, request or demand required or permitted to be made or  
11 provided to or on Debtor or the Reorganized Debtor under this Plan shall be in writing and  
12 served by (a) certified mail, return receipt requested; (b) hand delivery; or (c) overnight  
13 delivery, with proof of service and shall be deemed to have been duly given or made when  
14 actually delivered or received by addressee, addressed as follows: if to the Debtor or  
15 Reorganized Debtor:

16 John McGrath  
17 McGrath's Publick Fish House, Inc.  
18 1935 DavCor St. SE  
19 Salem, OR 97302

19 with a copy to:

20 Leon Simson  
21 Tonkon Torp LLP  
22 888 SW Fifth Ave, Suite 1600  
23 Portland, OR 97204

24 Any party listed above may alter the address for receiving notice hereunder by filing a  
25 notification of such alteration with all other parties and the Bankruptcy Court.

26 10.15. Plan Controls. In the event and to the extent that any provision of the Plan is  
inconsistent with the provisions of the Disclosure Statement, or any other instrument or

1 agreement contemplated to be executed pursuant to the Plan, the provisions of the Plan shall  
2 control and take precedence.

3 10.16. Effectuating Documents and Further Transactions. Debtor and the  
4 Reorganized Debtor shall execute, deliver, File or record such Loan Documents, contracts,  
5 instruments, assignments, and other agreements or documents, and take or direct such actions,  
6 as may be necessary or appropriate to effectuate and further evidence the terms and conditions  
7 of this Plan.

8 DATED this ~~12th~~1st day of ~~August~~October, 2010.

9 Respectfully submitted,

10 MCGRATH'S PUBLICK FISH HOUSE, INC.,

11 By /s/ John P. McGrath  
12 John P. McGrath, President

13 Presented by:

14 TONKON TORP LLP

15 By /s/ Leon Simson  
16 Leon Simson, OSB No. 75342  
17 Timothy J. Conway, OSB No. 85175  
18 Haley B. Bjerck, OSB No. 062760  
19 Attorneys for Debtor  
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Attorneys for Debtor

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF OREGON

In re  
McGrath's Publick Fish House, Inc.,  
  
Debtor.

Case No. 10-60500-fra11  
**FIRST MODIFICATION OF  
DEBTOR'S THIRD AMENDED  
PLAN OF REORGANIZATION  
(Dated August 12, 2010)**

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1 McGrath's Publick Fish House, Inc., as debtor and debtor-in-possession,  
2 proposes this modification to the Third Amended Plan of Reorganization ("Plan") pursuant to  
3 Section 1121(a) of Title 11 of the United States Code.

4 **ARTICLE 1**

5 **DEFINITIONS**

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

20 1.1. "Administrative Expense Claim" means any Claim entitled to the priority  
21 afforded by Sections 503(b) and 507(a)(2) of the Bankruptcy Code.

22 1.2. "Allowance Date" means the date that a Claim is Allowed.

23 1.3. "Allowed" means, with respect to any Claim, proof of which has been  
24 properly Filed or, if no Proof of Claim was so Filed, which was or hereafter is listed on the  
25 Schedules as liquidated in amount and not disputed or contingent, and, in either case, (a) a  
26 Claim as to which no objection to the allowance thereof, or motion to estimate for purposes

1 of allowance, shall have been Filed on or before any applicable period of limitation that may  
2 be fixed by the Bankruptcy Code, the Bankruptcy Rules and/or the Bankruptcy Court, or  
3 (b) if an objection, or a motion to estimate for purposes of allowance, has been Filed, there  
4 has been a Final Order entered with regard to such objection or motion fixing the amount of  
5 such Claim.

6 1.4. "Allowed Secured Claim" means an Allowed Claim that is secured by a Lien,  
7 security interest or other charge against or interest in property in which the Debtor has an  
8 interest or that is subject to setoff under Section 553 of the Bankruptcy Code, to the extent of  
9 the value of the interest of the holder of such Claim in the Debtor's interest in such property  
10 or to the extent of the amount subject to setoff, as the case may be.

11 1.5. "Allowed General Unsecured Claim" means an Allowed Claim that is not an  
12 Allowed Secured Claim, Administrative Expense Claim, Priority Tax Claim or Other Priority  
13 Claim.

14 1.6. "Available Cash" at any particular time means all Cash Proceeds, including  
15 Unclaimed Cash that was originally disbursed pursuant to the Plan, and not designated as  
16 Reserved Funds.

17 1.7. "Avoidance Actions" means all claims and causes of action of the Debtor or  
18 its estate arising under Chapter 5 of the Bankruptcy Code.

19 1.8. "Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as amended  
20 from time to time, set forth in Sections 101 et seq. of Title 11 of the United States Code.

21 1.9. "Bankruptcy Court" means the United States Bankruptcy Court for the District  
22 of Oregon, or such other court that exercises jurisdiction over this Chapter 11 Case or any  
23 proceeding therein, including the United States District Court for the District of Oregon, to  
24 the extent that the reference to this Chapter 11 Case or any proceeding therein is withdrawn.

25 1.10. "Bankruptcy Rules" means, collectively, the Federal Rules of Bankruptcy  
26 Procedure, as amended and promulgated under Section 2075, Title 28, of the United States

1 Code, and the local rules and standing orders of the Bankruptcy Court.

2 1.11. "Business Day" means a day other than a Saturday, Sunday or other day on  
3 which banks in Portland, Oregon are authorized or required by law to be closed.

4 1.12. "Cash" means lawful currency of the United States of America, funds held in  
5 deposit or other accounts at financial institutions, and cash equivalents.

6 1.13. "Chapter 11 Case" means the case under Chapter 11 of the Bankruptcy Code  
7 with respect to the Debtor pending in the United States Bankruptcy Court for the District of  
8 Oregon, administered as McGrath's Publick Fish House, Inc., Case No. 10-60500-fra11.

9 1.14. "Claim" means (a) any right to payment from Debtor arising before the  
10 Effective Date, whether or not such right is reduced to judgment, liquidated, unliquidated,  
11 fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or  
12 unsecured; or (b) any right to an equitable remedy against Debtor arising before the Effective  
13 Date for breach of performance if such breach gives rise to a right of payment from Debtor,  
14 whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent,  
15 matured, unmatured, disputed, undisputed, secured or unsecured. "Claim" shall exclude any  
16 claim or right to payment of the kind specified in Sections 726(a)(4) and (5) of the  
17 Bankruptcy Code.

18 1.15. "Class" means one of the classes of Claims defined in Article 3 hereof.

19 1.16. "Collateral" means any property in which Debtor has an interest that is subject  
20 to a Lien or security interest securing the payment of an Allowed Secured Claim.

21 1.17. "Confirmation Order" means the order of the Bankruptcy Court confirming  
22 the Plan in accordance with the provisions of Chapter 11 of the Bankruptcy Code.

23 1.18. "Creditor" means any entity holding a Claim against Debtor.

24 1.19. "Debtor" means McGrath's Publick Fish House, Inc., as Debtor and  
25 Debtor-in-Possession in this Chapter 11 Case.

26



1 1.20. "Disclosure Statement" means the Debtor's Disclosure Statement as amended,  
2 modified, restated or supplemented from time to time, pertaining to the Plan.

3 1.21. "Disputed Claim" means a Claim with respect to which a Proof of Claim has  
4 been timely Filed or deemed timely Filed under applicable law, and as to which an objection  
5 was timely Filed and has neither been withdrawn nor denied by a Final Order, or a Claim as  
6 to which a Proof of Claim has not been Filed and which has been listed on Debtor's  
7 Schedules as disputed, contingent of unliquidated and no Final Order has been entered  
8 allowing such Claim in whole or in part.

9 1.22. "Effective Date" means the first Business Day after the Confirmation Order  
10 becomes a Final Order.

11 1.23. "Filed" means filed (a) with the Bankruptcy Court in this Chapter 11 Case or  
12 other court of competent jurisdiction; or (b) with the Trustee of the Creditors' Trust (defined  
13 hereafter) after the date of the entry of an order closing this Chapter 11 Case (the "Closing  
14 Date") to reflect adjustment in the amounts of Claims resulting from events contemplated in  
15 Article 3 of the Plan that occur after the Closing Date.

16 1.24. "Final Order" means an order or judgment entered on the docket by the Clerk  
17 of the Bankruptcy Court or any other court exercising jurisdiction over the subject matter and  
18 the parties (a) that has not been reversed, stayed, modified or amended; and (b) as to which  
19 no stay is pending.

20 1.25. "General Unsecured Claim" means an Unsecured Claim that is not an  
21 Administrative Claim, a Tax Claim or an Other Priority Claim.

22 1.26. "General Unsecured Creditor" means the holder of an Allowed General  
23 Unsecured Claim.

24 1.27. "Interests" means all rights of the owners of the issued and outstanding shares  
25 of common stock of the Debtor.  
26

1 1.28. "Lien" has the meaning defined in Section 101(37) of the Bankruptcy Code,  
2 including liens held by taxing authorities.

3 1.29. "Loan Documents" means all documents executed by Debtor (or following the  
4 Effective Date, the Reorganized Debtor) that evidence indebtedness owed by Debtor, or  
5 Reorganized Debtor, including, without limitation, promissory notes, loan agreements, lease  
6 agreements, financing agreements, and related guaranties, as well as all related documents,  
7 including but not limited to documents evidencing the creation or perfection of Liens, such as  
8 deeds of trust, mortgages, security agreements and financing statements, as well as all  
9 amendments and modifications to any of the foregoing.

10 1.30. "Net Cash Flow" means Reorganized Debtor's net sale proceeds less (a) cost  
11 of goods sold, (b) labor, (c) operating expenses, (d) administrative expenses, (e) U.S. Trustee  
12 fees, (f) compensation owing to the Trustee of the Creditors' Trust, (g) the expense of  
13 obtaining a bond for the Trustee of the Creditors' Trust, and (h) debt service payments, all as  
14 more particularly described in Exhibit 1 attached hereto.

15 1.31. "Other Priority Claim" means any Claim for an amount entitled to priority in  
16 right of payment under Section 507(a)(3), (4), (5), (6) or (7) of the Bankruptcy Code.

17 1.32. "Petition Date" means February 3, 2010, the date on which the petition  
18 commencing this Chapter 11 Case was filed.

19 1.33. "Plan" means this Plan of Reorganization, as amended, modified, restated or  
20 supplemented from time to time.

21 1.34. "Potential Rejection Claim" means an undetermined and unliquidated Claim  
22 that would arise from the rejection of an executory contract or unexpired lease to which  
23 Debtor is a party or by which it is bound.

24 1.35. "Priority Tax Claim" means a Claim of a governmental unit of the kind  
25 entitled to priority under Section 507(a)(8) of the Bankruptcy Code.  
26

1 1.36. "Pro Rata" means the ratio of an Allowed Claim in a particular Class to the  
2 aggregate amount of all Allowed Claims in that Class.

3 1.37. "Rejection Claim" means a Claim arising from the rejection of an unexpired  
4 lease or executory contract pursuant to this Plan or Final Order of the Bankruptcy Court.

5 1.38. "Reorganized Debtor" means Debtor from and after the Effective Date in the  
6 form organized to operate the business of the Debtor pursuant to section 5.3 of the Plan.

7 1.39. "Reserved Funds" means, at any particular time, Cash equal to the aggregate  
8 of (a) the Cash in the Unpaid Claims Reserve Fund; and (b) the amount which in  
9 Reorganized Debtor's reasonable judgment is necessary to pay Allowed but unpaid Secured  
10 Claims, Priority Tax Claims, Other Priority Claims, and Administrative Expense Claims on  
11 the terms provided in the Plan. Any Cash that does not constitute Reserved Funds shall be  
12 Available Cash.

13 1.40. "Restated Articles of Incorporation" means the organizational documents of  
14 the Reorganized Debtor, which shall, among other things, modify and amend Debtor's  
15 organizational documents to prohibit the issuance of non-voting equity securities to the  
16 extent required by Section 1123(a)(6) of the Bankruptcy Code to be adopted effective as of  
17 the Effective Date.

18 1.41. "Rights of Action" means any and all claims, demands, rights, actions, causes  
19 of suits, and suits of the Debtor or the estate, of any kind or character whatsoever, known or  
20 unknown, suspected or unsuspected, whether arising before, on or after the Petition Date, in  
21 contract or in tort, at law or in equity or under any theory of law, including, but not limited to  
22 (1) derivative claims, (2) rights of setoff, counterclaim, or recoupment, and claims on  
23 contract and for breaches of duties imposed by law, (3) the right to object to Claims or  
24 Interests, (4) claims pursuant to § 362 of the Bankruptcy Code, (5) such claims and defenses  
25 as fraud, mistake, duress, and usury, and (6) Avoidance Actions.  
26

1 1.42. "Schedules" means the Schedules of Assets and Liabilities and the Statement  
2 of Financial Affairs Filed by Debtor pursuant to Section 521 of the Bankruptcy Code, as  
3 amended, modified, restated or supplemented from time to time.

4 1.43. "Secured Claim" means any Claim against Debtor held by any entity to the  
5 extent such Claim constitutes a secured Claim under Sections 506(a) or 1111(b) of the  
6 Bankruptcy Code.

7 1.44. "Unclaimed Cash" means Cash (together with any interest earned thereon)  
8 that is unclaimed by a Creditor following a distribution pursuant to the Plan and includes  
9 Cash attributable to (a) checks that have been returned as undeliverable without a proper  
10 forwarding address, (b) checks that have not been cashed within 90 days after the date such  
11 checks were mailed (whether or not distributed pursuant to the Plan), and (c) checks that  
12 were not mailed or delivered because of the absence of a proper address to which to mail or  
13 deliver such property. Unclaimed Cash is Available Cash because Unclaimed Cash is not  
14 within the Unpaid Claims Reserve Fund and, therefore, is not within the definition of  
15 Reserved Funds.

16 1.45. "Unpaid Claims Reserve Fund" at any particular time means the aggregate of:  
17 (a) Cash reserved for the benefit of holders of Disputed Claims; and (b) the Cash reserved for  
18 the benefit of holders of Potential Rejection Claims.

19 1.46. "Utility Deposits" means deposits with utilities made by Debtor after the  
20 Petition Date pursuant to Section 366(b) of the Bankruptcy Code.

21 **ARTICLE 2**

22 **UNCLASSIFIED CLAIMS**

23 2.1. Administrative Expense Claims. Each holder of an Allowed Administrative  
24 Expense Claim shall be paid in full from Available Cash within sixty (60) days after the  
25 Effective Date or within five (5) days after the Allowance Date, whichever is later, unless  
26 such holder shall in writing agree to a different treatment of such Claim (including, without



1 Class, and is classified in a different Class to the extent that such claim qualifies within the  
2 description of such different Class.

3 3.1. Class 1 consists of the Allowed Secured Claim of GE CFBP in the  
4 approximate amount of \$1,000,000 as of the Petition Date (or such other amount as  
5 determined by the Bankruptcy Court) secured by its Lien against the real estate  
6 improvements and restaurant equipment and furniture at Debtor's restaurant located at 3805  
7 Center Street NE at Lancaster Mall in Salem, Oregon ("Store 2"). The Class 1 Claim will be  
8 amortized over fifteen (15) years and paid in equal monthly installments of principal and  
9 interest with interest at the rate of 7% per annum, or such other rate as determined by the  
10 Court at the Confirmation Hearing. The first such monthly payment will be paid within the  
11 first ten (10) days of the first full month following the Effective Date. Each subsequent  
12 monthly payment will be paid within the first ten (10) days of each subsequent calendar  
13 month until thirty days after the sixth anniversary of the Effective Date at which time the  
14 then remaining unpaid balance of the approximate \$1,000,000 shall be paid in full. GE  
15 CFBP will retain its Lien on the Collateral until the Class 1 Claim is paid in full.

16 3.2. Class 2 consists of the Allowed Secured Claim of Key Equipment Finance in  
17 the amount of \$575,933 as of the Petition Date secured by its Lien against Debtor's furniture,  
18 fixtures and equipment at the restaurant located at 350 Circle Boulevard in Corvallis, Oregon  
19 ("Store 6"). The Class 2 Claim will be paid in equal monthly installments of \$6,479.83,  
20 including principal and interest at 6%. The first such monthly payment will be paid within  
21 the first ten (10) days of the first full month following the Effective Date. Each subsequent  
22 monthly payment will be paid within the first ten (10) days of each subsequent calendar  
23 month until the Class 2 Claim is paid in full. Key Equipment Finance will retain its Lien on  
24 the Collateral until the Class 2 Claim is paid in full.

25 3.3. Class 3 consists of the Allowed Secured Claim of KeyBank in the amount of  
26 \$1,383,590 as of the Petition Date secured by its Lien against Debtor's real property at the

1 restaurant located at 68 E Stewart Avenue in Medford, Oregon ("Store 7"). The Class 3  
2 Claim will be amortized over 15 years with interest at 6% per annum. The Class 3 Claim  
3 will be paid in equal monthly installments of \$12,100 which include principal and interest.  
4 The first such monthly payment will be paid within the first ten (10) days of the first full  
5 month following the Effective Date. Each subsequent monthly payment will be paid within  
6 the first ten (10) days of each subsequent calendar month until the seventh anniversary of the  
7 first monthly payment at which time the then remaining unpaid balance shall be paid in full.  
8 KeyBank will retain its Lien on the Collateral until the Class 3 Claim is paid in full.

9 3.4. Class 4 consists of the Allowed Secured Claim of Sterling in the amount of  
10 \$4,800,000 secured by a senior Lien against Debtor's real and personal property at the  
11 restaurant located at 12501 SE Second Circle in Vancouver, Washington ("Store 9"), and a  
12 junior Lien on Debtor's real property and fixtures and a senior Lien against the equipment  
13 and furniture at Store 7, and a senior Lien against Debtor's real and personal property at the  
14 restaurant located at 10435 W Colfax Drive in Lakewood, Colorado ("Store 20"). The  
15 Class 4 Claim will be paid as follows:

16 a. \$2,700,000 of the Class 4 Claim will be amortized over twenty (20)  
17 years with interest at 6% per annum. This portion of the Class 4 Claim will be paid in sixty  
18 (60) equal installments of principal and interest of \$19,344. The first such monthly payment  
19 will be paid within the first ten (10) days of the first full month following the Effective Date.  
20 Each subsequent monthly payment will be paid within the first ten (10) days of each  
21 subsequent calendar month until the fifth anniversary of the first monthly payment at which  
22 time the then remaining unpaid balance shall be paid in full. This \$2,700,000 obligation will  
23 be evidenced by a promissory note and secured by a first Lien against the real property and a  
24 second Lien against the personal property at Store 9;

25 b. \$400,000 of the Class 4 Claim will be amortized over twenty (20)  
26 years with interest at 6% per annum. This portion of the Class 4 Claim will be paid in equal

1 installments of principal and interest of \$2,865.80. The first such monthly payment will be  
2 paid within the first ten (10) days of the first full month following the Effective Date. Each  
3 subsequent monthly payment will be paid within the first ten (10) days of each subsequent  
4 calendar month until the fifth anniversary of the first monthly payment at which time the then  
5 remaining unpaid balance shall be paid in full. This \$400,000 obligation will be evidenced  
6 by a promissory note and secured by a junior Lien against the real property and a senior Lien  
7 against the equipment and furniture at Store 7; and

8 c. \$1,700,000 of the Class 4 Claim will be satisfied by either a sale of  
9 Store 20 on terms satisfactory to Sterling or by granting a deed in lieu of foreclosure  
10 conveying Store 20 to Sterling. Debtor will list and attempt to sell Store 20 for a period of  
11 six (6) months following the Effective Date. If Store 20 is sold, \$1,700,000 of the Class 4  
12 Claim will be deemed satisfied. If Store 20 does not sell within the six (6) month period, the  
13 Reorganized Debtor will deliver to Sterling a deed in lieu of foreclosure conveying Store 20  
14 to Sterling in satisfaction of \$1,700,000 of the Class 4 Claim. Debtor will continue to  
15 operate Store 20 during the period that it is being offered for sale. Any positive Net Cash  
16 Flow that results from operations during the sale period will be paid first towards satisfaction  
17 of the tax Liens that encumber Store 20, and then to Sterling to reduce the Class 4 Claim.  
18 This \$1,700,000 obligation will be evidenced by a non-interest bearing promissory note and  
19 secured by a deed of trust against the assets of Store 20. If Store 20 is sold and the net  
20 proceeds of the sale exceed \$1,700,000, Sterling shall be entitled to retain the excess sale  
21 proceeds. Any amount that Sterling receives from the sale of Store 20 in excess of  
22 \$1,700,000 will reduce its Class 34 Claim.

23 3.5. Class 5 consists of the Allowed Secured Claim of SBA in the amount of  
24 \$95,000 secured by its senior Lien against Debtor's personal property and equipment and its  
25 junior lien on Debtor's real property at Store 9, and its junior Lien against Debtor's real and  
26 personal property and equipment at Store 20. The Class 5 Claim will be paid in sixty (60)



1 equal monthly installments of \$1,831.98 including principal and interest at 5.895% per  
2 annum. The first such monthly payment will be paid within the first ten (10) days of the first  
3 full month following the Effective Date. Each subsequent monthly payment will be paid  
4 within the first ten (10) days of each subsequent calendar month until the Class 5 Claim is  
5 paid in full. SBA will retain its Lien on the personal property and equipment at Store 9 until  
6 the Class 5 Claim is paid in full, but its Lien on Debtor's real property at Store 9 and its Lien  
7 on the Collateral at Store 20 shall be extinguished on the Effective Date.

8 3.6. Class 6 consists of the Allowed Secured Claim of KeyBank in an amount  
9 equal to the value of Debtor's interest in the building and improvements located at 860 West  
10 1250 South in Orem, Utah ("Store 10"), which amount is uncertain but is less than the  
11 balance owing to KeyBank. The Class 6 Claim is secured by a Lien against such building  
12 and improvements. The Class 6 Claim will be satisfied by Debtor's conveyance of its interest  
13 in the building and improvements of Store 10 to KeyBank.

14 3.7. Class 7 consists of the Allowed Secured Claim of Key Equipment Finance in  
15 an amount equal to the value of Debtor's fixtures and equipment at Store 10, which amount is  
16 uncertain but is less than the balance owing to Key Equipment Finance. The Class 7 Claim is  
17 secured by a Lien against such fixtures and equipment. The Class 7 Claim will be satisfied  
18 by Debtor's conveyance of its interest in the fixtures and equipment at Store 10 to Key  
19 Equipment Finance.

20 3.8. Class 8 consists of the Allowed Secured Claim of KeyBank in the amount of  
21 \$896,306 secured by a Lien on Debtor's interest in the real property and improvements at the  
22 restaurant located at 10950 S. State Street in Sandy, Utah ("Store 11"). The Class 8 Claim  
23 will be paid in equal monthly installments of \$5,843.75, including principal and interest at  
24 6%. The first such monthly payment will be paid within the first ten (10) days of the first full  
25 month following the Effective Date. Each subsequent monthly payment will be paid within  
26

1 the first ten (10) days of each subsequent calendar month until the Class 8 Claim is paid in  
2 full. KeyBank will retain its Lien on the Collateral until the Class 8 Claim is paid in full.

3 3.9. Class 9 consists of the Allowed Secured Claim of Key Equipment Finance in  
4 the amount of \$142,500 secured by a Lien on Debtor's fixtures and equipment at Store 11.  
5 The Class 9 Claim will be paid in equal monthly installments of \$2,437.50, including  
6 principal and interest at 6%. The first such monthly payment will be paid within the first ten  
7 (10) days of the first full month following the Effective Date. Each subsequent monthly  
8 payment will be paid within the first ten (10) days of each subsequent calendar month until  
9 the Class 9 Claim is paid in full. Key Equipment Finance will retain its Lien on the  
10 Collateral until the Class 9 Claim is paid in full.

11 3.10. Class 10 consists of the alleged Secured Claim of Key Equipment Finance  
12 secured by a Lien on Debtor's personal property at the restaurant located at 190 South 400  
13 West in Salt Lake City, Utah ("Store 12"). The Class 10 Claim may be avoidable because  
14 Key Equipment Finance's financing statement does not appear to adequately describe its  
15 Collateral. The Class 10 Claim has been satisfied by Debtor's surrender of its personal  
16 property to Inland US Management LLC, the landlord of Store 12, subject to the interest, if  
17 any, of Key Equipment Finance.

18 3.11. Class 11 consists of the Allowed Secured Claim of US Bank in the principal  
19 amount of \$860,902, together with interest accruing thereon and fees and costs related  
20 thereto, secured by a Lien on Debtor's interest in the real property, furniture, fixtures and  
21 equipment at the restaurant located at 908 Main Street in Layton, Utah ("Store 13"). Debtor  
22 has listed for sale its interest in the real property (together with its interest in the furniture,  
23 fixtures and equipment) through December 1, 2010, or such further period as may be agreed  
24 upon by Debtor, US Bank and US Bancorp. During the listing period Debtor and then  
25 Reorganized Debtor will operate Store 13. Debtor and then Reorganized Debtor will not be  
26 obligated to make any debt service payments during the listing period. Net Cash Flow

1 derived from operations during the listing period will be used to pay only either US Bank or  
2 taxes which are the delinquent part of the rent owing to the landlord of Store 13. Net  
3 proceeds (gross less reasonable and necessary costs of sale) from the sale of Store 13 will be  
4 used first to pay the Class 11 Claim as well as the Class 12 Claim described below. If  
5 Store 13 is sold for less than the total amount of the Class 11 and Class 12 Claims, that  
6 portion of the purchase price attributable to Debtor's interest in the real property, furniture  
7 and equipment will be deemed to satisfy the Class 11 Claim in full. The actual distribution  
8 of net proceeds between the holders of the Class 11 and Class 12 Claims will be determined  
9 by the allocation between the real and personal property and fixtures made by the buyer or if  
10 there is no allocation by buyer then proportionally based on the relative amounts of the two  
11 Claims. If Store 13 is not sold during the listing period, Store 13 will be included as part of  
12 the Reorganized Debtor. The entire Class 11 Claim will be amortized over twenty (20) years  
13 at interest at 6% per annum, and paid in equal monthly installments of \$6,167.77 which  
14 includes principal and interest. The first such monthly payment will be paid within ten (10)  
15 days of the first full month following the expiration of the listing period. Each subsequent  
16 monthly payment will be paid within the first ten (10) days of each subsequent month until  
17 the earlier of (a) such time as the Reorganized Debtor ceases to operate Store 13, or (b) the  
18 seventh anniversary of the first payment at which time the then remaining unpaid balance  
19 will be paid in full. Debtor will provide US Bank with such notes, deeds of trust, security  
20 agreements and amendments as US Bank generally requires for such loans. US Bank will  
21 retain its Lien on the Collateral until the Class 11 Claim is paid in full.

22 3.12. Class 12 consists of the Allowed Secured Claim of US Bancorp in the amount  
23 of \$241,595 secured by a Lien on Debtor's fixtures and certain computer equipment at  
24 Store 13. Debtor has listed for sale its interest in the fixtures (together with the real property,  
25 furniture and equipment) through December 1, 2010, or such further period as may be agreed  
26 upon by Debtor, US Bank and US Bancorp. During the listing period Debtor and then

1 Reorganized Debtor will operate Store 13. Debtor and then Reorganized Debtor will not be  
2 obligated to make any debt service payments during the listing period. Net Cash Flow  
3 derived from operations during the listing period will be used to pay only either US Bank or  
4 taxes which are the delinquent part of the rent owing to the landlord. Net proceeds (gross  
5 proceeds less reasonable and necessary costs of sale) from the sale of Store 13 will be used  
6 first to pay the Class 12 Claim as well as the Class 11 Claim described above. The  
7 distribution of the net proceeds between Class 11 and Class 12 will be determined by the  
8 allocation between the real and personal property and fixtures made by the buyer and if there  
9 is no allocation by the buyer then Pro Rata based on the relative amounts of the two Claims.  
10 If the proceeds from the sale of Store 13 are insufficient to pay the Class 12 Claim in full the  
11 holder of the Class 12 Claim will be entitled to a deficiency claim to be paid as discussed in  
12 the treatment of the Class 34 Claims below. If Store 13 is not sold during the listing period,  
13 Store 13 will be included as part of the Reorganized Debtor. The Class 12 Claim will be paid  
14 with interest at 6.6% per annum and paid in equal monthly installments of \$1,558.62 which  
15 includes principal and interest. The first such monthly payment will be paid within ten (10)  
16 days of the first full month following the expiration of the listing period. Each subsequent  
17 monthly payment will be paid within the first ten (10) days of each subsequent month until  
18 the earlier of (a) such time as the Reorganized Debtor ceases to operate Store 13, or (b) the  
19 seventh anniversary of the first payment at which time the then remaining unpaid balance  
20 will be paid in full. Debtor will provide US Bancorp with such notes, deeds of trust, security  
21 agreements and amendments as US Bancorp generally requires for such loans. US Bancorp  
22 will retain its Lien on the Collateral until the Class 12 Claim is paid in full.

23 3.13. Class 13 consists of the Allowed Secured Claim of Maricopa County,  
24 Arizona, in the amount of \$8,118.20 or such other amount as determined by the Bankruptcy  
25 Court, secured by its Lien against Debtor's personal property and equipment at the restaurant  
26 located at 1610 South Stapley Drive in Mesa, Arizona ("Store 14"). As discussed below in

1 the treatment of the Class 14 Claim, Debtor has listed Store 14 for sale through December 1,  
2 2010, or such further time as may be agreed between Debtor, US Bank and US Bancorp.  
3 Maricopa County will retain its Lien, and all rights relating thereto, against the personal  
4 property and equipment following the Effective Date. In the event that Store 14 is sold by  
5 Debtor or Reorganized Debtor, Maricopa County will be paid the amount of its Allowed  
6 Secured Claim from the sale proceeds prior to distributions to other secured creditors with  
7 interests in Store 14.

8 3.14. Class 14 consists of the Allowed Secured Claim of US Bancorp in the amount  
9 of \$203,410 secured by a Lien against various items of furniture, fixtures, equipment and  
10 personal property at Store 14. Debtor has listed for sale its interest in the furniture, fixtures,  
11 equipment and personal property (and Debtor's affiliate, McGrath-Marshall LLC, has listed  
12 the real property at Store 14 which is US Bank's Collateral) through December 1, 2010.  
13 After December 1, 2010, Reorganized Debtor (and McGrath-Marshall LLC) will confer with  
14 US Bancorp and US Bank regarding alternatives and will take such action as US Bank and  
15 US Bancorp require as long as it does not cause economic hardship to Debtor or Reorganized  
16 Debtor. During the listing period Debtor and Reorganized Debtor will operate Store 14. No  
17 debt service payments will be required during the listing period. Net Cash Flow, if any,  
18 derived from operations during the listing period will be used only to pay US Bank or  
19 US Bancorp or taxes encumbering Store 14. After payment of senior Liens, if any, net  
20 proceeds from the sale of Store 14 will be allocated as requested by the buyer or, if there is  
21 no such request, proportionally between US Bank and US Bancorp based on the amount of  
22 debt related to Store 14 owing to each. To the extent that US Bancorp receives more in such  
23 sale than the amount of the Class 14 Claim, it will reduce its Class 34 Claim; to the extent  
24 that it receives less from the sale than the amount of its Class 14 Claim, it will increase the  
25 amount of its Class 34 Claim. Debtor or Reorganized Debtor may cease operating and close  
26 Store 14 during the listing period if the financial results of operations create an economic

1 hardship for Debtor or Reorganized Debtor but only after first providing US Bank and  
2 US Bancorp with thirty (30) days written notice. US Bancorp will retain its Lien on the  
3 Collateral until the Class 14 Claim is paid in accordance with this Plan.

4 3.15. Class 15 consists of the Allowed Secured Claim of US Bank in the principal  
5 amount of \$934,565 as of the Petition Date together with accrued and unpaid interest and  
6 fees and costs related to such claim secured by a Lien on Debtor's interest in the real property  
7 at the restaurant located at 3211 SW Cedar Hills Boulevard in Beaverton, Oregon  
8 ("Store 15"). On the Effective Date, Debtor will pay approximately \$17,000 to pay the past  
9 due interest on the Class 15 Claim. The Class 15 Claim will be paid in equal monthly  
10 installments of \$8,787.23, including principal and interest at a floating rate equal to  
11 US Bank's prime rate plus 1.5% with a floor of 4.75% and a cap of 8%. The first such  
12 monthly payment will be paid within the first ten (10) days of the first full month following  
13 the Effective Date. Each subsequent monthly payment will be paid within the first ten (10)  
14 days of each subsequent calendar month until the tenth anniversary of the Effective Date at  
15 which time the then remaining unpaid balance shall be paid in full. On or before the  
16 Effective Date, Debtor will provide US Bank with such notes, deeds of trust, security  
17 agreements and amendments as US Bank generally requires for such loans. US Bank will  
18 retain its Lien on the Collateral until the Class 15 Claim is paid in full.

19 3.16. Class 16 consists of the Allowed Secured Claim of US Bancorp in the amount  
20 of \$422,337.45 as of the Petition Date secured by a Lien on Debtor's furniture, fixtures,  
21 equipment and personal property at Store 15. The Class 16 Claim will be paid in equal  
22 monthly installments of \$7,833.60, including principal and interest at a floating rate equal to  
23 US Bank's prime rate plus 1.5% with a floor of 4.75% and a cap of 8%. The first such  
24 monthly payment will be paid within the first ten (10) days of the first full month following  
25 the Effective Date. Each subsequent monthly payment will be paid within the first ten (10)  
26 days of each subsequent calendar month until the fifth anniversary of the Effective Date at

1 which time the then remaining unpaid balance shall be paid in full. On or before the  
2 Effective Date, Debtor will provide US Bancorp with such notes, deeds of trust, security  
3 agreements and amendments as US Bancorp generally requires for such loans. US Bancorp  
4 will retain its Lien on the Collateral until the Class 16 Claim is paid in full.

5 3.17. Class 17 consists of the Allowed Secured Claim of Snohomish County,  
6 Washington, in the amount of \$11,577.51, or such other amount as determined by the  
7 Bankruptcy Court, and secured by a Lien on Debtor's personal property at the restaurant  
8 located at 3000 184th St SW, Suite 870 in Lynnwood, Washington ("Store 17"). Snohomish  
9 County will retain its Lien on Debtor's personal property following the Effective Date.

10 3.18. Class 18 consists of the Allowed Secured Claims of GE Capital Franchise  
11 Finance Corp., secured by a Lien on the improvements and Debtor's personal property at  
12 Store 17. The Class 18 Claim has been satisfied by Debtor's rejection of its lease and  
13 surrender of the personal property to GE Capital Franchise Finance Corp.

14 3.19. Class 19 consists of the Allowed Secured Claim of Maricopa County,  
15 Arizona, in the amount of \$11,133.58, or such other amount as determined by the Bankruptcy  
16 Court, and secured by a Lien on Debtor's personal property and equipment at the restaurant  
17 located at 7000 East Mayo Blvd, Building #5 in Phoenix, Arizona ("Store 18"). Maricopa  
18 County will retain its Lien, and all rights relating thereto, against the personal property and  
19 equipment following the Effective Date. In the event that Store 18 is sold by Debtor,  
20 Maricopa County will be paid the amount of its Allowed Secured Claim from the sale  
21 proceeds prior to distributions to other secured creditors with interests in Store 18.

22 3.20. Class 20 consists of the Allowed Secured Claim of KeyBank, in an amount  
23 equal to the value of Debtor's interest in the building and improvements at Store 18, which  
24 amount is uncertain but is less than the balance owing to KeyBank. The Class 20 Claim is  
25 secured by a Lien against such building and improvements. The Class 20 Claim will be  
26 satisfied by Debtor's sale of its interest in the building and improvements at Store 18, and

1 after payment of senior Liens the payment of the proceeds up to the amount of the Class 20  
2 Claim, or the conveyance of its interest in such property, to KeyBank. The amount of  
3 KeyBank's Class 34 Claim will be adjusted based on the amount, if any, KeyBank receives  
4 an account of the Class 20 Claim.

5 3.21. Class 21 consists of the Allowed Secured Claim of General Electric Capital  
6 Corporation secured by a Lien on Debtor's furniture, fixtures, equipment and personal  
7 property at Store 18. The Class 21 Claim has been satisfied by surrender of the furniture,  
8 fixtures, equipment and personal property to General Electric Capital Corporation.  
9 Additionally, Debtor has listed for sale its interest in the furniture, fixtures and equipment  
10 (together with its interest in the real property) at Store 18. If, within the listing period (as  
11 may be extended with GECC's consent), GECC's Collateral at Store 18 is not sold (either  
12 because no buyer is obtained or because the buyer desires to purchase only Debtor's interest  
13 in the real property), then GECC shall have 30 days following written notice from Debtor  
14 either to remove said Collateral and/or to sell it in place. If Store 18 is sold with GECC's  
15 Collateral, then the sale proceeds will be allocated by agreement between GECC and Key  
16 Bank. If those parties cannot reach agreement, the Bankruptcy Court will retain jurisdiction  
17 to decide the allocation. Pending liquidation of GECC's Collateral at Store 18, the value of  
18 that Collateral shall be estimated at \$140,000 and GECC's resulting Class 34 "Scottsdale"  
19 deficiency Claim shall be estimated at \$717,411.42 for purposes of distribution. Once  
20 GECC's collateral is liquidated, all the net proceeds shall be paid to GECC in satisfaction of  
21 the Class 21 Claim, and GECC's Scottsdale deficiency Claim shall be adjusted up or down  
22 accordingly. GECC shall notify the Trustee of the Creditors' Trust of the net proceeds  
23 received and final deficiency Claim adjustment, and the Trustee shall true-up future  
24 distributions on account of GECC's Scottsdale deficiency Claim to account for such  
25 adjustment.  
26



1 3.22. Class 22 consists of the Allowed Secured Claim of Maricopa County, Arizona  
2 in the amount of \$36,155.30, or such other amount as may be determined by order of the  
3 Bankruptcy Court, and secured by a Lien on Debtor's interest in real property at the  
4 restaurant located at 1800 North Litchfield Road in Goodyear, Arizona ("Store 19").  
5 Maricopa County will retain its Lien, and all rights relating thereto, against the real property  
6 following the Effective Date. In the event that Store 19 is sold by Debtor, Maricopa County  
7 will be paid the amount of its Allowed Secured Claim from the sale proceeds prior to  
8 distributions to other secured creditors with interests in Store 19.

9 3.23. Class 23 consists of the Allowed Secured Claim of Maricopa County, Arizona  
10 in the amount of \$12,470.99, or such other amount as may be determined by order of the  
11 Bankruptcy Court, and secured by a Lien on Debtor's personal property and equipment at  
12 Store 19. Maricopa County will retain its Lien, and all rights relating thereto, against the  
13 personal property and equipment following the Effective Date. In the event that Store 19 is  
14 sold by Debtor, Maricopa County will be paid the amount of its Allowed Secured Claim from  
15 the sale proceeds prior to distributions to other secured creditors with interests in Store 19.

16 3.24. Class 24 consists of the Allowed Secured Claim of Arizona Business Bank in  
17 an amount which is equal to Debtor's interest in the real property, inventory, building  
18 materials and general intangibles related to the property at Store 19, which amount is  
19 uncertain but is less than the balance owing to Arizona Business Bank. The Class 24 Claim  
20 is secured by a senior Lien on Debtor's real property, inventory, building materials and  
21 general intangibles and a junior Lien on Debtor's furniture, fixtures and equipment at  
22 Store 19. Debtor has listed for sale its interest in the real property and inventory (together  
23 with the furniture, fixtures and equipment which are the Collateral of GECC as described  
24 below). During the listing period Debtor and Reorganized Debtor will operate Store 19. No  
25 debt service payments will be required during the listing period. After payment of senior  
26 Liens, proceeds from the sale of Store 19 will be used to pay the Class 24 Claim as well as

1 the Class 25 Claim described below. If a sale of the assets of Store 19 includes only Arizona  
2 Business Bank's Collateral, and not GECC's Collateral, then Arizona Business Bank and  
3 GECC shall negotiate a period of time, not less than thirty (30) days, within which GECC  
4 may sell its Collateral at Store 19. Arizona Business Bank will retain its Lien on its  
5 Collateral until the Class 24 Claim is paid,

6 3.25. Class 25 consists of the Allowed Secured Claim of GECC secured by a senior  
7 Lien on Debtor's furniture, fixtures and equipment related to the property at Store 19, which  
8 amount is uncertain but is less than the balance owing to GECC. Debtor has listed for sale its  
9 interest in the furniture, fixtures and equipment (together with the real property). During the  
10 listing period Debtor and Reorganized Debtor will operate Store 19 unless the continued  
11 operations create an economic hardship for the Debtor. As long as Reorganized Debtor  
12 operates Store 19 during the listing period, Reorganized Debtor will continue to make what it  
13 is now making as "adequate protection" payments of \$2,500.00 per month to compensate  
14 GECC for depreciation of the furniture, fixtures and equipment pending sale. The first such  
15 monthly payment will be paid within the first ten (10) days of the first full month following  
16 the Effective Date. Each subsequent monthly payment will be paid within the first ten (10)  
17 days of each subsequent calendar month. After payment of senior Liens, proceeds from the  
18 sale of Store 19 will be used first to pay the Class 25 Claim as well as the Class 24 Claim  
19 described above. GECC will retain its Lien on its Collateral until the Class 25 Claim is paid.  
20 If, within the listing period (as may be extended with GECC's consent), GECC's Collateral  
21 at Store 19 is not sold (either because no buyer is obtained or because the buyer desires to  
22 purchase only the real property), then GECC shall have 30 days following written notice  
23 from Debtor either to remove said Collateral and/or to sell it in place. If Store 19 is sold with  
24 GECC's Collateral, then the sale proceeds will be allocated by agreement between GECC  
25 and Arizona Business Bank. If those parties cannot reach agreement, the Bankruptcy Court  
26 will retain jurisdiction to decide the allocation. Pending liquidation of GECC's Collateral at

1 Store 19, such Claim shall be estimated at \$140,000 and GECC's resulting Class 34  
2 "Goodyear" deficiency Claim shall be estimated at \$953,486.45 for purposes of distribution.  
3 Once GECC's Collateral is liquidated, all the net proceeds shall be paid to GECC in  
4 satisfaction of the Class 25 Claim, and GECC's Goodyear deficiency Claim shall be adjusted  
5 up or down accordingly. GECC shall notify the Trustee of the Creditors' Trust of the net  
6 proceeds received and final deficiency Claim adjustment, and the Trustee shall true-up future  
7 distributions on account of GECC's Goodyear deficiency Claim to account for such  
8 adjustment.

9 3.26. Class 26 consists of the Allowed Secured Claim of Jefferson County,  
10 Colorado, secured by a Lien on Debtor's real property at the restaurant located at 14035 West  
11 Colfax Drive in Lakewood, Colorado ("Store 20"). Jefferson County will retain its Lien on  
12 Debtor's real property following the Effective Date.

13 3.27. Class 27 consists of the Allowed Secured Claim of Jefferson County,  
14 Colorado, secured by a Lien on Debtor's personal property and equipment at Store 20.  
15 Jefferson County will retain its Lien on Debtor's personal property and equipment following  
16 the Effective Date.

17 3.28. Class 28 consists of the Allowed Secured Claim of GE CBFP in the amount of  
18 \$500,000 secured by a senior Lien on Debtor's real property and a junior Lien on Debtor's  
19 equipment and personal property at the restaurant located at 1911 South 320th Street in  
20 Federal Way, Washington ("Store 21"). The Class 28 Claim will be amortized over ten (10)  
21 years and paid in equal monthly installments of \$5,551.83, including principal and interest at  
22 6% per annum, or such other rate as determined by the Court at the Confirmation Hearing.  
23 The first such monthly payment will be paid within the first ten (10) days of the first full  
24 month following the Effective Date. Each subsequent monthly payment will be paid within  
25 the first ten (10) days of each subsequent calendar month until the seventh anniversary of the  
26 Effective Date at which time the then remaining unpaid balance shall be paid in full. As an

1 additional payment on account of the Class 28 Claim, upon completion of each of the twelve  
2 month periods that commence on the third, fourth, fifth, and sixth anniversary of the  
3 Effective Date, Reorganized Debtor will make additional "annual" payments equal to fifty  
4 percent (50%) of the amount that the Net Cash Flow derived from Store 21 exceeds \$27,778  
5 during each of the fourth, fifth, sixth, and seventh twelve month periods following the  
6 Effective Date. Each such "annual" payment will be made thirty (30) days after the  
7 conclusion of each twelve month period. Such additional payments shall be deemed to  
8 satisfy Reorganized Debtor's obligation to pay additional amounts on account of the Class 28  
9 Claim; provided, however, that if Reorganized Debtor pays the then outstanding balance of  
10 the \$500,000 obligation prior to the seventh anniversary of the Effective Date, Reorganized  
11 Debtor's obligation to pay the additional payments referenced in the preceding two sentences  
12 shall immediately cease. GE CBFP will retain its Lien on the Collateral until the Class 28  
13 Claim is paid in full.

14 3.29. Class 29 consists of the Allowed Secured Claim of GECC secured by a senior  
15 Lien on Debtor's personal property and equipment at Store 21. The Class 29 Claim shall be  
16 paid as follows:

17 a. The minimum amount of \$250,000 will be amortized over ten (10)  
18 years and paid in equal monthly installments of \$2,775.51 including principal and interest at  
19 6% per annum. The first such monthly payment will be paid within the first ten (10) days of  
20 the first full month following the Effective Date. Each subsequent monthly payment will be  
21 paid within the first ten (10) days of each subsequent calendar month until thirty days after  
22 the seventh anniversary of the Effective Date at which time the then remaining unpaid  
23 balance of the \$250,000 shall be paid in full.

24 b. As an additional payment on account of the Class 29 Claim, upon  
25 completion of each of the twelve month periods that commence on the third, fourth, fifth, and  
26 sixth anniversary of the Effective Date, Reorganized Debtor will make additional "annual"

1 payments equal to fifty percent (50%) of the amount that the Net Cash Flow derived from  
2 Store 21 exceeds \$27,778 during each of the fourth, fifth, sixth, and seventh twelve month  
3 periods following the Effective Date. Each such "annual" payment will be made thirty (30)  
4 days after the conclusion of each twelve month period. Such additional payments shall be  
5 deemed to satisfy Reorganized Debtor's obligation to pay additional amounts on account of  
6 the Class 29 Claim above the minimum amount of \$250,000; provided, however, that if  
7 Reorganized Debtor pays the then outstanding balance of the \$250,000 obligation referenced  
8 in subsection a. prior to the seventh anniversary of the Effective Date, Reorganized Debtor's  
9 obligation to pay the additional payments referenced in this subsection b. shall immediately  
10 cease. GECC will retain its Lien on the Collateral until the Class 29 Claim is paid in full.

11 3.30. Class 30 consists of the Allowed Secured Claim of Bank of the West in the  
12 amount of \$15,000.00 secured by a Lien on Debtor's point of sale equipment located at Stores  
13 9 and 20. The Class 30 Claim will be amortized over ten (10) years and paid in equal monthly  
14 installments of \$185.50, including principal and interest at 8.44%. The first such monthly  
15 payment will be paid within the first ten (10) days of the first full month following the  
16 Effective Date. Each subsequent monthly payment will be paid within the first ten (10) days  
17 of each subsequent calendar month until the seventh anniversary of the Effective Date at  
18 which time the then remaining unpaid balance shall be paid in full. Bank of the West will  
19 retain its Lien on the Collateral until the Class 30 Claim is paid in full.

20 3.31. Class 31 consists of the Allowed Secured Claim of US Bank in the principal  
21 amount of \$56,811.13 as of the Petition Date together with accrued and unpaid interest and  
22 fees and costs related to such claim secured by a Lien on Debtor's furnishings, fixtures,  
23 equipment and leasehold improvements at Store 99, Debtor's headquarters located at 1935  
24 Davcor Street SE in Salem, Oregon. On the Effective Date, Debtor will pay US Bank  
25 approximately \$20,000 to cure past due payment defaults on this loan (other than fees and  
26 costs). The Class 31 Claim will be paid in equal monthly installments of \$1,747.82,

1 including principal and interest at 6.44%. The first such monthly payment will be paid  
2 within the first ten (10) days of the first full month following the Effective Date. Each  
3 subsequent monthly payment will be paid within the first ten (10) days of each subsequent  
4 calendar month until the Class 31 Claim is paid in full. On or before the Effective Date,  
5 Debtor will provide US Bank with such notes, deeds of trust, security agreements and  
6 amendments as US Bank generally requires for such loans. US Bank will retain its Lien on  
7 the Collateral until the Class 31 Claim is paid in full.

8 3.32. Class 32 consists of the Allowed Secured Claim of GreatAmerica Leasing  
9 Corp. in the amount of \$31,800 as of the Petition Date secured by a Lien on Debtor's  
10 computer equipment which enables credit card processing at restaurants located at six  
11 Oregon locations. The Class 32 Claim will be paid in equal monthly installments of \$1,800,  
12 including principal and interest at 9.99%. The first such monthly payment will be paid  
13 within the first ten (10) days of the first full month following the Effective Date. Each  
14 subsequent monthly payment will be paid within the first ten (10) days of each subsequent  
15 calendar month until the Class 32 Claim is paid in full. GreatAmerica Leasing Corp will  
16 retain its Lien on the Collateral until the Class 32 Claim is paid in full.

17 3.33. Class 33 consists of the Allowed Secured Claim of US Bank, which US Bank  
18 asserts is equal to \$985,937.11 arising from its set-off rights against the cash in Debtor's bank  
19 accounts at US Bank as of the Petition Date. Debtor will satisfy the Class 33 Claim as  
20 follows:

21 a. Debtor will pay on the Effective Date approximately \$17,000 to satisfy  
22 past due interest relating to the Class 15 Claim and \$20,000 to cure delinquencies on the  
23 Class 31 Claim;

24 b. On or before the Effective Date Debtor will grant to US Bank (using  
25 US Bank's standard deed of trust for such loan) a second position deed of trust on Store 99 to  
26 secure up to \$425,000 of (i) US Bank's Claim arising from Debtor's guarantee to satisfy any

1 deficiency arising from the sale of Store 14, and (ii) any claim US Bank may have as a result  
2 of a default in the treatment of the Class 11 Claim as provided herein or in documents related  
3 to such treatment, including, but not limited to any defaults that may result from the closure  
4 of Store 13 which is the subject of the Class 11 Claim. US Bank's Class 33 Claim on account  
5 of any and all of Debtor's obligations to US Bank relating to Store 14 and the Class 11 Claim  
6 may not exceed \$550,000. If the amount of US Bank's claims following the sale of Store 14  
7 and any default in the treatment of the Class 11 Claim exceed \$550,000, the amount of the  
8 difference between such claims and \$550,000 shall be included in Class 34 and treated as  
9 provided therein;

10 c. the \$425,000 amount described in b above will not bear interest and  
11 Reorganized Debtor will have no obligation to make any payment on account of the  
12 \$425,000 amount until the earlier of (i) the date of the closing of a sale or refinance of  
13 Store 99 or (ii) the fifth anniversary of the Effective Date at which time Reorganized Debtor  
14 shall pay the \$425,000 amount to US Bank; provided however, in no event may US Bank  
15 receive on account of its Class 33 Claim more than it is entitled to on account of its Claim  
16 arising from Debtor's guarantee regarding Store 14 and any default in the treatment of the  
17 Class 11 Claim; and further provided that nothing contained herein shall limit US Bank's  
18 remedies in the event Debtor defaults in its obligation to pay the sum secured by the deed of  
19 trust described in b above;

20 d. Reorganized Debtor will maintain all of its bank accounts at US Bank,  
21 except for Debtor's existing deferred compensation account for its Vice President, Jim  
22 Marshall, which is currently held at Merrill Lynch, and will at all times maintain minimum  
23 aggregate collected deposits in its US Bank accounts not less than \$250,000 to further secure  
24 the obligations to pay the Class 33 Claim as described in b(i) and b(ii) above; provided  
25 however, that US Bank may not realize on its interest in such deposits until the earlier of the  
26 (i) liquidation of US Bank's interest in Store 99 as provided above or (ii) the date the amount

1 of collected funds in such bank accounts falls below \$250,000. If US Bank realizes on its  
2 interest in the accounts after liquidation of its interest in Store 99, the amount US Bank will  
3 be entitled to realize will be the difference, if any, between \$550,000 and the amount US  
4 Bank received on account of its \$425,000 note secured by its second position deed of trust.  
5 If US Bank realizes on its interest in the accounts because the amount of collected funds in  
6 the accounts fell below \$250,000, then US Bank can realize on the amount of such collected  
7 funds, and such amount will reduce the \$550,000 obligation dollar for dollar; and

8 e. Debtor releases US Bank and US Bancorp from any and all claims  
9 relating to Debtor's pre- or post- petition payments to US Bank or US Bancorp.

10 3.34. Class 34 consists of the holders of Allowed General Unsecured Claims. The  
11 Plan provides two alternatives for the treatment of the holders of Class 34 Claims. Under  
12 one alternative, John McGrath will pay \$500,000 and a new investor will pay \$1,000,000 to  
13 acquire all of the new equity interests in the Reorganized Debtor ("Alternative A"). This  
14 transaction is described in more detail in Section 5.3 below. Under Alternative A each  
15 holder of an Allowed General Unsecured Claim will receive (a) a pro rata share of these  
16 funds (which equals an approximately ten percent (10%) distribution) within approximately  
17 sixty (60) days after the Effective Date, and (b) a pro rata share of the six semi-annual  
18 payments described below.

19 Under Alternative B, seventy-five percent (75%) of the newly issued stock of  
20 Reorganized Debtor will be placed in a Creditors' Trust. These equity interests will be sold,  
21 or there may be a sale of all or substantially all of the assets of the Reorganized Debtor  
22 (either a "Sale") no sooner than three years but no later than approximately five years after  
23 the Effective Date. Under Alternative B, each holder of an Allowed General Unsecured  
24 Claim will receive (a) a pro rata share of the appropriate percentage of the proceeds of a Sale,  
25 and (b) a pro rata share of the six semi-annual payments described below.



1 Each of the six (6) semi-annual payments which are to be paid under the Plan  
2 (regardless of whether Alternative A or B is implemented) shall be equal to 60% of  
3 Reorganized Debtor's Net Cash Flow during the applicable six month period. The total of  
4 the six payments made by Reorganized Debtor must equal not less than \$1.5 million. The  
5 payments shall be made as follows:

6 a. Each semi-annual payment, including the first such payment, will be  
7 delivered to the Trustee of the Creditors' Trust (defined below) - together with a detailed  
8 report summarizing the calculation of Net Cash Flow for the relevant six-month period (the  
9 "Cash Flow Report") - no later than thirty (30) business days after the conclusion of each six  
10 full calendar months following the Effective Date of the Amended Plan. If the total of the  
11 first two semi-annual payments is less than \$375,000, the Reorganized Debtor shall pay an  
12 additional "guarantee payment" equal to the difference between \$375,000 and the sum of  
13 these two semi-annual payments, which amount shall be paid on or before forty-five (45)  
14 days after the conclusion of the second six full calendar months following the Effective Date  
15 of the Amended Plan (collectively, such initial distributions together with the guarantee  
16 payment, if any, are referred to as the "Year One Payments.")

17 b. If the total of the third and fourth semi-annual payments is less than  
18 \$525,000, the Reorganized Debtor shall pay an additional "guarantee payment" equal to the  
19 difference between \$525,000 and the sum of these two semi-annual payments, which amount  
20 shall be paid on or before forty-five (45) days after the conclusion of the fourth six full  
21 calendar months following the Effective Date of the Amended Plan (collectively, such initial  
22 distributions together with the guarantee payment, if any, are referred to as the "Year Two  
23 Payments.")

24 c. If the total of the fifth and sixth semi-annual payments is less than  
25 \$600,000, the Reorganized Debtor shall pay an additional "guarantee payment" equal to the  
26 difference between \$600,000 and the sum of these two semi-annual payments, which amount

1 shall be paid on or before forty-five (45) days after the conclusion of the sixth six full  
2 calendar months following the Effective Date of the Amended Plan (collectively, such initial  
3 distributions together with the guarantee payment, if any, are referred to as the “Year Three  
4 Payments.”)

5 d. The Reorganized Debtor will promptly provide the Net Cash Flow  
6 Reports to any holder of an Allowed Class 34 Claims upon written request from such  
7 Creditor. In addition, the Trustee may, upon 10 business days’ notice to the Reorganized  
8 Debtor, audit the Reorganized Debtor’s books and records and independently calculate the  
9 Reorganized Debtor’s Net Cash Flow with respect to any semi-annual payment or guarantee  
10 payment to Class 34. Upon completion of its audit, the Trustee may, upon 15 business days’  
11 notice, require the Reorganized Debtor to adjust the amount of such payment to ensure that  
12 such payment accurately reflects 60% of the Reorganized Debtor’s Net Cash Flow or the  
13 guaranteed minimum payment, as applicable. The results of any such audit will be provided  
14 to any holders of an Allowed Class 34 Claims promptly upon written request from such  
15 creditor to the Trustee. In the event that a dispute arises between the Reorganized Debtor, the  
16 Trustee, and/or any holder of an Allowed Class 34 Claims with respect to the calculation of  
17 the Reorganized Debtors’ Net Cash Flow or any other matter with respect to the payments to  
18 be made to Class 34 creditors, the parties will seek, in good faith, to resolve such disputes  
19 among themselves, and in the event that a consensual resolution is not possible, the  
20 Bankruptcy Court will retain jurisdiction to resolve such disputes.

21 Net Cash Flow will be calculated as set forth in Exhibit 2. Reorganized  
22 Debtor's accountants, currently AKT LLP, will calculate Reorganized Debtor's Net Cash  
23 Flow on a semi-annual basis.

24 The Trustee will reconcile the amount of General Unsecured Claims to reflect  
25 post Effective Date events prior to making the initial distribution as well as subsequent  
26 distributions to the holders of Class 34 Claims. The Trustee shall adjust the amount of

1 distributions to the holders of Class 34 Claims as necessary in light of post Effective Date  
2 events to provide that each such holder receives its pro rata share to the extent reasonably  
3 possible.

4 The Trustee will reserve reasonable amounts from distribution on account of  
5 General Unsecured Claims that are, or are anticipated to be, Disputed Claims until such  
6 Claims are Allowed or disallowed by a Final Order. After a Claim becomes an Allowed  
7 General Unsecured Claim, the Trustee will make such distributions as are necessary to  
8 provide an equal percentage of distribution to the holders of all Allowed General Unsecured  
9 Claims.

10 3.35. Class 35 consists of the holders of Interests in Debtor. Under Alternative A,  
11 all of the currently issued and outstanding stock of the Debtor will be cancelled on the  
12 Effective Date, and the holders of the Class 35 Interests will not retain anything on account  
13 of these Interests. Under Alternative B, Mr. and Mrs. McGrath will retain twenty-five  
14 percent (25%) of the issued and outstanding shares of stock of the Debtor which will be  
15 converted into twenty-five (25%) of the issued and outstanding shares of stock of the  
16 Reorganized Debtor.

17 The holders of Claims in Classes 10, 13, 17, 18, 19, 22, 23, 26, 27 and 31 are  
18 unimpaired. The holders of Claims for Classes 1-9, 11, 12, 14, 15, 16, 20, 21, 24, 25, 28, 29,  
19 30, 32, 33, 34 and 35 are impaired.

## 20 **ARTICLE 4**

### 21 **DISPUTED CLAIMS; OBJECTIONS TO CLAIMS**

22 4.1. Disputed Claims; Objections to Claims. Only holders of Claims that are  
23 Allowed Claims and not subject to an action described in 11 U.S.C. § 502(d) shall be entitled  
24 to distributions under the Plan. Debtor reserves the right to contest and object to any Claims  
25 and previously scheduled amounts, including, without limitation, those Claims and scheduled  
26 amounts that are specifically referenced herein, are not listed in the Schedules, are listed

1 therein as disputed, contingent and/or unliquidated in amount, or are listed therein at a  
 2 different amount than the Debtor currently believes is validly due and owing. Unless  
 3 otherwise ordered by the Bankruptcy Court, all objections to Claims and scheduled amounts  
 4 (other than Administrative Expense Claims) shall be Filed and served upon counsel for  
 5 Debtor (if filed by a party other than Debtor) and upon the holder of the Claim objected to on  
 6 or before the later of (a) one hundred twenty (120) days after Effective Date or (b) one  
 7 hundred twenty (120) days after the date (if any) on which a Proof of Claim is Filed in  
 8 respect of a Rejection Claim, whichever is later. The last day for filing objections to  
 9 Administrative Expense Claims shall be set pursuant to an order of the Bankruptcy Court.  
 10 All Disputed Claims shall be resolved by the Bankruptcy Court, except to the extent that  
 11 (a) Debtor may otherwise elect consistent with the Plan and the Bankruptcy Code or (b) the  
 12 Bankruptcy Court may otherwise order.

## 13 **ARTICLE 5**

### 14 **IMPLEMENTATION OF THE PLAN**

15 5.1. Restated Articles of Incorporation. The Reorganized Debtor shall be deemed  
 16 to have adopted the Restated Articles of Incorporation on the Effective Date and shall  
 17 promptly thereafter cause the same to be filed with the Secretary of State of the State of  
 18 Oregon. After the Effective Date, the Reorganized Debtor may amend the Restated Articles  
 19 of Incorporation and may amend its bylaws in accordance with the Restated Articles of  
 20 Incorporation, such bylaws and applicable state law.

21 5.2. Selection of Alternative Plan. At or before the commencement of the hearing  
 22 on confirmation of the Plan, the Debtor will inform the Court whether Mr. and Mrs. McGrath  
 23 and the investor will be able to pay \$1,500,000 in cash for all of the equity interest in the  
 24 Reorganized Debtor. If Mr. and Mrs. McGrath and the investor have such funds, Alternative  
 25 A will be presented to the Court for confirmation, and if confirmed will be implemented on  
 26 the Effective Date, and Mr. and Mrs. McGrath and the investor will pay \$1,500,000 in good

1 funds to the Trustee on the Effective Date. Alternatively, the Debtor may inform the Court  
2 that Alternative B will be presented to the Court for confirmation, and if confirmed will be  
3 implemented on the Effective Date.

4 5.3. Procedure for Implementing Alternative A. If Alternative A is approved, then  
5 on or before the Effective Date, Mr. McGrath will pay \$500,000 to the Debtor in exchange  
6 for all of the newly issued shares of the common stock of the Reorganized Debtor, and  
7 transfer half of those shares of stock to his wife. Mr. and Mrs. McGrath shall then contribute  
8 all of their stock to a newly formed S corporation ("Holdco"). Reorganized Debtor will  
9 become a wholly-owned subsidiary of Holdco. Holdco will make a qualified subchapter S  
10 subsidiary election ("QSub election") for Debtor.

11 As a consequence of the QSub election, Reorganized Debtor will become  
12 disregarded for federal income tax purposes, and Holdco will be treated as if it holds the  
13 Reorganized Debtor's assets directly. For federal income tax purposes, the transaction is  
14 treated as if the shareholders contributed their stock of Reorganized Debtor to Holdco, and  
15 then Holdco liquidated Reorganized Debtor. The transaction should be tax free either as an  
16 F Reorganization (mere change of form) or a tax-free contribution under Internal Revenue  
17 Code Section 351 followed by a tax-free subsidiary liquidation under Internal Revenue Code  
18 Section 332.

19 For non-tax state law purposes, the result of this transaction is that Holdco  
20 will own all of the issued and outstanding stock of Reorganized Debtor, which will continue  
21 to own all of its assets, contracts, liabilities, etc.

22 Reorganized Debtor will then immediately convert from a corporation to an  
23 LLC under the Oregon conversion statute. For federal income tax purposes, Reorganized  
24 Debtor will continue to be disregarded as a single-member LLC. Accordingly, it will go  
25 from a disregarded Q sub to a disregarded LLC. The conversion should have no federal  
26 income tax consequences.

1 For non-tax state law purposes, Reorganized Debtor will continue to be a  
2 wholly-owned subsidiary of Holdco, albeit an LLC, and continue to own all of its assets and  
3 liabilities. Generally, its contract rights and obligations should "ride through" the conversion  
4 without triggering third-party consent requirements.

5 Once the conversion to an LLC is accomplished, the new value investor  
6 ("Johnson") will purchase a preferred interest in the Reorganized Debtor (which will be an  
7 LLC) for \$1 million in cash. For federal income tax purposes, Reorganized Debtor will  
8 become a partnership when Johnson purchases a preferred interest in the LLC, because the  
9 LLC will have two owners. Unlike an S corporation, an LLC may issue a preferred interest  
10 and maintain flow-through tax treatment. The creation of the tax partnership will be achieved  
11 by contributing cash to the Reorganized Debtor in exchange for a preferred interest.

12 For state law purposes, the structure is identical before and after Johnson's  
13 purchase of its interest except that the Reorganized Debtor now has two members.

14 The Debtor contemplates that all of these transactions will take place  
15 consecutively on or before the Effective Date.

16 The preferred interest will be entitled to earn a twenty percent (20%) annual  
17 rate of return on the \$1,000,000 investment. Reorganized Debtor will pay twelve percent  
18 (12%), \$120,000, in cash annually in two semi-annual payments of \$60,000 each. Eight  
19 percent (8%), \$80,000, will accrue until all of Reorganized Debtor's payments to the holders  
20 of Allowed Class 34 Claims have been completed. Each \$60,000 semi-annual payment may  
21 only be made after all payments to Secured Creditors and the holders of Allowed Class 34  
22 Claims due during the corresponding six month period have been made. After Reorganized  
23 Debtor has discharged its obligations to the holders of Allowed Class 34 Claims,  
24 Reorganized Debtor may pay the accrued unpaid eight percent (8%) return and redeem the  
25 preferred interest.  
26

1           5.4. Creditors' Trust. Regardless of whether Alternative A or Alternative B is  
2 implemented, on the Effective Date, the Reorganized Debtor will establish a trust for the  
3 benefit of all holders of Class 34 Claims (the "Creditors' Trust"). John H. Mitchell will be  
4 the trustee of the Creditors' Trust ("Trustee"). The Trustee will be compensated in an hourly  
5 basis at \$225 per hour. The Trustee shall be required to post a bond equal to \$1,500,000, or  
6 in such other amount as the Bankruptcy Court may require, after request of any party in  
7 interest and opportunity for hearing. The cost of the bond and the Trustee's compensation  
8 shall be paid by Debtor and treated as an expense of Debtor. A copy of the Creditors' Trust  
9 Agreement will be presented to the Court at or before the hearing on confirmation of the  
10 Plan.

11           If Alternative A is implemented, the \$1,500,000 paid to acquire the equity  
12 interests in the stock of the Reorganized Debtor as well as the Year One Payments, Year Two  
13 Payments and Year Three Payments will be deposited into the Creditors' Trust. The Trustee  
14 will be responsible for distributing those funds to the holders of Allowed Class 34 Claims.

15           If Alternative B is implemented, seventy-five percent (75%) of the stock of  
16 the Reorganized Debtor will be deposited into the Creditors' Trust as soon as practicable after  
17 the Effective Date. Debtor will also deposit \$25,000 from its cash on hand. In addition, the  
18 Year One Payments, Year Two Payments and Year Three Payments will be deposited into  
19 the Creditors' Trust. The Creditors' Trust Agreement will provide for a Sale any time after  
20 the third anniversary of the Effective Date and on or about the fifth anniversary of the  
21 Effective Date.

22           The Creditors' Trust will not be under the supervision of the Office of the  
23 United States Trustee.

24           5.5. Other Equity Interests. If Alternative A is implemented, Mr. and Mrs.  
25 McGrath will grant a security interest in the equity interests in the Reorganized Debtor to  
26 secure their guarantee that the Reorganized Debtor will perform its obligations to Johnson.

1 If Alternative B is implemented, Mr. and Mrs. McGrath will jointly retain a  
2 twenty-five percent (25%) equity interest in the Reorganized Debtor after the Effective Date.  
3 The amount of Mr. and Mrs. McGrath's equity interests may be increased pursuant to the  
4 terms of Mr. McGrath's employment agreement as described below. Mr. and Mrs. McGrath  
5 shall grant a security interest in all of their stock in the Reorganized Debtor to the Trustee to  
6 secure their nonrecourse guarantee (meaning that Mr. and Mrs. McGrath will not have  
7 personal liability) that the Reorganized Debtor will pay at least \$1,500,000 in semi-annual  
8 payments to the holders of Class 34 Claims.

9 5.6. Board of Directors. Under either Alternative A or Alternative B, the Board of  
10 Directors shall consist of John McGrath; the Trustee of the Creditors' Trust; Jim Balis, the  
11 owner and president of The Restaurant Management Group ("RMG"); and Steve Johnson,  
12 the representative of the new valve investor.

13 5.7. Management. Under either alternative the Reorganized Debtor will continue  
14 to be managed by Mr. McGrath as Chief Executive Officer. RMG will continue to provide  
15 consulting services for a minimum period of six months.

16 If Alternative B is selected, Mr. McGrath will enter into an employment  
17 agreement, the form of which will be provided at or before the commencement of the  
18 confirmation hearing. Mr. McGrath's initial salary, bonus and benefits will be the same as  
19 that currently provided to him; provided, however, that he will be entitled to an annual salary  
20 increase equal to 3% beginning on the first anniversary of the Effective Date. In addition, the  
21 employment agreement will provide that Mr. McGrath will be eligible to receive an annual  
22 stock bonus. During each of the first three twelve month periods following the Effective  
23 Date, the bonus will be equal to 1% of the issued and outstanding stock of the Reorganized  
24 Debtor for each full \$50,000 distributed by the Reorganized Debtor to the Trustee in excess  
25 of the amount described in the line entitled "Payment to Unsecured Creditors" on Exhibit 7  
26 attached to the Disclosure Statement. The employment agreement will provide for an



1 additional 1% for each full \$50,000 by which the Reorganized Debtor's EBITDA for the  
2 rolling twelve month period immediately prior to a Sale exceeds the EBITDA for the third  
3 twelve month period following the Effective Date.

4 Additionally, if Alternative B is selected, in all matters of Reorganized Debtor  
5 that require shareholder approval or that are otherwise submitted to the shareholders of  
6 Reorganized Debtor for a vote, each shareholder shall be entitled to one vote for each share  
7 of Reorganized Debtor that it holds.

8 5.8. Life Insurance Policy. Under either alternative, the policy insuring Mr.  
9 McGrath's life will be amended naming the Reorganized Debtor as the Beneficiary, and, if  
10 Alternative A is implemented, a pledge of the policy as collateral to Johnson.

11 5.9. Amended Loan Documents. Within 30 days after the Effective Date, the  
12 Reorganized Debtor and each Secured Creditor whose Claim is impaired under the Plan shall  
13 enter into amended Loan Documents, satisfactory to both the Reorganized Debtor and the  
14 applicable Secured Creditor, necessary to implement the treatment of each Claim set forth in  
15 the Plan (unless specific documents are provided for in the treatment of such Claim, which  
16 shall have terms not inconsistent with the Plan).

17 5.10. Distributions. Distributions to the holders of Claims shall be made as  
18 provided in Article 3 above.

19 5.11. Retiree Benefits. On and after the Effective Date, to the extent required by  
20 Section 1129(a)(13) of the Bankruptcy Code, the Reorganized Debtor shall continue to pay  
21 all retiree benefits, if any, as that term is defined in Section 1114 of the Bankruptcy Code,  
22 maintained or established by the Debtor prior to the Effective Date, without prejudice to  
23 Reorganized Debtor's rights under applicable non-bankruptcy law to modify, amend or  
24 terminate the foregoing arrangements.

1 **ARTICLE 6**

2 **EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

3 6.1. Assumption of Executory Contracts and Unexpired Leases. The following  
4 executory contracts and unexpired leases either have already been assumed by Debtor, or will  
5 be assumed by Debtor on and as of the Effective Date:

6 a. The lease between *The City of Salem* and Debtor for the real property  
7 at 350 Chemeketa Street in Salem, Oregon.

8 b. The ground lease between *Lancaster Development Co. LLC* and  
9 Debtor for the real property at 3805 Center Street NE in Salem, Oregon.

10 c. The lease between *RPP Bend I, LLC* and Debtor for the real property  
11 at 3118 N Highway 97 in Bend, Oregon.

12 d. The lease between *Pan Pacific Retail Properties (Milwaukie*  
13 *Marketplace)* and Debtor for the real property at 11050 SE Oak Street in Milwaukie, Oregon.

14 e. The lease between *Outlot Developers, LLC* and Debtor for the real  
15 property at 1036 Valley River Way in Eugene, Oregon.

16 f. The lease between *Outlot Developers, LLC* and Debtor for the real  
17 property at 350 Circle Boulevard in Corvallis, Oregon.

18 g. The lease between *Sundance Development, Inc.* and Debtor for the real  
19 property at 1749 S Cole Road in Boise, Idaho.

20 h. The ground lease between *Macerich South Towne LP* and Debtor for  
21 the real property at 10590 S. State Street in Sandy, Utah.

22 i. The ground lease between *JT Layton Crossing North, L.C.* and Debtor  
23 (as successor to McGrath's Properties, LLC), as modified by the First Amendment to Lease,  
24 for the real property at 908 Main Street in Layton, Utah.

25 j. The ground lease between *Center Developments Oreg., Ltd.* and  
26 Debtor for the real property at 3211 SW Cedar Hills Boulevard in Beaverton, Oregon.

1 k. The ground lease between *certain Tenant-In-Common entities*  
2 *affiliated with Steadfast Commons, LLC* and Debtor (as successor to McGrath's Properties,  
3 LLC) for the real property at 1911 South 320th Street in Federal Way, Washington.

4 l. The insurance contract between *Brokers National Life Assurance Co*  
5 and Debtor for dental insurance, effective January 1, 2010.

6 m. The insurance contract between *Regence BlueCross BlueShield of*  
7 *Oregon* and Debtor for medical insurance, effective July 1, 2009.

8 n. The insurance contract between *The Guardian Life Insurance Co of*  
9 *America* and Debtor for dental, life & ADD insurance, effective July 1, 2009.

10 o. The 401(k) employee benefit plan between *Great West Retirement*  
11 *Services* and Debtor (Plan #338252-01).

12 p. The life insurance policy on John McGrath (policy number 7058263),  
13 issued by *Genworth Life and Annuity Insurance Co.*

14 q. The insurance contract(s) between *Liberty Northwest Insurance* and  
15 Debtor (policy number C10 163326), for business general liability, vehicle, umbrella, liquor  
16 liability, and blanket premise insurance covering the Oregon, Washington, and Idaho  
17 properties to be retained by Debtor under this Plan, as well as business umbrella insurance on  
18 the Arizona, Colorado and Utah properties to be retained by Debtor under this Plan.

19 r. The insurance contract(s) between *American Economy Insurance* and  
20 Debtor (policy number 02CE209482-10), for business general liability, liquor liability  
21 insurance, and blanket premise insurance covering the Arizona, Colorado and Utah  
22 properties to be retained by Debtor under this Plan.

23 s. The insurance contract between *American States Insurance* and Debtor  
24 (policy number 01CI3381531), for vehicle insurance covering the Arizona, Colorado and  
25 Utah properties to be retained by Debtor under this Plan.  
26

1 t. The insurance contract between *Scottsdale Indemnity Company* and  
2 Debtor (policy number EKI3021169), covering director & officer liability.

3 u. The insurance contract between *Carolina Casualty Insurance* and  
4 Debtor (policy number 4887943), covering employment practices liability.

5 v. The insurance contract between *Liberty Northwest Insurance* and  
6 Debtor (policy number WC41NC970173010), for workman's compensation insurance  
7 covering Debtor's Oregon properties.

8 w. The insurance contract between *Liberty Northwest Insurance* and  
9 Debtor (policy number WC41NC011362010), for workman's compensation insurance  
10 covering Debtor's Idaho property.

11 x. The insurance contract between *Liberty Mutual* and Debtor (policy  
12 number WC1163950925010), for workman's compensation insurance covering the Arizona,  
13 Colorado and Utah properties to be retained by Debtor under this Plan.

14 y. The Master Purchase Agreement between *Enterprise Merchant*  
15 *Solutions Inc.* ("EMS") and Debtor, for hardware and software maintenance services  
16 provided by EMS to Debtor relating to certain computer equipment financed by Marlin  
17 Leasing Corp., and located at various store locations.

18 z. The Aloha Hosted Solutions Agreement dated October 19, 2009  
19 between *Radiant Systems, Inc.* and Debtor, for restaurant guard software provided to Debtor  
20 relating to certain computer equipment financed by GreatAmerica Leasing Corp., and located  
21 at six Oregon stores (Beaverton, Bend, Corvallis, Eugene, Milwaukie, and Salem-Lancaster).

22 aa. The Product Supply Agreement(s) between *Airgas NorPac* and  
23 Debtor.

24 bb. The Linen and/or Uniform Rental Service Agreement(s) between  
25 *ALSCO Inc.* as supplier and Debtor as customer.

26

1 cc. The Product and Services Supply Agreement(s) between *Ecolab Inc.*  
2 as supplier and Debtor as customer for required wearwashing, housekeeping, laundry and  
3 other cleaning and sanitizing chemical products.

4 dd. The Lease Agreement between *Ikon Financial Services* and Debtor  
5 (Lease #1016400-2550768) for Ricoh MP171 copiers at six of Debtor's Oregon store  
6 locations (Bend, Eugene, Medford, Corvallis, Beaverton and Milwaukie).

7 ee. The Master Maintenance and Sales Agreements between *Ikon Office*  
8 *Solutions, Inc.* and Debtor for copier maintenance and repair, as relating only to those copiers  
9 retained by Debtor under this Plan.

10 ff. The Music Service Agreements between *Muzak LLC* and Debtor, as  
11 relating only to those properties retained by Debtor under this Plan (includes TV satellite  
12 receivers / networks / etc.).

13 gg. The Preferred Customer Agreement between *Pacific Seafood* and  
14 Debtor.

15 hh. The Master Distribution Agreement between *SYSCO Food Services of*  
16 *Portland, Inc.* and Debtor.

17 ii. The contracts between *ADT Security Services, Inc.* and Debtor for  
18 security-related services at the following locations: Salem corporate office (Acct  
19 #108311282); Salem-Lancaster Mall (Acct #108313058); Eugene, OR (Acct #128300079);  
20 Medford, OR (Acct #128301447); Boise, ID (Acct #119602633); and Vancouver, WA (Acct  
21 #108311541).

22 jj. The contract(s) between *American Security Alarms Inc.* and Debtor for  
23 security-related services at the following locations: Corvallis, OR; Beaverton, OR; and  
24 Federal Way, WA.

25 kk. The contract between *East Cascade Security Systems, fka Vyanet* and  
26 Debtor for security-related services at the Bend, OR location.

1           ii.       The contract between *Sound Security Inc., dba Sonitrol Pacific* and  
2 Debtor for security-related services at the Milwaukie, OR location.

3           iii.       The contract between *Stanley Convergent Security Solutions* and  
4 Debtor for security-related services at the Salem, OR downtown location.

5           iv.       The Equipment Finance Agreement between *Marlin Leasing Corp* and  
6 Debtor for computer equipment located at various store locations to be retained by Debtor  
7 under this Plan.

8           The foregoing list of Executory Contract and Unexpired Leases may be  
9 amended at any time prior to the conclusion of the hearing on confirmation of the Plan.

10          6.2.    Curing Defaults; Adequate Assurance of Performance. Debtor will cure  
11 defaults and provide adequate assurance of future performance to the counter parties to the  
12 executory contracts and unexpired leases to be assumed by Debtor. Debtor believes that the  
13 only monetary defaults are in regard to the leases for Store 3 (Bend), Store 4 (Milwaukie)  
14 and Store 13 (Layton). The defaults in regard to Store 3 and 4 will be cured within sixty (60)  
15 days of the Effective Date, and the default in regard to Store 13 will be cured in installments  
16 as agreed between Debtor and Store 13's landlord as described in Exhibit 7 of the Disclosure  
17 Statement. Debtor believes that the Projections attached as Exhibit 7 provide adequate  
18 assurance of future performance as the Projections show that the Reorganized Debtor can  
19 reasonably be expected to operate profitably and pay its expenses in a timely manner.

20          6.3.    Leases and Executory Contracts Rejected. All executory contracts and  
21 unexpired leases that exist as of the Effective Date between Debtor and any other entity not  
22 specifically assumed above are hereby rejected.

23          6.4.    Rejection Claims. Rejection Claims must be Filed no later than thirty (30)  
24 days after the Effective Date. Any such Rejection Claim not filed within such time shall be  
25 forever barred from assertion against Debtor, the Reorganized Debtor, and their property and  
26 estate. Each Rejection Claim resulting from such rejection shall constitute a Class 34 Claim.

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**ARTICLE 7**

**EFFECT OF CONFIRMATION**

The effect of confirmation shall be as set forth in Section 1141 of the Bankruptcy Code. Except as otherwise expressly provided in the Plan, all persons who have held, hold or may hold Claims, or who may have held, hold or may hold any Interest, are permanently enjoined, from and after the Effective Date, from: (a) commencing or continuing in any manner any action or other proceedings of any kind with respect to any Claims or Interests against Reorganized Debtor; (b) enforcing, attaching, collecting or recovering by any manner or any means any judgment, award, decree or order against Reorganized Debtor; (c) creating, perfecting or enforcing any encumbrances of any kind against Reorganized Debtor with respect to those Claims except as specifically described in the Plan; (d) asserting any setoff, right of subrogation or recoupment of any kind against any obligation due to Debtor, Reorganized Debtor or their property, except for (i) application of security deposits, expense adjustments and reconciliations expressly permitted by the terms of any rejected lease, or (ii) pursuant to the provisions of any assumed lease; and (e) proceeding in any manner in any place whatsoever that does not conform to, does not comply with, or is inconsistent with the provisions of the Plan or the order confirming the Plan.

**ARTICLE 8**

**MODIFICATION, REVOCATION OR WITHDRAWAL OF THE PLAN**

8.1. Modification of Plan. Debtor may alter, amend or modify the Plan pursuant to Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 at any time prior to the time the Bankruptcy Court has entered the Confirmation Order. After such time, and prior to the substantial consummation of the Plan, Debtor or the Reorganized Debtor may, so long as the treatment of holders of Claims and Interest under the Plan is not adversely affected, institute proceedings in Bankruptcy Court to remedy any defect or omission or to reconcile any

1 inconsistencies in the Plan, Disclosure Statement or Confirmation Order, or other matters as  
2 may be necessary to carry out the purposes and effects of the Plan; provided, however, that  
3 prior notice of such proceedings shall be served, if necessary, in accordance with Bankruptcy  
4 Rule 2002.

5 8.2. Revocation or Withdrawal of Plan.

6 a. Right to Revoke. Debtor reserves the right to revoke or withdraw the  
7 Plan at any time prior to the Effective Date.

8 b. Effective of Withdrawal or Revocation. If Debtor revokes or  
9 withdraws the Plan prior to the Effective Date, the Plan shall be deemed null and void. In  
10 such event, nothing contained herein shall be deemed to constitute a waiver or release of any  
11 claims by or against Debtor or any other entity, or to prejudice in any manner the rights of  
12 Debtor or any other entity in any further proceedings involving Debtor.

13 c. Nonconsensual Confirmation. Debtor may request that the  
14 Bankruptcy Court confirm the Plan pursuant to Section 1129(b) of the Bankruptcy Code if  
15 the requirements of all provisions of Section 1129(a) of the Bankruptcy Code except  
16 Section 1129(a)(8) are met.

17 **ARTICLE 9**

18 **RETENTION OF JURISDICTION**

19 9.1. Retained Jurisdiction. Notwithstanding the entry of the Confirmation Order,  
20 the Court shall retain jurisdiction of this Chapter 11 Case pursuant to and for the purposes set  
21 forth in Section 1127(b) of the Bankruptcy Code and

22 a. to classify the Claim or interest of any Creditor or equity holder,  
23 reexamine Claims or Interests which have been allowed for voting purposes, and determine  
24 any objections that may be Filed to Claims or Interests;

25 b. to hear and determine any motions or contested matters involving  
26 taxes, tax refunds, tax attributes and tax benefits and similar or related matters with respect to



1 Debtor or its estate, arising prior to the Effective Date or relating to the period of  
2 administration of the Chapter 11 Case, including, without limitation, matters concerning  
3 state, local and federal taxes in accordance with Sections 346, 505 and 1146 of the  
4 Bankruptcy Code;

5 c. to determine requests for payment of Claims entitled to priority under  
6 Section 507(a)(2) of the Bankruptcy Code, including compensation and reimbursement of  
7 expenses in favor of professionals employed at the expense of the estate;

8 d. to hear and determine actions to avoid transfers or recover preferences  
9 and all other Rights of Action asserted by Debtor pending on the Effective Date or asserted  
10 by the Reorganized Debtor after the Effective Date;

11 e. to recover all assets of Debtor or the Reorganized Debtor, wherever  
12 located;

13 f. to hear and determine any pending applications for the assumption,  
14 assignment or rejection of an executory contract or an unexpired lease and the allowance of  
15 Claims resulting therefrom;

16 g. to approve the sale or lease of property free and clear of all Liens and  
17 encumbrances in accordance with 11 U.S.C. § 363 if so requested by Debtor or the  
18 Reorganized Debtor;

19 h. to resolve controversies and disputes regarding the interpretation of  
20 this Plan, including but not limited to, controversies or disputes relating to implementation of  
21 the Plan;

22 i. to implement the provisions of this Plan and enter orders in aid of  
23 execution of the Plan or to enforce the Confirmation Order and/or the discharge, or the effect  
24 of the discharge, provided to Debtor;

25 j. to adjudicate adversary proceedings and contested matters pending or  
26 hereafter commenced in this Chapter 11 Case;

1 k. to enter and implement such orders as may be appropriate in the event  
2 the Confirmation Order is for any reason stayed, revoked, modified or vacated;

3 l. to hear and determine any applications to modify the Plan, to cure any  
4 defect or omission, or to reconcile any inconsistency in the Plan or related documents or in  
5 any order of the Bankruptcy Court, including the Confirmation Order;

6 m. to ensure that distributions to holders of Allowed Claims are  
7 accomplished as provided herein, including, but not limited to resolving disputes regarding  
8 the calculation of Net Cash Flow;

9 n. to hear and determine any other matters related hereto and not  
10 inconsistent with Chapter 11 of the Bankruptcy Code; and

11 o. to enter a final decree closing this Chapter 11 proceeding.

12 9.2. Failure of Bankruptcy Court to Exercise Jurisdiction. If the Bankruptcy Court  
13 abstains from exercising or declines to exercise jurisdiction over any matter arising under,  
14 arising in, or related to the Chapter 11 Case, including the matters set forth in Section 9.1  
15 above, this Article shall not prohibit or limit the exercise of jurisdiction by any other court  
16 having competent jurisdiction with respect to such subject matter.

17 **ARTICLE 10**

18 **MISCELLANEOUS PROVISIONS**

19 10.1. Revesting. Except as otherwise expressly provided herein, on the Effective  
20 Date, all property and assets of the estate of Debtor shall revert in the Reorganized Debtor,  
21 free and clear of all claims, Liens, encumbrances, and charges of Creditors arising on or  
22 before the Effective Date.

23 10.2. Rights of Action. Except as otherwise expressly provided herein, any rights  
24 or causes of action (including, without limitation, any and all Rights of Action) accruing to  
25 Debtor shall become assets of the Reorganized Debtor which may pursue such rights of  
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1 action, as appropriate, in accordance with what it determines to be in the best interests of  
2 Creditors consistent with the terms of this Plan.

3 10.3. Governing Law. Except to the extent the Bankruptcy Code, the Bankruptcy  
4 Rules or other federal laws are applicable, the laws of the State of Oregon shall govern the  
5 construction and implementation of the Plan, and all rights and obligations arising under the  
6 Plan.

7 10.4. Withholding and Reporting Requirements. In connection with the Plan and all  
8 instruments issued in connection therewith and distributions thereon, the Reorganized Debtor  
9 shall comply with all withholding, reporting, certification and information requirements  
10 imposed by any federal, state, local or foreign taxing authorities and all distributions  
11 hereunder shall, to the extent applicable, be subject to any such withholding, reporting,  
12 certification and information requirements. Entities entitled to receive distributions  
13 hereunder shall, as a condition to receiving such distributions, provide such information and  
14 take such steps as the Reorganized Debtor may reasonably require to ensure compliance with  
15 such withholding and reporting requirements, and to enable the Reorganized Debtor to obtain  
16 the certifications and information as may be necessary or appropriate to satisfy the provisions  
17 of any tax law.

18 10.5. Time. Unless otherwise specified herein, in computing any period of time  
19 prescribed or allowed by the Plan, the day of the act or event from which the designated  
20 period begins to run shall not be included. The last day of the period so computed shall be  
21 included, unless it is not a Business Day, in which event the period runs until the end of the  
22 next succeeding day which is a Business Day.

23 10.6. Section 1146(c) Exemption. Pursuant to Section 1146(c) of the Bankruptcy  
24 Code, the issuance, transfer or exchange of any security under the Plan, or the execution,  
25 delivery or recording of an instrument of transfer pursuant to, in implementation of or as  
26 contemplated by the Plan, or the revesting, transfer or sale of any real property of Debtor or

1 the Reorganized Debtor pursuant to, in implementation of or as contemplated by the Plan,  
2 shall not be taxed under any state or local law imposing a stamp tax, transfer tax, or similar  
3 tax or fee. Consistent with the foregoing, each recorder of deeds or similar official for any  
4 city, county or governmental unit in which any instrument hereunder is to be recorded shall,  
5 pursuant to the Confirmation Order, be ordered and directed to accept such instrument  
6 without requiring the payment of any documentary stamp tax, deed stamps, transfer tax,  
7 intangible tax or similar tax.

8 10.7. Severability. In the event that any provision of the Plan is determined to be  
9 unenforceable, such determination shall not limit or affect the enforceability and operative  
10 effect of any other provisions of the Plan. To the extent that any provision of the Plan would,  
11 by its inclusion in the Plan, prevent or preclude the Bankruptcy Court from entering the  
12 Confirmation Order, the Bankruptcy Court, on the request of Debtor, may modify or amend  
13 such provision, in whole or in part, as necessary to cure any defect or remove any  
14 impediment to the confirmation of the Plan existing by reason of such provision.

15 10.8. Binding Effect. The provisions of the Plan shall bind Debtor, the Reorganized  
16 Debtor, all Creditors, and all holders of Claims and Interests, and their respective successors,  
17 heirs and assigns.

18 10.9. Recordable Order. The Confirmation Order shall be deemed to be in  
19 recordable form, and shall be accepted by any recording officer for filing and recording  
20 purposes without further or additional orders, certifications or other supporting documents.

21 10.10. Unclaimed Cash. Unclaimed Cash shall be deemed Available Cash, and the  
22 Allowed Claim upon which the Unclaimed Cash was originally distributed shall be deemed  
23 disallowed.

24 10.11. Saturday, Sunday or Legal Holiday. If any payment or act is required to be  
25 made or performed on a date that is not a Business Day, then the making of such payment or  
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1 the performance of such act may be completed on the next succeeding Business Day, but  
2 shall be deemed to have been completed as of the required date.

3 10.12. Utility Deposits. All utilities holding a utility deposit made during the  
4 Chapter 11 Case shall immediately after the Effective Date return or refund such utility  
5 deposit to Reorganized Debtor. At the sole option of Reorganized Debtor, the Reorganized  
6 Debtor may apply any utility deposit that has not been refunded to Reorganized Debtor in  
7 satisfaction of any payments due or to become due from the Debtor or the Reorganized  
8 Debtor to a utility holding such a utility deposit.

9 10.13. Final Order. Any requirement in the Plan for a Final Order may be waived by  
10 Debtor; provided, however, that nothing contained herein shall prejudice the right of any  
11 party in interest to seek a stay pending appeal with respect to such Final Order.

12 10.14. Notices. Any notice, request or demand required or permitted to be made or  
13 provided to or on Debtor or the Reorganized Debtor under this Plan shall be in writing and  
14 served by (a) certified mail, return receipt requested; (b) hand delivery; or (c) overnight  
15 delivery, with proof of service and shall be deemed to have been duly given or made when  
16 actually delivered or received by addressee, addressed as follows: if to the Debtor or  
17 Reorganized Debtor:

18 John McGrath  
19 McGrath's Publick Fish House, Inc.  
20 1935 DavCor St. SE  
Salem, OR 97302

21 with a copy to:

22 Leon Simson  
23 Tonkon Torp LLP  
888 SW Fifth Ave, Suite 1600  
Portland, OR 97204

24 Any party listed above may alter the address for receiving notice hereunder by filing a  
25 notification of such alteration with all other parties and the Bankruptcy Court.  
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10.15. Plan Controls. In the event and to the extent that any provision of the Plan is inconsistent with the provisions of the Disclosure Statement, or any other instrument or agreement contemplated to be executed pursuant to the Plan, the provisions of the Plan shall control and take precedence.

10.16. Effectuating Documents and Further Transactions. Debtor and the Reorganized Debtor shall execute, deliver, File or record such Loan Documents, contracts, instruments, assignments, and other agreements or documents, and take or direct such actions, as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan.

DATED this 1st day of October, 2010.

Respectfully submitted,

MCGRATH'S PUBLICK FISH HOUSE, INC.,

By /s/ John P. McGrath  
John P. McGrath, President

Presented by:

TONKON TORP LLP

By /s/ Leon Simson  
Leon Simson, OSB No. 75342  
Timothy J. Conway, OSB No. 85175  
Haley B. Bjerck, OSB No. 062760  
Attorneys for Debtor

# EXHIBIT 1

## EXHIBIT 1

### Definition of Net Cash Flow

Net Cash Flow equals net sale proceeds minus each of the following: cost of goods sold, labor, operating expenses, administrative expenses, U.S. Trustee fees, compensation owing to the Trustee of the Creditors' Trust, the expense of obtaining a bond for the Trustee of the Creditors' Trust, and debt service payments, including both principal and interest. Depreciation, amortization and capital expenditures are not deducted from net sale proceeds in calculating Net Cash Flow. Further description of the components of net sale proceeds, cost of goods sold, labor, operating expenses and administrative expenses are set forth below.

#### **NET SALE PROCEEDS**

- Food: restaurant food, non-alcoholic beverages (soda)
- Beverage: liquor, beer, wine, other
- Other: takeout, large parties, catering
- Other income: t-shirts & uniforms, retail sales to supermarkets, other

#### **LESS**

#### **COST OF GOODS SOLD**

- Food: cost of seafood, meat, groceries, dairy, bread, produce, food freight, non-alcoholic beverages
- Beverage: cost of liquor, beer, wine, bar ingredients

#### **LABOR**

- Wages
- Payroll Related Expenses: payroll taxes, medical insurance, workman's compensation insurance, vacation pay, severance pay, employee life insurance, 401K contributions, Christmas bonus, employee gifts, employee sports, employee sales promotions and contests, employee testing, employee relocation and moving expenses

#### **OPERATING EXPENSES**

- Utilities: electric, gas, water, garbage, wood/charcoal, telephone
- Supplies: paper, Bev Naps, to go, doggie bags, other paper products, light bulbs, glassware replacement, silverware replacement, china replacement, kitchen utensils, chemicals, oxygen/CO2, holiday decorations, office supplies, miscellaneous
- Operating: janitorial, cleaning service, landscaping, plants and décor, dishwasher lease, laundry and linens, aloha, IT, first aid expense, uniforms, Eco Labs, postage, internet, cable/satellite TV, music/Muzak, dues and other subscriptions, entertainment, mileage reimbursement (non-catering), miscellaneous, cash over short
- Marketing: survey/market research, radio, newspaper/FSI, production, direct mail, community and contributions, LSM, dining cards, phone directory, printing, miscellaneous
- Repairs & Maintenance: kitchen equipment, other equipment (HVAC, etc.)
- Facilities & Building



- Licenses: licenses and violation remedies
- Other: Shopper's Report, credit card charge back, NSF checks, collected NSF checks, paid out w/o code, storage, Start Up, credit card discounts, gift card costs, menu printing, parking & travel, shipping costs
- Occupancy Expenses: building insurance, real estate taxes, rent, common area expenses

**ADMINISTRATIVE EXPENSES**

- Corporate office and administrative expense allocation, insurance (P&C and auto), taxes, C.P.A & legal, other professionals, accounting costs, automobile rent, travel and restaurant inspections, managers meetings, research and development, directors meetings, depreciation expense, amortization expense, other expenses, payroll processing cost, computer expense, deposit corrections, bank charges, miscellaneous bank debits and credits, miscellaneous small item retail, expired gift certificates, cost of miscellaneous retail items

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**CERTIFICATE OF SERVICE**

I hereby certify that I served the foregoing **FIRST MODIFICATION OF DEBTOR'S THIRD AMENDED PLAN OF REORGANIZATION (August 12, 2010)** on the parties indicated as "ECF" on the attached List of Interested Parties by electronic means through the Court's Case Management/Electronic Case File system on the date set forth below,

In addition, I served the foregoing on the parties indicated as "Non-ECF" on the attached List of Interested Parties by:

mailing a copy thereof in a sealed, first-class postage prepaid envelope, addressed to each party's last-known address and depositing in the U.S. mail at Portland, Oregon on the date set forth below;

causing a copy thereof to be hand-delivered to each party at each party's last-known address on the date set forth below;

sending a copy thereof via overnight courier in a sealed, prepaid envelope, addressed to each party's last-known address on the date set forth below;

faxing a copy thereof to each party at such party's last-known facsimile number on the date set forth below; or

e-mailing a copy thereof to each party at such party's last-known e-mail address on the date set forth below.

DATED October 1, 2010.

TONKON TORP LLP

By /s/ Leon Simson  
Leon Simson, OSB No. 75342  
Timothy J. Conway, OSB No. 85175  
Haley B. Bjerk, OSB No. 062760  
Attorneys for Debtor

**LIST OF INTERESTED PARTIES**

*In re: McGrath's Publick Fish House, Inc.,*  
**U.S. Bankruptcy Court Case No. 10-60500-fra11**

**ECF PARTICIPANTS**

- US Trustee, Eugene - USTPRegion18.EG.ECF@usdoj.gov
- **HALEY B BJERK on behalf of Debtor McGrath's Publick Fish House, Inc.**  
haley.bjerk@tonkon.com, carrie.costanzo@tonkon.com
- **LEON SIMSON on behalf of Debtor McGrath's Publick Fish House, Inc.**  
leon.simson@tonkon.com, laura.lindberg@tonkon.com;shannon.sullivan@tonkon.com
- **TIMOTHY B. HERING on behalf of Secured Lender Arizona Business Bank**  
thering@dunncarney.com
- **JOSEPH M VANLEUVEN on behalf of Secured Lenders GE Capital Franchise Finance Corp AND General Electric Capital Corp -** joevanleuven@dwt.com, marciebutler@dwt.com
- **CRAIG G RUSSILLO on behalf of Secured Lender GE Commercial Finance Business Property Corporation**  
crussillo@schwabe.com, dkinonen@schwabe.com;docket@schwabe.com;bankruptcynotices@schwabe.com
- **RONALD W GOSS on behalf of Secured Lender KeyBank National Association**  
ronald\_w\_goss@keybank.com, joanne\_aponte-morgan@keybank.com
- **TANYA A DURKEE on behalf of Secured Lender KeyBank National Association**  
durkeet@lanepowell.com, pinkleyl@lanepowell.com; docketing-PDX@lanepowell.com; barkerd@lanepowell.com
- **LEE C. NUSICH on behalf of Secured Lender KeyBank National Association**  
nusichl@lanepowell.com, barkerd@lanepowell.com;docketing-pdx@lanepowell.com
- **SUZANNE C PICKGROBE on behalf of Secured Lender Small Business Administration (SBA –**  
suzanne.pickgrobe@sba.gov, penny.williams@sba.gov
- **TIM SIMMONS on behalf of Secured Lender Small Business Administration (SBA) –**  
tim.simmons@usdoj.gov
- **CHRISTOPHER G VARALLO on behalf of Secured Lender Sterling Savings Bank**  
cgv@witherspoonkelley.com, teresae@witherspoonkelley.com
- **DAVID W HERCHER on behalf of Secured Lender U.S. Bank National Association**  
dave.hercher@millernash.com, teri.cochran@millernash.com;d.hercher@comcast.net
- **WILSON C. MULHEIM on behalf of Unsecured Creditors Committee -** ecf@mb-lawoffice.com
- **KRISTEN N PATE on behalf of Landlord/Creditor GGP Limited Partnership (Alderwood Mall LLC)**  
ggpbk@ggp.com
- **DOUGLAS R SCHULTZ on behalf of Landlords/Creditors Alderwood Mall LLC and The Macerich Company -** schultz@gleaveslaw.com, kirsten@gleaveslaw.com
- **SUSAN S FORD on behalf of Creditor Pacific Seafood**  
susanf@sussmanshank.com, ecf.susan.ford@sussmanshank.com
- **RONALD M TUCKER on behalf of Creditor Simon Property Group, Inc.**  
rtucker@simon.com, cmartin@simon.com,rwoodruff@simon.com,psummers@simon.com,lgrafton@simon.com
- **JASON B BINFORD on behalf of Creditor Sysco Corporation Inc**  
jason.binford@haynesboone.com
- **BARBARA LEE CALDWELL on behalf of Creditor Maricopa County**  
blc@ashrlaw.com, jtg@ashrlaw.com
- **JUDSON M. CARUSONE on behalf of Creditor Washburn Management, LC –**  
jc@bromleynewton.com; cd@bromleynewton.com; ep@bromleynewton.com

- JOHN A. BERGE *on behalf of Landlord/Creditor Outlot Developers, LLC AND Smith & Sons Investment Co.* - berge@bljlawyers.com, jackie@bljlawyers.com
- DARWIN H. BINGHAM *on behalf of Landlord/Creditor JT Layton Crossing North, LC* dbingham@scalleyreading.net, cat@scalleyreading.net
- EDWARD H. TALMADGE *on behalf of Landlord/Creditors Kimco Realty Corp. and PKII Milwaukie MarketPlace LLC* - talmadge@fdfirm.com, angiej@fdfirm.com
- KEVIN M. NEWMAN *on behalf of Creditor Inland US Management, LLC* – kneuman@menterlaw.com
- STEPHEN R. NOBACH *on behalf of Landlords/Creditors Center Developments Oreg., Ltd and Lancaster Development Company LLC* – srn@cejohn.com

## NON-ECF PARTICIPANTS

### SECURED LENDERS

SunTrust Equipment Finance & Leasing Corp  
Attn Michael Ireton  
300 E. Joppa Rd., Suite 700  
Towson, MD 21286  
Phone: 410-307-6634  
Fax: 410-307-6652  
E-mail: Mike.Ireton@suntrust.com

Bank of the West  
Attn: Accounts Receivable  
Dept LA 23083  
Pasadena, CA 91185-3083  
Phone: 626-564-4000  
Fax: 626-564-4020

### COMMITTEE OF UNSECURED CREDITORS

Eric Severson  
Northwest Mechanical  
PO Box 1593  
Albany, OR 97321  
Ph: 541-967-7094  
Fax: 541-967-7089  
E-mail: Eric@NWMEchanical.net  
*Co-Chairperson*

Julie Minnick Bowden  
Alderwood Mall LLC  
c/o GGP Limited Partnership  
110 N Wacker Drive  
Chicago, IL 60606  
Ph: 312-960-2707  
Fax: 312-442-6874  
E-mail: Julie.minnick@ggp.com  
*Co-Chairperson*

Cindy Urresti  
KNG Inc  
2102 E Karcher Rd.  
Nampa, ID 83687  
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