

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF INDIANA
SOUTH BEND DIVISION

IN RE:)	
)	Chapter 11
CONSOLIDATED TRANSPORT SYSTEMS,)	Case No. 12-32940-hcd
INC., <i>et al.</i> , ¹)	(Jointly Administered)
)	
Debtors.)	
_____)	

DEBTORS' AMENDED JOINT PLAN OF REORGANIZATION
DATED JULY 5, 2013, AS IMMATERIALLY MODIFIED ON OCTOBER 28, 2013

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¹ The Debtors are: Consolidated Transport Systems, Inc. (12-32940-hcd); Tandem Transport Corp (12-33135-hcd); Transport Investment Corporation (12-33136-hcd); and Tandem Eastern, Inc. (12-33137-hcd).

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ARTICLE I – DEFINITIONS & TERMS OF CONSTRUCTION

A. Definitions

1.1 “*Administrative Claim*” means a Claim for payment of costs or expenses of administration specified in §§ 503(b) and 507(a)(2) of the Bankruptcy Code.

1.2 “*Administrative Claim Bar Date*” means the date, fixed pursuant to Article II, § 2 of the Plan, by which all Entities asserting Administrative Claims arising in the period from the Petition Date through the Effective Date, inclusive, must have filed proofs of such Administrative Claims or requests for payment of such Administrative Claims or be forever barred from asserting such Administrative Claims against the Debtors or their property, or such other date by which any such Administrative Claim must be filed as may be fixed by an order of the Bankruptcy Court.

1.3 “*Affiliate*” means “affiliate” as defined in § 101(2) of the Bankruptcy Code.

1.4 “*Affiliate Claim Bar Date*” means December 27, 2012 for nongovernmental units or February 27, 2013 for governmental units, the date by which all Entities asserting certain Claims arising before the Affiliate Petition Date who disagree with the amount listed in the Tandem, Investment or Eastern Schedules, or whose Claims were listed as disputed, contingent or unliquidated in the Tandem, Investment or Eastern Schedules, must have filed proofs of Claims against Tandem, Investment or Eastern or be forever barred from asserting such Claims against Tandem, Investment or Eastern or their respective estates.

1.5 “*Affiliate Petition Date*” means August 31, 2012, the date Tandem, Investment and Eastern filed voluntary petitions under Chapter 11 of the Bankruptcy Code.

1.6 “*Allowed Administrative Claim*” means an Administrative Claim that is allowed by a Final Order, by this Plan, or because no party in interest timely has filed an objection or otherwise sought to limit recovery on such Administrative Claim.

1.7 “*Allowed Claim*” means any Claim or Equity Interest: (a) either (i) proof of which has been timely filed with the Bankruptcy Court or has been deemed timely filed by a Final Order; or (ii) if not so filed, scheduled by a Debtor other than as disputed, contingent or unliquidated; or (iii) any stipulation of amount and nature of a Claim or Equity Interest filed prior to the entry of the Confirmation Order; and (b) allowed by a Final Order, by this Plan, or because no party in interest timely has filed an objection, filed a motion to equitably subordinate, or otherwise sought to limit recovery on such Claim or Equity Interest. An Allowed Claim shall not include interest accruing after CTS Petition Date or the Affiliate Petition Date on the amount of any Claim or Equity Interest except as expressly provided in the Plan.

1.8 “*Allowed Secured Claim*” means an Allowed Claim to the extent of the value of collateral securing such Claim, as determined under the provisions of this Plan or by a Final Order.

1.9 “*AmeriQuest*” means AmeriQuest Transportation Services.

1.10 “*AmeriQuest 503(b)(9) Claim*” means AmeriQuest’s Allowed Administrative Claim in the amount of \$46,111.50 for goods provided to CTS within twenty (20) days of the CTS Petition Date.

1.11 “*Bankruptcy Causes of Action*” means all avoidance or preference actions arising under §§ 544, 545, 547, 548, 549, 550 and 553 of the Bankruptcy Code.

1.12 “*Bankruptcy Code*” means title 11 of the United States Code, as amended from time to time, as applicable to the Chapter 11 Cases.

1.13 “*Bankruptcy Court*” means the United States Bankruptcy Court for the Northern District of Indiana, South Bend Division, conferred with authority over the Chapter 11 Cases or such any other court exercising competent jurisdiction.

1.14 “*Bankruptcy Rules*” means the Federal Rules of Bankruptcy Procedure, as amended from time to time, as applicable to the Chapter 11 Cases, including the local rules and general orders of the Bankruptcy Court.

1.15 “*Bills Collateral*” means the trailers listed on Schedule 1.15 on which Tim Bills Trucking holds a Lien and which secures Tandem’s obligations to Tim Bills Trucking.

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

1.17 “*Cash*” means cash and cash equivalents and other readily marketable securities or instruments.

1.18 “*Causes of Action*” means any and all claims, causes of action, demands, rights, actions, suits, obligations, liabilities, account defenses, offsets, powers, privileges, licenses and franchise of any kind or character whatsoever, known, unknown, contingent or noncontingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, direct or derivative, whether arising before, on or after the CTS Petition Date or Affiliate Petition Date, in contract or in tort, in law or in equity, or under any other theory of law other than the Bankruptcy Causes of Action.

1.19 “*Chapter 11 Cases*” mean the voluntary cases under chapter 11 of the Bankruptcy Code commenced by the Debtors, styled *In re Consolidated Transport Systems, Inc.*, Case No. 12-32940-hcd; *In re Tandem Transport Corp*, Case No. 12-33135-hcd, *In re Transport Investment Corporation*, Case No. 12-33136-hcd; and *In re Tandem Eastern, Inc.*, Case No. 12-33137-hcd, which, pursuant to orders of the

Bankruptcy Court dated September 5, 2012, are jointly administered under the lead case of *In re Consolidated Transport Systems, Inc., et al.*, Case No. 12-32940-hcd.

1.20 “*Claim*” means: (a) any right to payment from a Debtor, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, legal, equitable, secured, unsecured, direct, derivative, known, or unknown; or (b) any right to an equitable remedy for breach of performance if such breach gives rise to a right of payment from a Debtor, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, legal, equitable, secured, unsecured, direct, derivative, known, or unknown.

1.21 “*Class*” means any group of substantially similar Claims or Equity Interests classified by the Plan pursuant to §§ 1122 and 1123(a)(1) of the Bankruptcy Code.

1.22 “*Collateral*” means all of the Debtors’ present and future property, real and personal, tangible and intangible.

1.23 “*Confirmation*” means the entry of the Confirmation Order.

1.24 “*Confirmation Date*” means the date on which the Confirmation Order is entered by the Bankruptcy Court.

1.25 “*Confirmation Order*” means the order of the Bankruptcy Court approving and confirming the Plan pursuant to § 1129 of the Bankruptcy Code.

1.26 “*CTS*” means Consolidated Transport Systems, Inc.

1.27 “*CTS Claim Bar Date*” means December 12, 2012 for nongovernmental units or February 12, 2013 for governmental units, the date by which all Entities asserting certain Claims arising before the CTS Petition Date who disagree with the amount listed in the CTS Schedules, or whose Claims were listed as disputed, contingent or unliquidated in the CTS Schedules, must have filed proofs of Claims against CTS or be forever barred from asserting such Claims against CTS or its estate.

1.28 “*CTS Petition Date*” means August 16, 2012, the date CTS filed a voluntary petition under Chapter 11 of the Bankruptcy Code.

1.29 “*CTS Schedules*” mean the schedules and statement of financial affairs, as may be amended from time to time, filed by CTS pursuant to §§ 521 and 1106 of the Bankruptcy Code.

1.30 “*Debtor*” means CTS, Tandem, Investment or Eastern in its individual capacity.

1.31 “*Debtors*” mean, collectively, CTS, Tandem, Investment and Eastern.

1.32 “*Debtors-in-Possession*” mean the Debtors, as debtors-in-possession in the Chapter 11 Cases pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code.

1.33 “*Deficiency Claim*” means the amount by which a Holder’s Allowed Claim exceeds the amount of its Allowed Secured Claim.

1.34 “*DIP Financing*” means the financing provided by Marquette pursuant to the DIP Order.

1.35 “*DIP Order*” means the *Final Order: (I) Approving Stipulation and Agreement Regarding Debtors’ Emergency Motion for Post-Petition Financing and Use of Cash Collateral; (II) Granting Liens and Security Interests Pursuant to 11 U.S.C. § 364(c); and (III) Authorizing Use of Cash Collateral* (Docket No. 180) entered by the Bankruptcy Court on October 11, 2012.

1.36 “*Disclosure Statement*” means the disclosure statement relating to the Plan (including all exhibits and schedules annexed thereto or referred to therein), as may be altered, amended, supplemented or modified from time to time, filed by the Debtors pursuant to § 1125 of the Bankruptcy Code.

1.37 “*Disputed Claim*” means any Claim that is not an Allowed Claim, Allowed Secured Claim or Deficiency Claim.

1.38 “*Distribution Date*” means sixty (60) days after the Effective Date.

1.39 “*Eastern*” means Tandem Eastern, Inc.

1.40 “*Eastern Schedules*” mean the schedules and statement of financial affairs, as may be amended from time to time, filed by Eastern pursuant to §§ 521 and 1106 of the Bankruptcy Code.

1.41 “*Effective Date*” means the fifteenth day after the day the Bankruptcy Court enters the Confirmation Order.

1.42 “*Entity*” means “entity” as defined in § 101(15) of the Bankruptcy Code.

1.43 “*Equity Interest*” means an ownership interest in a Debtor, including any existing options, warrants or rights, contractual or otherwise, to acquire such ownership interest.

1.44 “*Estate*” means the estate created pursuant to § 541 of the Bankruptcy Code by CTS, Tandem, Investment or Eastern.

1.45 “*Estates*” mean the estates created pursuant to § 541 of the Bankruptcy Code by CTS, Tandem, Investment and Eastern.

1.46 “*Executory Contracts*” means all unexpired contracts and leases of both real and personal property, the performance of which has not yet been completed by all counterparties to such unexpired contracts and leases.

1.47 *"Exit Financing"* means the accounts receivable credit line provided by Marquette to Reorganized Tandem as of the Effective Date. A copy of the term sheet for the Financing is attached as Schedule 1.47.

1.48 *"Exit Financing Collateral"* means all assets of Reorganized Tandem, including present and future accounts, all other accounts, chattel papers, instruments, payment intangible, general intangibles, documents, records, inventory, equipment (other than rolling stock consisting of tilled tractors and trailers), furniture and fixtures, deposit accounts, money, investment property, letter of credit, notes, tax refunds and insurance proceeds, all as defined in the UCC and all proceeds thereof.

1.49 *"Final Order"* means an order, ruling or judgment, as entered by the Bankruptcy Court: (a) that has not been reversed, modified or amended, and is not stayed; (b) as to which the time to appeal from or to seek review or rehearing or petition for certiorari has expired; and (iii) that is no longer subject to review, reversal, modification or amendment. An order, ruling or judgment meeting the above criteria shall be considered a "Final Order" notwithstanding the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule, may be filed relating to such order, ruling or judgment.

1.50 *"Fleet Disposition Method"* means the method by which the Reorganized Debtors will dispose of their existing fleet of tractors and trailers. The Reorganized Debtors intend to dispose of their tractors and trailers: (a) through leasing companies, who will market the tractors and trailers to be disposed of through such companies' websites and wholesale network; or (b) such other method as agreed upon among the Reorganized Debtors and the lender with a Lien on the tractor or trailer to be disposed. Notwithstanding the foregoing, any lender with a Lien on the tractor or trailer may "credit bid", as that term is defined in the Bankruptcy Code, on the tractor(s) and/or trailer(s) being disposed.

1.51 *"GECC"* means General Electric Capital Corporation.

1.52 *"GECC Collateral"* means the tractors and trailers listed on Schedule 1.52 on which GECC holds a Lien and which secure CTS's obligations to GECC.

1.53 *"Holder"* means an Entity holding an Equity Interest or Claim.

1.54 *"Impaired"* means any Claim or Equity Interest, or Class of Claims or Equity Interests, which is or are "impaired" within the meaning of § 1124 of the Bankruptcy Code.

1.55 *"Investment"* means Transport Investment Corporation.

1.56 *"Investment Schedules"* mean the schedules and statement of financial affairs, as may be amended from time to time, filed by Investment pursuant to §§ 521 and 1106 of the Bankruptcy Code.

1.57 *"IRS"* means the Internal Revenue Service.

1.58 “*Key Collateral*” means the communication equipment on which Key Equipment Finance holds a Lien and which secures Tandem’s obligations to Key Equipment Finance.

1.59 “*Lien*” means “lien” as defined in § 101(37) of the Bankruptcy Code.

1.60 “*Marquette*” means Marquette Transportation Finance, Inc.

1.61 “*Marquette Collateral*” means all assets of Tandem, including present and future accounts, all other accounts, chattel papers, instruments, payment intangibles, general intangibles, documents, records, inventory, equipment (other than rolling stock consisting of titled tractors and trailers), furniture and fixtures, deposit accounts, money, investment property, letters of credit, notes, tax refunds and insurance proceeds, all as defined in the UCC and all proceeds thereof.

1.62 “*MBFS*” means Mercedes-Benz Financial Services USA LLC, successor-in-interest to DCFS USA, LLC, DaimlerChrysler Financial Services Americas LLC, and Daimler Chrysler Truck Financial.

1.63 “*MBFS Collateral*” means any and all collateral given to secure payment and performance by CTS of CTS’ obligations and indebtedness to MBFS, including the rolling stock collateral listed on Schedule 1.63.

1.64 “*McLeod Collateral*” means the LoadMaster Software and LoadMaster Imaging Software on which Tom McLeod Software holds a Lien and which secures Tandem’s obligations to Tom McLeod Software.

1.65 “*Navistar*” means Navistar Financial Corporation.

1.66 “*Navistar Collateral*” means the tractors and trailers listed on Schedule 1.66 on which Navistar holds a Lien and which secure CTS’s obligations to Navistar.

1.67 “*Net Income*” means the Reorganized Debtors’ consolidated book net income as determined by generally accepted accounting principles.

1.68 “*Peoples*” means People’s Capital and Leasing Corp.

1.69 “*Peoples Collateral*” means the tractors and trailers listed on Schedule 1.69 on which Peoples holds a Lien and which secure CTS’s obligations to Peoples.

1.70 “*Plan*” means the joint plan of reorganization proposed by the Debtors in the Chapter 11 Cases, either in its present form or as it may be altered, amended or modified from time to time.

1.71 “*Priority Claim*” means any Allowed Claim to the extent such Claim is entitled to priority in payment pursuant to § 507(a) of the Bankruptcy Code, other than an Administrative Claim or a Priority Tax Claim.

1.72 *"Priority Tax Claim"* means the amount to be paid with respect to an Allowed Claim of a governmental unit to the extent such Claim is entitled to priority in payment under § 507(a)(8) of the Bankruptcy Code.

1.73 *"Pro Rata"* means the amount to be paid with respect to an Allowed Claim or Deficiency Claim based on the ratio of the Allowed Claim or Deficiency Claim to the total amount of Allowed Claims and Deficiency Claims in Classes 11, 12 and 13 of the Plan.

1.74 *"Released Parties"* mean: (i) Marquette; (ii) Taft Stettinius & Hollister LLP; and (iii) O'Keefe & Associates Consulting, LLC and the respective current members, officers, directors, shareholders, agents, subsidiaries, Affiliates, general and limited partners, financial advisors, independent accountants, attorneys, employees, representatives, contractors, successors and assignees of subclauses (i) through (iii).

1.75 *"Reorganized CTS"* means CTS, as reorganized by the Plan on the Effective Date.

1.76 *"Reorganized Debtors"* mean, collectively, Reorganized CTS, Reorganized Tandem, Reorganized Transport and Reorganized Eastern.

1.77 *"Reorganized Eastern"* means Eastern, as reorganized by the Plan on the Effective Date.

1.78 *"Reorganized Investment"* means Transport, as reorganized by the Plan on the Effective Date.

1.79 *"Reorganized Tandem"* means Tandem, as reorganized by the Plan on the Effective Date.

1.80 *"Tandem"* means Tandem Transport Corp.

1.81 *"Taxing Authorities"* means the IRS and any state or commonwealth to which the Debtors owe an income tax.

1.82 *"Trustee"* means the Office of the United States Trustee.

1.83 *"Trustee Fees"* mean the fees assessed by the Trustee under 28 U.S.C. § 1930 against the Debtors or Reorganized Debtors.

1.84 *"UCC"* means the Uniform Commercial Code, as adopted by the State of Indiana, as amended from time to time.

1.85 *"Unimpaired"* means any Claim or Equity Interest, or Class of Claims or Equity Interests, that is or are not Impaired.

1.86 *"Unsecured Creditor Fund"* means the escrow account formed to satisfy the obligations of the Debtors to Holders of Allowed Claims and Deficiency Claims. The

Unsecured Creditor Fund shall be maintained by the Reorganized Debtors in a bank account separate from their operating account(s) and shall be funded by \$100,000 paid by the Reorganized Debtors on the Effective Date, then, assuming sufficient liquidity, 15% of Net Income below \$1,000,000 and 40% of the incremental portion of Net Income above \$1,000,000 until such time as the Holders of allowed Claims in Classes 11, 12 and 13 are paid in full.

1.87 “*VFS*” means Volvo Financial Services, a division of VFS US LLC, successor-in-interest to Volvo Commercial Finance LLC The Americas, successor-in-interest to Volvo Commercial Finance Inc. The Americas, formerly known as Volvo Truck Finance North American Inc.

1.88 “*VFS Collateral*” means the tractors listed on Schedule 1.88 on which VFS holds a Lien and which secure CTS’s obligations to VFS.

1.89 “*Voting Deadline*” means September 3, 2013, the deadline set by the Bankruptcy Court for Entities to submit their ballots to accept or reject this Plan.

1.90 “*Wells Fargo*” means Wells Fargo Equipment Finance, Inc.

1.91 “*Wells Fargo Collateral*” means the trailers listed on Schedule 1.91 on which Wells Fargo holds a Lien and which secure CTS’s obligations to Wells Fargo.

B. Terms of Construction

1.92 *Capitalized Terms*: The capitalized terms of this Plan shall have the meaning set forth in the Plan. In the event a capitalized term of the Plan is not defined in the Plan, then it shall have the meaning given in the Bankruptcy Code or the Bankruptcy Rules. In the event a capitalized term of the Plan is not defined in the Plan, the Bankruptcy Code or the Bankruptcy Rules, then it shall have the meaning such term has in ordinary usage and if one or more meaning for such term exists in ordinary usage, then it shall have the meaning which is most consistent with the purposes of the Plan and the Bankruptcy Code.

1.93 *Reasonable Construction*: The terms of the Plan shall not be construed against any Entity but shall be given a reasonable construction, consistent with the purposes of the Plan and the Bankruptcy Code.

1.94 *Herein, Hereof, Hereto and Hereunder*: The words “herein,” “hereof,” “hereto,” and “hereunder,” and others of similar import refer to this Plan as a whole and not to any particular section, subsection or clause contained in the Plan.

1.95 *Plural*: Unless otherwise specified, the plural shall include the singular and the singular the plural.

1.96 *Gender*: Unless otherwise specified, references to the masculine shall include the feminine and references to the feminine shall include the masculine.

1.97 *Including*: The word “including” shall not be deemed to be exclusive and shall be deemed to mean “including without limitation.”

ARTICLE II – TREATMENT OF UNCLASSIFIED CLAIMS

2.1 *Administrative Claims*: Each Holder of an Allowed Administrative Claim shall receive, in full satisfaction of the Holder’s Allowed Administrative Claim, one of the following treatments, in the sole discretion of the Reorganized Debtors: (a) to the extent not already paid, on the later of the Effective Date or thirty (30) Business Days after the date on which such Administrative Claim becomes an Allowed Administrative Claim, or, in each such case, as soon as reasonably practicable thereafter, payment of Cash in the full amount of such Allowed Administrative Claim; (b) to the extent not yet due and payable, payment of Cash in accordance with the terms and conditions of the particular transaction giving rise to the Allowed Administrative Claim; (c) to the extent such Administrative Claim is by the Trustee for Trustee Fees, payment of Cash in accordance with the applicable schedule for payment of Trustee Fees; or (d) payment on such other terms as may be mutually agreed upon in writing between the Holder of such Allowed Administrative Claim and the Debtors.

2.2 *Administrative Claim Bar Deadline*: The Administrative Claim Bar Deadline shall be: (a) sixty (60) days from the Effective Date, or if such date is not a Business Day, on the first Business Day thereafter; or (b) such other date by which any such Administrative Claim must be filed as may be fixed by an order of the Bankruptcy Court. Notwithstanding the foregoing: (a) the Trustee does not need to file an Administrative Claim for the allowance of any Administrative Claim relating to a Trustee Fee; (b) AmeriQuest does not need to file an Administrative Claim for the allowance of the AmeriQuest 503(b)(9) Claim; and (c) any Taxing Authority does not need to file an

Administrative Claim for the allowance of state and federal taxes arising after the Confirmation Date.

2.3 *AmeriQuest 503(b)(9) Claim:* The Debtors and AmeriQuest have agreed that in full and complete satisfaction of the AmeriQuest 503(b)(9) Claim, AmeriQuest shall be paid in twenty-four (24) equal installments of cash in the amount of \$1,921.32, with the first installment to begin on the 21st day of the month following Confirmation and subsequent installments being due on the 21st day of each succeeding month. The Reorganized Debtors shall not be in default of the Plan if any installment payment is made within ten (10) days of the date on which it was originally due.

2.4 *Allowed Administrative Claims of Taxing Authorities:* The Allowed Administrative Claims of the Taxing Authorities shall be estimated in the amount of \$1,535,074.23 and amortized over a period of forty-nine (49) months and paid by the Debtor in equal installments of Cash and interest at 4% per annum with the first installment to begin on the Distribution Date and each subsequent installment being due on the first day of each succeeding month. This amount is an estimate of the Debtors' federal and state income taxes for the fiscal year ending September 30, 2012. The Allowed Administrative Claim of the Taxing Authorities will also include the Reorganized Debtors' federal and state income taxes for the fiscal year ending September 30, 2013. The installment payments shall continue until the earlier of: (a) payment in full after application of any loss carrybacks or net operating losses of the Reorganized Debtors; or (b) forty-eight (48) months from the first installment. Notwithstanding the foregoing: (a) the Reorganized Debtors will pay the State of Michigan's Allowed Administrative Claim as set forth in proof of claim number 47 in full as of the Effective Date; and (b) the

Reorganized Debtors will make interest-only payments to the IRS for federal income taxes arising in the fiscal year ending September 30, 2012 for the first six (6) months of the Plan.

2.5 *Priority Claims:* Each Holder of an allowed Priority Claim shall receive, in full satisfaction of the Holder's allowed Priority Claim, one of the following treatments, in the sole discretion of the Reorganized Debtors: (a) to the extent not already paid, on the later of the Distribution Date or thirty (30) Days after the date on which such Claim becomes an allowed Priority Claim, or, in each such case, as soon as reasonably practicable thereafter, payment of Cash in the full amount of such allowed Priority Claim; or (b) payment on such other terms as may be mutually agreed upon in writing between the Holder of such allowed Priority Claim and a Debtor.

2.6 *Priority Tax Claims:* Each Holder of an allowed Priority Tax Claim shall receive, in full satisfaction of such Holder's allowed Priority Tax Claim, sixty (60) equal monthly installments of cash comprised of principal, together with interest at the rate of 3% per annum. Notwithstanding the foregoing, the State of Michigan shall have any allowed Priority Tax Claim paid in forty-six (46) equal monthly installments of Cash comprised of principal, together with interest at the rate of 4.25% per annum. Payments to Holders of allowed Priority Tax Claims shall begin on the later of: (a) the Distribution Date; (b) thirty (30) days after the date on which a Priority Tax Claim becomes an allowed Priority Tax Claim; or (c) such other date as the Holder of an allowed Priority Tax Claim and a Debtor agree.

ARTICLE III – CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

For the purposes of the Plan, Claims and Equity Interests are classified as follows:

3.1 *Class 1:* Class 1 shall consist of the Allowed Secured Claim of Marquette as to Tandem arising from the DIP Financing and the DIP Order, with such obligations to Marquette being secured by a Lien on the Marquette Collateral.

3.2 *Class 2:* Class 2 shall consist of the Allowed Secured Claim of VFS as to CTS arising from CTS's purchase of certain tractors from VFS, with such obligations being secured by a Lien on the VFS Collateral.

3.3 *Class 3:* Class 3 shall consist of the Allowed Secured Claim of Peoples as to CTS arising from CTS's purchase of certain tractors and trailers from Peoples, with such obligations being secured by a Lien on the Peoples Collateral.

3.4 *Class 4:* Class 4 shall consist of the Allowed Secured Claim of Wells Fargo as to CTS arising from CTS's purchase of certain trailers from Wells Fargo, with such obligations being secured by a Lien on the Wells Fargo Collateral.

3.5 *Class 5:* Class 5 shall consist of the Allowed Secured Claim of MBFS in the amount of \$2,554,378.35 as of September 30, 2013, including late charges of \$193,231.79, owing under the purchase money agreements, including all extensions and modifications thereof, attached as Schedule 3.5 (the "MBFS Loan Documents"). MBF's secured claim shall be allowed for all purposes, including all purposes under this Plan, and shall be deemed fully secured by the MBFS Collateral as of the CTS Petition Date and as of the Effective Date. MBFS' Lien in the MBFS Collateral shall: (a) constitute a first priority and indefeasible lien, not subject to avoidance, subordination or challenge, in the MBFS Collateral; and (b) secure all indebtedness and obligations of

CTS and the Reorganized CTS to MBFS, whether such indebtedness or obligation arose prepetition or postpetition, including all obligations and indebtedness owing under the MBFS Loan Documents and under the Plan, including the Late Charges Note (as defined below) and MBFS' obligation to reimburse the fees of Warner, Norcross & Judd under this Plan.

3.6 *Class 6:* Class 6 shall consist of the Allowed Secured Claim of Navistar as to CTS arising from CTS's purchase of certain tractors and trailers from Navistar, with such obligations being secured by a Lien on the Navistar Collateral.

3.7 *Class 7:* Class 7 shall consist of the Allowed Secured Claim of GECC as to CTS arising from CTS's purchase of certain tractors and trailers from GECC, with such obligations being secured by a Lien on the GECC Collateral.

3.8 *Class 8:* Class 8 shall consist of the Allowed Secured Claim of Tim Bills Trucking as to CTS arising from the purchase of certain trailers from Tim Bills Trucking, with such obligations being secured by a Lien on the Bills Collateral.

3.9 *Class 9:* Class 9 shall consist of the Allowed Secured Claim of Tom McLeod Software as to Tandem arising from the purchase of certain computer software from Tom McLeod Software, with such obligations being secured by a Lien on the McLeod Collateral.

3.10 *Class 10:* Class 10 shall consist of the Allowed Secured Claim of Key Equipment Finance as to Tandem arising from the purchase of certain communications equipment, with such obligations being secured by a Lien on the Key Collateral.

3.10.1 *Class 10.1:* Class 10.1 shall consist of the Allowed Secured Claim of the State of Michigan arising from unpaid simple business tax liabilities, with such

obligations being secured by any Liens granted the State of Michigan pursuant to applicable non-bankruptcy law.

3.11 *Class 11:* Class 11 shall consist of the Deficiency Claim of Navistar as to CTS arising from the amount, if any, that CTS's obligations to Navistar exceed the value of the Navistar Collateral.

3.12 *Class 12:* Class 12 shall consist of the Deficiency Claim of GECC as to CTS arising from the amount, if any, that CTS's obligations to GECC exceed the value of the GECC Collateral.

3.13 *Class 13:* Class 13 shall consist of the non-priority, unsecured Allowed Claims as to the Debtors.

3.14 *Class 14(a):* Class 11(a) shall consist of the Equity Interests of CTS.

3.15 *Class 14(b):* Class 11(b) shall consist of the Equity Interests of Tandem.

3.16 *Class 14(c):* Class 11(c) shall consist of the Equity Interests of Investment.

3.17 *Class 14(d):* Class 11(d) shall consist of the Equity Interests of Eastern.

ARTICLE IV – TREATMENT OF CLAIMS AND EQUITY INTERESTS

Claims and Equity Interests shall receive the following treatment under the Plan:

4.1 *Class 1: Allowed Secured Claim of Marquette.* The Class 1 Allowed Secured Claim of Marquette shall be \$2,622,842.00 as of April 30, 2013, as it may be adjusted by payments made to Marquette during these Chapter 11 Cases, as it may vary from day to day based on the current aggregate accounts receivable financed pursuant to the DIP Financing and the DIP Order, and by the inclusion of interest,

reasonable fees, charges, and costs that are proper under the DIP Financing and the DIP Order and by virtue of Marquette being an over-secured creditor.

Pursuant to the terms of the DIP Financing and the DIP Order, the full amount of the Debtors' obligations to Marquette is due and payable upon Confirmation of the Plan. Upon Confirmation, Marquette shall be entitled to charge Tandem a termination fee. However, Marquette has agreed to waive the termination fee in consideration for the treatment provided hereunder and as an inducement to provide a new loan to the Reorganized Tandem, as set forth below.

Marquette will provide new financing pursuant to the terms of Exit Financing. The Exit Financing will be used first to pay in full the then-outstanding balance of the Allowed Secured Claim of Marquette, in both cases including all accrued interest, attorney fees and expenses, and other charges described in the parties' loan documents and the DIP Financing and DIP Order. Marquette will continue to provide financing to Reorganized Tandem's ongoing post-Confirmation operations. The Exit Financing will continue to be secured by the Marquette Collateral and the Exit Financing Collateral assets described above.

Marquette shall have and retain its first priority lien and security interest in, to and against the Marquette Collateral and the Exit Financing Collateral for all amounts relating to its Allowed Secured Claim, including all rights granted to Marquette in the DIP Financing and the DIP Order. In the event Marquette continues to provide financing accommodations following Confirmation and prior to the execution of the Exit Financing ("Interim Financing"), such financing shall be included in and subject to all of the terms and conditions, and secured by the same liens and security interests as

described in the Stipulation. Marquette shall have all of the rights and remedies provided herein with respect to any and all such financing. Upon entry of the Confirmation Order, the Liens granted to Marquette in the Marquette Collateral and the Exit Financing Collateral for the Exit Financing, shall be deemed to continue to be first, valid and perfected as against all third parties, without regard to applicable federal, state or local filing and recording statutes, *nunc pro tunc* as of the date of Confirmation and without further action of any party, including Marquette. Marquette may, but need not, take such steps as it deems desirable to perfect its Lien in the Exit Financing Collateral. All of its Liens shall relate back to the date of their original perfection, without interruption. Class 1 is Unimpaired under the Plan.

4.2 *Class 2: Allowed Secured Claim of VFS.* The Class 2 Allowed Secured Claim of VFS shall be \$488,871.60 as of June 14, 2013, as it may be adjusted by any payments made by the Debtors or by any non-default contract rate, interest, reasonable charges and reasonable fees accessing or arising after June 14, 2013 and shall be satisfied in full by a payment in Cash upon Reorganized CTS' disposition of the VFS Collateral in accordance with Schedule 4.2 pursuant to the Fleet Disposition Method. The Class 2 Allowed Secured Claim of VFS will accrue interest at the underlying non-default contract rate per annum through the date on which Reorganized CTS disposes of the VFS Collateral, which shall be no later than December 31, 2013. The Class 2 Allowed Secured Claim of VFS will continue to be secured by a Lien on the VFS Collateral; however, VFS will release its Lien on the title of individual pieces of VFS Collateral upon the receipt of the net sale proceeds (after reasonable costs of sale) from

Reorganized CTS as such units are sold until such time as the Class 2 Allowed Secured Claim of VFS is paid in full. Class 2 is Impaired under the Plan.

4.3 *Class 3: Allowed Secured Claim of Peoples.* The Class 3 Allowed Secured Claim of Peoples shall be \$659,484.51 as of September 30, 2013. From October 1, 2013 through the day on which the Allowed Secured Claim of Peoples is paid in full, the Allowed Secured Claim of Peoples shall accrue interest at the non-default contract rates contained in the underlying loan documents between CTS and Peoples. In addition, fees and costs, as provided for in the underlying loan documents between CTS and Peoples, incurred by Peoples on and after October 1, 2013, shall be added to the Allowed Secured Claim of Peoples. Peoples shall provide invoices to CTS for such fees and costs and, unless CTS provides written objection to Peoples with respect to the amount of any such fees and costs within 10 days after counsel for Peoples emails the invoice to counsel for CTS, the amount of such fees and costs shall be added to the Allowed Secured Claim of Peoples. If CTS timely objects to any such fees and costs, absent an agreement by Peoples and CTS, the Bankruptcy Court shall determine the amount of such disputed fees and costs to be added to the Allowed Secured Claim of Peoples. The Allowed Secured Claim of Peoples shall be paid in full no later than December 31, 2013. Debtors shall continue to make the \$22,698.93 monthly payments to Peoples as required by the Agreed Order With Respect To Second Motion Of People's Capital And Leasing Corp. For Adequate Protection Or, In The Alternative, Relief From The Automatic Stay (the "Second Peoples Order") entered by the Bankruptcy Court on July 11, 2013 at docket number 420. The Class 3 Allowed Secured Claim of Peoples will continue to be secured by a first Lien on the Peoples

Collateral; however, Debtors shall be entitled to sell any piece (a "Piece") of the Peoples Collateral and Peoples will release its Lien on the title of such Piece(s) of the Peoples Collateral if, and only if, contemporaneous with any such sales, Debtors pay to Peoples the greater of: (i) the net sale proceeds (with net sale proceeds meaning the gross sale proceeds less any reasonable out-of-pocket costs incurred in order to effectuate the sale); and (ii) the orderly liquidation value (the "OLV") of the Piece as set forth in the June 15, 2013, appraisal performed by Irontrax, LLC (the "Appraisal"), until such time as the Allowed Secured Claim of Peoples is paid in full. In determining the OLV of any Piece, the monthly diminution percentage for the Piece subsequent to the date of the Appraisal shall be 2.5% per month if the Piece is a tractor and 1.625% per month if the Piece is a trailer. Any payment received by Peoples from Debtors subsequent to September 30, 2013 shall be applied against the various components of the Allowed Secured Claim of Peoples in the sole discretion of Peoples. If Debtors fail to timely make any payment required under this Plan and/or the Second Peoples Order, then the stay provided for in Bankruptcy Code §362 (and any stay provided for in this Plan) shall automatically be lifted (without the necessity of a hearing or any other action of any kind or nature) to allow Peoples to exercise its state law remedies, including the right to take possession of and liquidate the Peoples Collateral; provided, however, that prior to taking any action as a result of any such failure, Peoples shall file with the Bankruptcy Court a notice setting forth such failure(s), and Debtors shall have five business days thereafter to file a motion with the Bankruptcy Court solely for the purpose of challenging whether Debtors have failed to timely make such payment(s), in which case: (1) the Bankruptcy Court will schedule an expedited hearing on such motion; and

(2) the stay will not be lifted until the Bankruptcy Court has ruled upon such motion.

Notwithstanding anything contained herein, if the Allowed Secured Claim of Peoples is not paid in full by December 31, 2013, then the stay provided for in Bankruptcy Code §362 (and any stay provided for in this Plan) shall automatically be lifted on January 1, 2014 with respect to Peoples. Once the stay provided for in Bankruptcy Code §362 (and any stay provided for in this Plan) has been lifted, Debtors shall: (a) cease using the Peoples Collateral; (b) assemble the Peoples Collateral at no more than three Debtor operated terminals; and (c) surrender the Peoples Collateral for pick-up by Peoples. Class 3 is Impaired under the Plan.

4.4 *Class 4: Allowed Secured Claim of Wells Fargo.* The Class 4 Allowed Secured Claim of Wells Fargo shall be \$683,078.69 as of the Petition Date, plus (i) interest at the contract rate in the underlying loan documents among Wells Fargo and the Debtors from the Petition Date through Confirmation and (ii) reasonable fees and costs. The Class 4 Allowed Secured Claim of Wells Fargo shall be satisfied in full by the Reorganized Debtors' reaffirmation of the underlying loan documents among Wells Fargo and the Debtors, with the payment terms for the principal and interest portion of the Class 4 Allowed Secured Claim of Wells Fargo being modified as set forth in Schedule 4.4. In addition, the payment terms for the costs and fees portion of the Class 4 Allowed Secured Claim of Wells Fargo reasonably incurred through the life of the Plan (which costs and fees as of August 27, 2013 were approximately \$15,846.22) shall be paid in full, in Cash, with annual installments of \$4,000 beginning the Effective Date and continuing on the same day each following year until the costs and fees included in the Class 4 Allowed Secured Claim of Wells Fargo are paid in full. The Class 4 Allowed

Secured Claim of Wells Fargo will accrue interest at the contract rate of interest in the underlying loan documents among Wells Fargo and the Debtors after Confirmation. The Class 4 Allowed Secured Claim of Wells Fargo will continue to be secured by a Lien on the Wells Fargo Collateral until satisfied in full, at which time Wells Fargo shall remove its Lien from the Wells Fargo Collateral and send the original titles to the Wells Fargo Collateral to Reorganized CTS or its designee. Class 4 is Impaired under the Plan.

4.5 *Class 5: Allowed Secured Claim of MBFS.* MBFS shall retain its Lien in the MBFS Collateral and the MBFS Loan Documents shall continue in full force and effect, including all applicable grace periods, except as expressly modified under this paragraph. Interest shall accrue on the MBFS Allowed Secured Claim at the applicable contract rate set forth in the MBFS Loan Documents, and beginning on the first business day of the first full month following the Effective Date, Reorganized CTS shall make equal monthly installments of principal plus accrued interest, continuing on the first day of each succeeding month, such that indebtedness owing MBFS is amortized and paid in full, including all accrued interest, over the following terms for the identified MBFS Collateral: (a) 2009 tractors, 48 months; (b) 2008 and 2007 tractors, 30 months; (c) 2006 and older tractors, 24 months; and (d) trailers, 60 months.

To evidence CTS' obligations for all prepetition late charges, the Reorganized CTS shall deliver to MBFS a noninterest bearing plan note in form reasonably satisfactory to MBFS, duly executed and endorsed, no later than three business days after the Effective Date in the face amount of \$193,231.79 (the "Late Charges Note"). The Late Charges Note shall be secured by the MBFS Collateral and shall constituted

“Indebtedness” under the MBFS Loan Documents and shall be due in full upon the earlier to occur of: (a) a default under this Plan or under the MBFS Loan Documents that goes uncured after the expiration of any applicable cure period; or (b) concurrent with the final plan payment required under the Plan. The Late Charges Note shall be discounted by twenty five percent (25%) provided that no default shall have occurred under the MBFS Loan Documents or this Plan before the due date. Any default under this Plan or under the MBFS Loan Documents shall constitute a default under the Late Charges Note.

All prepayment penalties under the MBFS Loan Documents are waived. For the avoidance of doubt, however, nothing in this proposal will constitute a waiver of any post-Confirmation default or default remedy, including the accrual of any post-Confirmation late charges.

MBFS consents to Reorganized CTS’ sale of MBFS Collateral provided that: (a) all sales are cash sales; (b) Reorganized CTS provides MBFS with no less than ten (10) day notice of any intended disposition, including the vehicle identification numbers of units to be sold and anticipated proceeds; and (c) Reorganized CTS pays to MBFS the greater of the Orderly Liquidation Value (“OLV”) as set forth in the May, 2013 Taylor & Martin appraisal, reduced by the Applicable Monthly Depreciation Percentage, or the net disposition proceeds (meaning gross proceeds less direct costs of sale). The Applicable Monthly Depreciation Percentage means: (a) for Tractors: 2005 Units, 1%; 2006 Units, 1.25%; 2007 Units, 1.5%; 2009 Units, 1.85%; (b) for the Additional Collateral Trailers, .5%; and (c) for all other trailers, .75%. Notwithstanding anything in the previous paragraph to the contrary, Reorganized CTS may request authority to

dispose of units for less than OLV, or surrender the collateral to MBFS, with the written consent of MBFS. MBFS agrees to apply the sale proceeds from any disposition of MBFS Collateral under this paragraph in the following order: first, against the account(s) directly related to the financing of the unit(s) sold; second, to any Deficiency Account; third, to any account directly related to the oldest tractor collateral. For purposes of this paragraph "Deficiency Account" means any MBFS account reflecting any deficiency balance owing in connection with the sale of any MBFS Collateral. At MBFS' request, Reorganized CTS shall execute such notes or other instruments to reflect any unpaid Deficiency Account, if any.

Reorganized CTS agrees to reimburse the actual fees of Warner, Norcross & Judd, up to a maximum of \$100,000.00, in equal annual payments of \$25,000.00 beginning in June of 2014 and continuing annually thereafter. Class 5 is Impaired under the Plan.

4.6 *Class 6: Allowed Secured Claim of Navistar.* The Class 6 Allowed Secured Claim of Navistar shall be \$2,505,827.37 as of October 31, 2013, under the existing loan documents between Navistar and the Debtors (the "Navistar Loan Documents"). The Class 6 Allowed Secured Claim of Navistar will continue to be secured by a Lien on the Navistar Collateral. The Debtors shall pay on account of the Class 6 Allowed Secured Claim sixty (60) equal monthly payments of principal and interest sufficient to fully amortize the Class 6 Allowed Secured Claim with interest at the rate stated in each of the Navistar Loan Documents. Except as modified herein, all covenants and obligations of the Navistar Loan Documents are ratified and reaffirmed. The payment terms of the Navistar Loan Documents are modified as set forth in

Schedule 4.6 and there is no personal guaranty as a result of the passing of Walter Bay. Navistar reserves, and the Debtors and Reorganized Debtors acknowledge that Navistar has, all rights to file a claim against the estate of Walter Bay for obligations relating to the Personal Guaranty executed by Walter Bay on March 31, 2011 for the benefit of Navistar. If the Reorganized Debtors want to sell, or lease to a non-Debtor party, certain items of the Navistar Collateral prior to full payment of the Class 6 Allowed Secured Claim, the Reorganized Debtors must first obtain the written consent of Navistar, which consent may be withheld in Navistar's sole and exclusive discretion. Navistar does, however, agree to sell the Navistar Collateral to the Reorganized Debtors within ninety (90) days of the Confirmation Date pursuant to, and conditioned upon, those certain terms and conditions agreed to by Navistar and the Debtors and the Reorganized Debtors separate and apart from this Plan.

Following confirmation of this Plan and until the Class 6 Allowed Secured Claim is paid in full, the Reorganized Debtors will provide financial statements to Navistar every calendar quarter (i.e., three months). The Reorganized Debtors shall obtain and maintain, until the Class 6 Allowed Secured Claim is paid in full to Navistar, policies for collision insurance on all of the Navistar Collateral with a deductible per insurable event of not more than \$50,000.00. These insurance policies shall list Navistar as loss payee. The Reorganized Debtors shall provide proof of these insurance policies to Navistar within ten (10) days of the Effective Date, and the Reorganized Debtors shall continue to provide proof of these insurance policies to Navistar within five (5) days of the date these policies are renewed. On or before the Effective Date, the Reorganized Debtors shall deliver to Navistar a letter of credit in the amount of no less than \$25,000.00, with

Navistar listed as the beneficiary (the "Letter of Credit"). The Letter of Credit shall be used solely for the purpose of insuring the Navistar Collateral and satisfying the Reorganized Debtors' insurance obligations to Navistar, including, but not limited to, the payment of any deductible. The Reorganized Debtors shall be responsible for the costs of the Letter of Credit. To the extent Navistar draws any funds from the Letter of Credit, the Reorganized Debtors will replenish the Letter of Credit to \$25,000.00 or replace the existing Letter of Credit with a new letter of credit in the amount of \$25,000.00 with the same terms and conditions of the Letter of Credit. Navistar shall have the right, without any grace, forbearance, or notice to the Reorganized Debtors whatsoever, to draw upon the Letter of Credit to the full extent available thereunder automatically and immediately upon the first to occur of either of the following events: (i) failure of the Reorganized Debtors to satisfy the Reorganized Debtors' insurance obligations to Navistar, including, but not limited to, the failure to retain insurance policies (as noted above); the failure to pay any deductible for Navistar Collateral following an insurable event requiring payment of the \$50,000.00 deductible, acknowledging that the Reorganized Debtors have a duty to file claims for any insurable event, requiring payment of the \$50,000.00 deductible, under the insurance policies (as noted above); and the failure to adequately repair, within a reasonable period of time, any piece of damaged Navistar Collateral to a condition substantially similar to such piece's condition on the Confirmation Date (providing for normal usage in the ordinary course of business) or (ii) Navistar receives notice from the issuer of the Letter of Credit stating that the issuer does not intend to renew the term of the Letter of Credit past the then applicable expiration date and the Reorganized Debtors do not provide a replacement letter of credit in an amount no less

than \$25,000.00 on or before the tenth (10th) day preceding such expiration date.

Navistar shall release the Letter of Credit upon payment in full of the Allowed Class 6 Secured Claim of Navistar.

All documents evidencing or related to the intra-Debtor leases and the Navistar Collateral (the "Navistar Lease Documents") are reaffirmed and ratified.

Notwithstanding anything in the Navistar Lease Documents or the Navistar Loan Documents to the contrary, the Reorganized Debtors grant Navistar the right, upon reasonable advance notice and at Navistar's expense so long as no event of default which extends beyond any applicable cure period has occurred, to audit and inspect the Navistar Lease Documents and the Navistar Collateral at Navistar's sole and exclusive discretion. If an event of default has occurred and such event of default extends beyond any applicable cure period, the Reorganized Debtors grant Navistar the absolute right, without prior notice and at the Reorganized Debtors' expense, to audit and inspect the Navistar Lease Documents and the Navistar Collateral at Navistar's sole and exclusive discretion. The Reorganized Debtors agree to cooperate and execute any amendments to the Navistar Loan Documents and the Navistar Lease Documents that Navistar deems reasonably necessary to effectuate the reaffirmation and ratification of such documents pursuant to this Section 4.6.

The Navistar Loan Documents include three separate interlocking guaranties (the "Guaranties") executed by, *inter alia*, the Debtors. Section 6 of each of these Guaranties shall be deleted and replaced by the following:

6. Subordination. Any current or future liability of a Guarantor (the "Indebted Party") to another Guarantor (whether or not arising out of a payment by a Guarantor under this Guaranty) is hereby

subject and subordinated to Navistar's rights against the Indebted Party under the Agreements if either of the following conditions are satisfied: (i) the current or future liability of the Indebted Party to another Guarantor is incurred outside the ordinary course of business or (ii) an event of default exists under this Guaranty, the Agreements, or any other contract or statement that evidences obligations of any of the Guarantors to NFC.

Following any event of default which extends beyond any cure period allowed under the Navistar Loan Documents, by the Reorganized Debtors under the Navistar Loan Documents, as modified and amended herein, or under the terms of this Plan, Navistar is entitled to, and is hereby granted, any and all relief from any injunction or stay imposed by the Bankruptcy Code in the Chapter 11 Cases and is entitled, and authorized, to enforce all rights and remedies allowed under the Navistar Loan Documents and applicable state law, including, but not limited to, repossession and resale of the Navistar Collateral. To the extent of any conflict or inconsistency between the terms of the Navistar Loan Documents and the terms stated herein, the terms set forth herein shall control. Class 6 is Impaired under the Plan.

4.7 *Class 7: Allowed Secured Claim of GECC.* The Class 7 Allowed Secured Claim of GECC shall be allowed in the amount of \$3,362,107.91 as of September 26, 2013, plus additional interest at the non-default contract rate, costs and fees accrued under the GECC Loan Documents from September 26, 2013 through the Distribution Date. Commencing on the Distribution Date the Debtors shall pay on account of the Class 7 Allowed Secured Claim sixty (60) monthly payments of principal and interest sufficient to fully amortize the Class 7 Allowed Secured Claim with interest at the rate set forth in the GECC Loan Documents. Payments shall be made as follows: (i) for the first twelve monthly payments, fixed payments equal to an amount sufficient to fully

amortize the loan over sixty (60) months with interest payable at the contract rate of interest less \$16,666.67, with principal payments allocated between the underlying promissory notes on a pro rata basis in proportion to the amount of principal outstanding; and (ii) for months thirteen (13) through sixty (60), fixed monthly payments of principal and interest sufficient to fully amortize the Class 7 Allowed Secured Claim over the remaining period. All non-monetary covenants and obligations of the GECC Loan Documents, including, but not limited to, the provisions of: (i) the Cross Collateral Security/Cross Default Agreement dated April 2, 2007, and (ii) the Debtor's obligations under any self-insurance agreements are ratified and reaffirmed; provided, however, that notwithstanding the foregoing, the death of Walter G. Bay and the insolvency, cessation of business and dissolution of General Investment LLC shall not now or in the future constitute a basis for declaring an event of default under the GECC Loan Documents. The Debtors shall have the right, but not the obligation, to sell certain items of the GECC Collateral prior to full payment of the Class 7 Allowed Secured Claim, provided, however, that GECC shall receive on account of such sale the greater of: (i) the net proceeds of sale; (ii) the fair market value of the item of the GECC Collateral sold, as determined by GECC in its reasonable discretion; or (iii) the payoff balance identified in GECC's books and records for any specific item of GECC Collateral, and further, provided, that GECC shall have the option, but not the obligation, to make a credit bid with regard to any contemplated sale of the GECC Collateral. Should the proceeds of the disposition of GECC Collateral disposed of under this section exceed the payoff balance of the note to which the GECC Collateral sold relates, the proceeds in excess of the payoff shall be applied to the principal of any

other note designated by GECC, in its sole discretion. The Class 7 Allowed Secured Claim of GECC will continue to be secured by a Lien on the collateral set forth in the GECC Loan Documents, as thereafter amended or modified, including, but not limited to, the GECC Collateral. Class 7 is Impaired under the Plan.

4.8 *Class 8: Allowed Secured Claim of Tim Bills Trucking.* The Class 8 Allowed Secured Claim of Tim Bills Trucking shall be \$78,750.00 as of April 30, 2013, as it may be adjusted by any payments made by the Debtors or any interest, charges and fees accruing or arising after April 30, 2013. The Class 8 Allowed Secured Claim of Tim Bills Trucking shall be satisfied in full by the Reorganized Debtor's reaffirmation of the underlying loan documents among Tim Bills Trucking and the Debtors, with the payment terms of the underlying loan documents being modified as set forth in Schedule 4.8. The Class 8 Allowed secured Claim of Tim Bills Trucking will accrue interest at the rate of 4% per annum through the Effective Date. After the Effective Date, the Class 8 Allowed secured Claim of Tim Bills Trucking will accrue interest at the rate of 6.25% per annum. The Class 8 Allowed Secured Claim of Tim Bills Trucking will continue to be secured by a Lien on the Bills Collateral until satisfied in full, at which time Tim Bills Trucking shall remove its Lien on the Bills Collateral and send the original titles to the Bills Collateral to Reorganized CTS or its designee. Class 8 is Impaired under the Plan.

4.9 *Class 9: Allowed Secured Claim of Tom McLeod Software.* The Class 9 Allowed Secured Claim of Tom McLeod Software shall be \$4,680.90 as of April 30, 2013, as it may be adjusted by any payments made by the Debtors or any interest, charges and fees accruing or arising after April 30, 2013. The Class 9 Allowed Secured

Claim of Tom McLeod Software shall be satisfied in full by six (6) equal monthly payments in Cash consisting of principal and interest at the rate of 6% per annum, with such payments beginning on the Distribution Date. The Class 9 Allowed Secured Claim of Tom McLeod Software will continue to be secured by a Lien on the McLeod Collateral until satisfied in full. Class 9 is Impaired under the Plan.

4.10 *Class 10: Allowed Secured Claim of Key Equipment Finance.* The Class 10 Allowed Secured Claim of Key Equipment Finance shall be \$106,241.44 as of April 30, 2013, as it may be adjusted by any payments made by the Debtors or any interest, charges and fees accruing or arising after April 30, 2013. The Class 10 Allowed Secured Claim of Key Equipment Finance shall be satisfied in full by sixty (60) equal monthly payments in Cash consisting of principal and interest at the rate of 6% per annum, with such payments beginning on the Distribution Date. The Class 10 Allowed Secured Claim of Key Equipment Finance will continue to be secured by a Lien on the Key Collateral until satisfied in full. Class 10 is Impaired under the Plan.

4.10.1 *Class 4.10.1 Allowed Secured Claim of the State of Michigan.* The Class 10.1 Allowed Secured Claim of the State of Michigan shall be \$105,475.49. The Class 10.1 Allowed Secured Claim of the State of Michigan shall be satisfied in full by sixty (60) equal monthly payments in Cash consisting of principal and interest at the rate of 4.25% per annum, with such payments to begin on the Distribution Date. The Class 10.1 Allowed Secured Claim of the State of Michigan shall be secured by such Liens granted the State of Michigan under applicable non-bankruptcy law. Class 10.1 is Impaired under the Plan.

4.11 *Class 11: Deficiency Claim of Navistar.* The Class 11 Deficiency Claim of Navistar shall be satisfied in full by Pro Rata distributions from the Unsecured Creditor Fund. Distributions from the Unsecured Creditor Fund after the initial payment on the Effective Date shall take place the earlier of: (a) on an annual basis beginning with the fiscal year ending September 30, 2014 (fiscal years ending September 30, 2013 and September 30, 2014 will be cumulative), within thirty (30) days of the Reorganized Debtors' receipt of their reviewed annual financial statement provided the Unsecured Creditor Fund has at least \$100,000 and (b) the Reorganized Debtors have sufficient liquidity to fund the Unsecured Creditor Fund. The Class 11 Deficiency Claim is not secured by any Lien on Collateral. The Class 11 Deficiency Claim shall accrue interest at 3% per annum until paid in full. Class 11 is Impaired under the Plan.

4.12 *Class 12: Deficiency Claim of GECC.* The Class 12 Deficiency Claim of GECC shall be satisfied in full by Pro Rata distributions from the Unsecured Creditor Fund. Distributions from the Unsecured Creditor Fund after the initial payment on the Effective Date shall take place: (a) on an annual basis beginning with the fiscal year ending September 30, 2014 (fiscal years ending September 30, 2013 and September 30, 2014 will be cumulative), within thirty (30) days of the Reorganized Debtors' receipt of their reviewed annual financial statement provided the Unsecured Creditor Fund has at least \$100,000 and (b) the Reorganized Debtors have sufficient liquidity to fund the Unsecured Creditor Fund. The Class 12 Deficiency Claim is not secured by any Lien on Collateral. The Class 12 Deficiency Claim shall accrue interest at 3% per annum until paid in full. Class 12 is Impaired under the Plan.

4.13 *Class 13: Non-Priority, Unsecured Claims against the Debtors.* The Class 13 Allowed Claims shall be satisfied in full by Pro Rata distributions from the Unsecured Creditor Fund. Distributions from the Unsecured Creditor Fund after the initial payment on the Effective Date shall take place: (a) on an annual basis beginning with the fiscal year ending September 30, 2014 (fiscal years ending September 30, 2013 and September 30, 2014 will be cumulative), within thirty (30) days of the Reorganized Debtors' receipt of their reviewed annual financial statement provided the Unsecured Creditor Fund has at least \$100,000 and (b) the Reorganized Debtors have sufficient liquidity to fund the Unsecured Creditor Fund. The Class 13 Allowed Claims are not secured by any Lien on Collateral. The Class 13 Allowed Claims shall accrue interest at 3% per annum until paid in full. Class 13 is Impaired under the Plan.

4.14 *Class 14(a): Equity Interests of CTS.* On the Effective Date, each Holder of an Equity Interest in CTS will maintain its Equity Interest in CTS. However, no Holder of an Equity Interest in CTS shall receive a distribution on account of such Equity Interest until the Allowed Claims and Deficiency Claims in Classes 11, 12 and 13 have been paid in full. Class 14(a) is Impaired under the Plan.

4.15 *Class 14(b): Equity Interests of Tandem.* On the Effective Date, each Holder of an Equity Interest in Tandem will maintain its Equity Interest in Tandem. However, no Holder of an Equity Interest in Tandem other than Reorganized CTS shall receive a distribution on account of such Equity Interest until the Allowed Claims and Deficiency Claims in Classes 11, 12 and 13 have been paid in full. Class 14(b) is Impaired under the Plan.

4.16 *Class 14(c): Equity Interests of Investment.* On the Effective Date, each Holder of an Equity Interest in Investment will maintain its Equity Interest in Investment. Class 14(c) is Unimpaired under the Plan.

4.17 *Class 14(d): Equity Interests of Eastern.* On the Effective Date, each Holder of an Equity Interest in Eastern will maintain its Equity Interest in Eastern. Class 14(d) is Unimpaired under the Plan.

ARTICLE V – EXECUTION AND IMPLEMENTATION OF THE PLAN

5.1 *Funding of the Plan.* The Plan will be funded by the Reorganized Debtors': (a) assumption of the DIP Financing with Marquette; (b) entering into the Exit Financing with Marquette; (c) disposition of certain Collateral as set forth in Schedules 4.2, 4.3, 4.5, 4.6, 4.7 and 4.8 as set forth therein; and (d) the operation of the Reorganized Debtors' businesses, which will include the assumption of certain Executory Contracts by the Debtors and their subsequent assignment to the Reorganized Debtors as further described in Article VI of the Plan. The Reorganized Debtors will also enter into new triple-net real estate leases with General Investment Holdings, LLC (a related, non-debtor company) at the same or similar rate per square foot as the Debtors' prepetition leases.

5.2 *Authorization to Effectuate the Plan.* The entry of the Confirmation Order shall constitute authorization for the Debtors and/or Reorganized Debtors, as appropriate, to take or cause to take all corporate action necessary and appropriate to consummate the Plan prior to and after the Effective Date and all such actions taken or caused to be taken shall be deemed to have occurred and shall be in effect from and after the Effective Date pursuant to any applicable nonbankruptcy law and the

Bankruptcy Code, without any requirement of further action by the Debtors and/or Reorganized Debtors. On or before the Effective Date, the Reorganized Debtors shall be authorized and directed to execute and deliver the agreements, documents and instruments contemplated by the Plan.

5.3 *Unsecured Creditor Fund Initial Payment.* The Reorganized Debtors will make a one-time payment of \$100,000.00 to the Unsecured Creditor Fund as of the Effective Date of the Plan.

5.4 *Vesting of Assets in the Reorganized Debtors.* All of the assets, properties and rights of each respective Debtor owned by such Debtor of every type and description, tangible and intangible, wherever located, shall be transferred and automatically vested in the corresponding Reorganized Debtor free and clear of all Liens, Claims, rights of setoff, security interests, pledges, encumbrances, adverse rights of interest, covenants, charges, debts and contractually imposed restrictions, and all such Liens, Claims, rights of setoff, security interests, pledges, encumbrances, adverse rights of interest, covenants, charges, debts and contractually imposed restrictions shall be extinguished except as otherwise provided in the Plan or by a separate Final Order.

5.5 *Causes of Action and Bankruptcy Causes of Action.* All Causes of Action shall be transferred at Confirmation to the Reorganized Debtors, who shall then have the right to commence and pursue all Causes of Action. Neither the Debtors nor the Reorganized Debtors believe it is in the best interests of the Estates to pursue the Bankruptcy Causes of Action; accordingly, if the Plan is Confirmed the Debtors and Reorganized Debtors will waive and release any and all Bankruptcy Causes of Action as of the Effective Date.

ARTICLE VI – EXECUTORY CONTRACTS

6.1 *Treatment of Executory Contracts.* Effective on and as of the Effective Date, any and all Executory Contracts that exist between CTS, Tandem, Investment and/or Eastern on the one hand and any Entity on the other hand which: (a) have not expired or terminated pursuant to their own terms; (b) have not been previously rejected pursuant to an order of the Bankruptcy Court on or prior to the Effective Date; (c) are not subject of a pending motion to reject as of the Effective Date; or (d) are not specified in the list of Executory Contracts to be rejected by the Debtors pursuant to the Plan as set forth in Schedule 6.1 are hereby specifically assumed; *provided, however,* that the Debtors and Reorganized Debtors shall have the right, at any time prior to the Effective Date, to amend Schedule 6.1 to: (y) add any Executory Contract to Schedule 6.1, thereby providing for its rejection pursuant to the Plan; or (z) delete any Executory Contract from Schedule 6.1, thereby providing for its assumption pursuant to the Plan. The Confirmation Order shall, subject to and upon the occurrence of the Effective Date, constitute an order of the Bankruptcy Court: (i) approving the assumption of Executory Contracts assumed under the Plan pursuant to §§ 365 and 1123(b)(2) of the Bankruptcy Code and Article VI of the Plan; (ii) extending the time, pursuant to § 365(d)(4) of the Bankruptcy Code and Article VI of the Plan, may assume, assume and assign, or reject such Executory Contract through the Effective Date; (iii) approving the assignment by CTS, Tandem, Investment, or Eastern, as appropriate, to Reorganized CTS, Reorganized Tandem, Reorganized Investment, or Reorganized Eastern, as appropriate, of any Executory Contract assumed under Article VI of the Plan or other order of the Bankruptcy Code pursuant to §§ 365 and 1123(b)(2) of the Bankruptcy

Code; and (iv) approving the rejection by the Debtors of any Executory Contract rejected under Article VI of the Plan or other order of the Bankruptcy Court pursuant to §§ 365 and 1123(b)(2) of the Bankruptcy Code.

6.2 *Cure of Defaults for Assumed and Assigned Executory Contracts.* The Debtors have reviewed the Executory Contracts not listed on Schedule 6.1 and calculated the amount necessary to cure any monetary defaults under such Executory Contracts. The list of cure payments for each Executory Contract to be assumed pursuant to the Plan is attached as Schedule 6.2. The Reorganized Debtors will satisfy all undisputed cure and other monetary default payments under any Executory Contract assumed under Article VI of the Plan as required by § 365(b)(1) of the Bankruptcy Code, to the extent that there is any cure or monetary default, to the extent the counterparty to the assumed Executory Contract has not waived any cure payment, by: (a) the payment of the undisputed cure amount in twelve (12) monthly installments, together with interest at the rate of 3% per annum, commencing on the Distribution Date and continuing on the same day of each month thereafter until paid in full; (b) to the extent such cure amount is disputed, the payment shall be in twelve (12) equal monthly installments, together with interest at 3% per annum, commencing thirty (30) days following the entry of a Final Order determining the cure amount and continuing on the same day of each month thereafter until paid in full; or (c) such other cure period and payment method as agreed among the Debtors, Reorganized Debtors and counterparty to the assumed Executory Contract. Executory Contract cure obligations, if not previously determined by an order of the Bankruptcy Court prior to the Effective Date, may be paid without further order of the Bankruptcy Court if such cure amounts are

agreed to by the Reorganized Debtors and the counterparty to such Executory Contract. To the extent the Reorganized Debtors and the counterparty to an Executory Contract assumed pursuant to Article VI of the Plan cannot agree as to the cure amount, then the cure amount will be determined by the Bankruptcy Court after notice and a hearing.

6.3 *Resolution of Objections to Assumption and Assignment of Executory Contracts or Cure Payment.* Any party objecting to: (a) the Debtors' proposed assumption of any Executory Contract and the corresponding assignment of such Executory Contract to the Reorganized Debtors; or (b)(i) the amount of any cure payments, if any (which is only the monetary cure amount, if any, that the Reorganized Debtors shall be obligated to pay in connection with the assumption and assignment of any such Executory Contract unless the Bankruptcy Court orders otherwise); (ii) the ability of the Reorganized Debtors to provide adequate assurance of future performance under § 365 of the Bankruptcy Code; or (iii) any other matter pertaining to the assumption or assignment of an Executory Contract under § 365 of the Bankruptcy Code, shall file and serve a written objection to the assumption and assignment of such Executory Contract on or before the deadline set by the Bankruptcy Court for filing objections to the Plan. Failure to file an objection within the time period set forth herein shall constitute: (y) consent to the assumption and assignment of the Executory Contracts, including an acknowledgment that the Reorganized Debtors have provided adequate assurance of future performance; and (z) consent to the cure amount, if any, listed on Schedule 6.2.

To the extent an objection to the assumption and assignment of an Executory Contract is based on the assertion the Reorganized Debtors are unable to provide

adequate assurance of future performance under such Executory Contract, such an objection shall be heard and determined at the hearing on Confirmation of the Plan.

To the extent that an objection to the assumption and assignment of an Executory Contract is based on the cure payment and such objection is not resolved by agreement of the parties, such an objection shall be heard and determined at a hearing to be held at a date and time to be determined by the Bankruptcy Court. The resolution of such objections shall not affect the assumption and assignment of the Executory Contract subject to the objection but rather shall affect only the cure amount the Reorganized Debtors must pay in order to assume such Executory Contract. Notwithstanding the foregoing, if the Debtors or the Reorganized Debtors determine, in their sole discretion, that the amount asserted to be the cure necessary to assume the contract would make the assumption and assignment of the Executory Contract imprudent, then the Debtors and Reorganized Debtors may elect: (i) to reject the Executory Contract; or (ii) seek an immediate hearing on the cure amount and reserve their rights to reject the Executory Contracts pursuant to Article VI of the Plan following the Bankruptcy Court's decision.

6.4 *Indemnification Obligations.* Except for the indemnification obligations of the Debtors: (a) to their current and former officers and directors, if any; (b) under any Executory Contract of the Debtors assumed and assigned under Article VI of the Plan or by other order of the Bankruptcy Court; or (c) any local, state or federal law or regulation applicable to the Reorganized Debtors on and after the Effective Date, any obligations of the Debtors pursuant to their articles of incorporation, by-laws, codes of regulation, applicable local, state or federal law, or specific agreement, or combination of the

foregoing, to indemnify or reimburse a person with respect to all present and future actions, suits and proceedings, based upon any act or omission related to service with, for, or on behalf of the Debtors shall not survive Confirmation and shall be discharged in accordance with § 1141 of the Bankruptcy Code, irrespective of whether such indemnification or reimbursement is owed in connection with an event occurring before, on, or after the CTS Petition Date or the Affiliate Petition Date.

ARTICLE VII – SUBSTANTIVE CONSOLIDATION OF THE DEBTORS FOR THE PURPOSES OF PLAN DISTRIBUTIONS ONLY

The Chapter 11 Cases of the Debtors will be substantively consolidated into a single case for the purposes of Plan distributions only. All property of each Debtor's Estate will be deemed to be property of the consolidated Estates. All Claims that are allowed against a Debtor will be deemed to be an allowed Claim against the consolidated Debtors, any proof of Claim filed against one or more of the Debtors will be deemed to be a single Claim filed against the consolidated Debtors, and all duplicate proofs of Claim for the same Claim filed against more than one Debtor will be deemed expunged.

Due to the substantive consolidation of the Debtors for distributions under the Plan, all Claims by a Debtor against another Debtor will be waived and expunged. Furthermore, except as provided herein, any Claim based upon prepetition unsecured guaranties by one Debtor in favor of one or more Debtors or other basis of co-Debtor liability will be eliminated, and no distributions under the Plan will be made on account of such Claims based upon such guaranties or other basis of co-Debtor liability. For the purposes of any setoff authorized under § 553 of the Bankruptcy Code, the Debtors will be treated as one consolidated Entity so that, subject to the other provisions and

requirements of § 553 of the Bankruptcy Code, prepetition debts due to any of the Debtors may be set off against the prepetition debts of any other of the Debtors.

Notwithstanding the foregoing, the Plan will not result in the merger or otherwise affect the separate legal existence of each Debtor, other than with respect to distribution rights under the Plan. Furthermore, the substantive consolidation of the Debtors shall not: (a) impair the validity or enforceability of any guarantees that exist under or with respect to any Executory Contracts assumed under the Plan or other order of the Bankruptcy Court; (b) affect valid, enforceable and unavoidable security interests that would not otherwise be terminated under the Plan; (c) have the effect of creating a Claim in a Class different from the Class in which a Claim would have been placed absent substantive consolidation; or (d) affect the obligation of each of the Reorganized Debtors to pay Trustee Fees until such time as each Debtor's case is closed.

ARTICLE VIII – PROVISIONS GOVERNING DISTRIBUTIONS

8.1 *Distributions.* The Reorganized Debtors, in accordance with the terms and conditions of the Plan, shall make all distributions to Holders of Claims which are allowed under the Plan as set forth herein.

8.2 *Delivery of Distributions and Undeliverable Distributions.* Distributions to the Holders of Claims allowed under the Plan shall be made at the address of each such Holder as set forth in the CTS Schedules, Tandem Schedules, Investment Schedules, or Eastern Schedules, as appropriate, unless such address is superseded by the Holder's address as set forth on the most recent proof of Claim filed by such Holder or other writing notifying the Debtors and Reorganized Debtors of a change of address. If any Holder's distribution is returned as undeliverable, no further distributions

will be made to such Holder unless the Reorganized Debtors are notified of a new address within sixty (60) days after the date such distribution is made to the Holder's last address as known by the Reorganized Debtors. Should such Holder notify the Reorganized Debtors of its current address within the time frame provided above, the Reorganized Debtors shall make any undelivered distributions to the Holder's new address, without interest.

In the event that a Holder of an allowed Claim does not notify the Debtors or Reorganized Debtors of a new address within sixty (60) days of a distribution being returned as undeliverable, and the Reorganized Debtors, after reasonably diligent efforts, are unable to find a new address within such time period, all prior distributions to that Holder returned as undeliverable shall become property of the Reorganized Debtors unless the Holder has an allowed Class 11, 12 and 13 Claim, in which case the prior distributions will be redeposited into the Unsecured Creditors Fund. Any Holder of an allowed Claim relating to an undeliverable distribution who does not assert such entitlement within the timeframes set forth in this Article shall have its allowed Claim discharged and forever barred as against the Debtors, the Reorganized Debtors, their Estates, and their creditors and any obligation to such Holder arising from such allowed Claim shall be deemed null and void.

8.3 *Time Bar to Cash Payments.* Checks issued by the Reorganized Debtors with respect to Claims allowed under the Plan shall be null and void if not negotiated within one hundred twenty (120) days after the date of issuance. The Holder of the allowed Claim who does not timely negotiate a distribution check may request the

Reorganized Debtors reissue a new distribution check for the nonnegotiated distribution amount, without interest.

8.4 *De Minimus Distributions.* If any interim distribution to a Holder of an allowed Claim is less than \$25, the Reorganized Debtors may hold such distribution in trust to be paid, without interest, to such Holder on the next date on which a distribution is made to such Holder under the Plan. If any final distribution to a Holder of an allowed Claim is less than \$25, the Holder of such allowed Claim shall not receive the distribution and shall be forever barred from asserting any Claim therefor against the Debtors, the Reorganized Debtors, their Estates, and their creditors and such distribution shall become property of the Reorganized Debtors.

8.5 *Objections to Claims.* Objections to Disputed Claims shall be filed with the Bankruptcy Court and served upon the Holder of a Disputed Claim to which an objection is made on or before December 31, 2013 or such other time as authorized by the an order of the Bankruptcy Court. The failure of the Debtors or Reorganized Debtors to object to or examine any Claim shall not be deemed a waiver of the right to object to or to examine such Claim in whole or in part to determine the validity of such Claim. No party shall be required to object to a Claim where no purpose would be served. An objection to a Disputed Claim under Article VIII, § 5 of the Plan and a request to estimate a Disputed Claim under Article VIII, § 8 of the Plan are cumulative and not exclusive procedures.

8.6 *Resolution of Disputed Claims.* Unless otherwise ordered by the Bankruptcy Court, the Debtors and Reorganized Debtors shall have the right to make and file objections to Disputed Claims and shall serve a copy of each objection on the

Holder of the Disputed Claim within the timeframe set forth in Article VIII, § 5 of the Plan. All objections shall be litigated to a Final Order except to the extent that the party who raised the objection elects to withdraw any such objection or such party and the Holder of the Disputed Claim elect to compromise, settle or otherwise resolve any Disputed Claim without approval of the Bankruptcy Court; *provided, however*, that any such compromise, settlement or other resolution of a Disputed Claim by the Debtors or Reorganized Debtors which results in an allowed Claim which is more than \$35,000 different than the amount of such Claim appearing in the CTS Schedules, Tandem Schedules, Investment Schedules, or Eastern Schedules, as appropriate, shall require the approval of the Bankruptcy Court.

8.7 *Payment to Classes Formerly Containing a Disputed Claim.* If, on and after the Distribution Date, a Disputed Claim becomes an Allowed Claim, Allowed Secured Claim or allowed Deficiency Claim and therefore is entitled to payment under the Plan, the Reorganized Debtors shall distribute payment to such Holder of the newly Allowed Claim, Allowed Secured Claim or allowed Deficiency Claim as provided in the Plan as practicable after the Disputed Claim becomes an Allowed Claim, Allowed Secured Claim or allowed Deficiency Claim; *provided, however*, that such distributions shall not provide the Holder of the newly Allowed Claim, Allowed Secured Claim or allowed Deficiency Claim to receive more than it would have received had it held an Allowed Claim, Allowed Secured Claim or allowed Deficiency Claim at the time of any prior distributions under the Plan.

8.8 *Estimation.* The Debtors may request that the Bankruptcy Court estimate any Disputed Claim pursuant to § 502(c) of the Bankruptcy Code for the purposes of

voting on the Plan regardless of whether the Debtors have previously objected to such Claim. A request to estimate a Disputed Claim under Article VIII, § 8 of the Plan and an objection to a Disputed Claim under Article VIII, § 5 of the Plan are cumulative and not exclusive procedures.

8.9 *Professional Fees and Expenses.* Each professional Entity retained with approval by order of the Bankruptcy Court or requesting compensation in the Chapter 11 Cases pursuant to §§ 330, 331 or 503(b) of the Bankruptcy Code shall be required to file an application for allowance of final compensation and reimbursement of expenses incurred through the Effective Date within sixty (60) days of the Effective Date. Objections to any such application shall be filed in accordance with the notice of motion and opportunity to object filed with such application.

ARTICLE IX – RELEASES, INJUNCTIONS, STAYS AND EXCULPATIONS

9.1 *Releases of Released Parties by the Debtors and their Estates.* To the extent not previously released by prior orders of the Bankruptcy Court, on the Effective Date, CTS, Tandem, Investment, and Eastern, each in its individual capacity and as debtor-in-possession, for and on behalf of each Debtor's respective Estate, release and discharge, absolutely, unconditionally, irrevocably and forever, and shall be permanently enjoined from any prosecution or attempted prosecution of, any and all Causes of Action and Bankruptcy Causes of Action arising prior to the Effective Date, against the Released Parties to the extent such Cause of Action or Bankruptcy Cause of Action relates to the Debtors, the Chapter 11 Cases, or the Plan.

9.2 *Releases of Released Parties by Holders of Claims.* To the fullest extent permitted by applicable law, each Holder of a Claim against a Debtor or a Holder of an

Equity Interest in a Debtor releases and discharges, absolutely, unconditionally, irrevocably and forever, and shall be permanently enjoined from any prosecution or attempted prosecution of, any and all Causes of Action and Bankruptcy Causes of Action arising prior to the Effective Date, against the Released Parties to the extent such Cause of Action or Bankruptcy Cause of Action relates to the Debtors, the Chapter 11 Cases, or the Plan.

9.3 *Exculpation.* Except with respect to obligations under the Plan, neither the Debtors, the Released Parties, nor their officers, directors, managers, members, shareholders, employees, agents, and professionals (acting in such capacity) shall have or incur any Claim or other liability, direct or derivative, known or unknown, foreseen or unforeseen, legal or equitable, to any Entity whatsoever, including any Holder of a Claim or Equity Interest, for any act taken in connection with, or arising out of, the Chapter 11 Cases, the formulation, preparation, dissemination or confirmation of the Plan, the consummation of the Plan, or the administration of the Plan or property to be distributed under the Plan, or any contract, instrument, release, or other agreement or document created or entered into, pursuant or in connection with, the Plan. With regard to the Debtors' officers, directors and shareholders, the exculpation in Article IX, § 3 of the Plan is limited to such officer's, director's or shareholder's action(s) in their capacity as officer, director, or shareholder of the Debtors or acting on behalf of the Debtors and does not extend to these persons acting in their capacity as a third party guarantor or co-obligor of any Claim.

9.4 *Retention of Causes of Action and Reservation of Rights.*

(a) Maintenance of Causes of Action. The Reorganized Debtors, pursuant to § 1123 of the Bankruptcy Code, shall be entitled to the exclusive right, authority and discretion to institute, prosecute, abandon, settle, or compromise, as appropriate in the sole discretion of the Reorganized Debtors, any and all Causes of Action, except for: (i) any Bankruptcy Causes of Action, which are expressly waived and released as of the Effective Date; and (ii) any Causes of Action waived pursuant to the Plan or separate order of the Bankruptcy Court.

(b) Preservation of Causes of Action. Unless a Cause of Action is waived, released, relinquished, compromised or settled pursuant to the Plan or separate order of the Bankruptcy Court, the Debtors and Reorganized Debtors expressly reserve such Cause Action for later adjudication, and therefore no preclusion doctrine, including without limitation the doctrines of *res judicata*, collateral estoppel, waiver, or estoppel (judicial, equitable, or otherwise), or laches shall apply to such Causes of Action upon or after Confirmation based on the Disclosure Statement, the Plan or the Confirmation Order. The Debtors and Reorganized Debtors expressly reserve the right to pursue or adopt any Cause of Action so preserved that are alleged in any lawsuit in which the Debtors are a defendant or an interested party, against any Entity, including the plaintiffs or co-defendants in such lawsuits. Any Entity to whom the Debtors have incurred an obligation (whether on account of services, purchase of goods, sale of goods, or otherwise), or who has received services from the Debtors or a transfer of money or property of the Debtors, or who has transacted business with the Debtors, or leased equipment or property from the Debtors should assume that such obligation, transfer or transaction may be reviewed by the Debtors or Reorganized Debtors

subsequent to the Effective Date and may, to the extent not therefore waived, relinquished, released, compromised or settled, be the subject of an action after the Effective Date, whether or not: (i) such Entity filed a proof of Claim in the Chapter 11 Cases; (ii) such Entity's proof of Claim is the subject of an objection; (iii) such Entity's Claim was scheduled by a Debtor; or (iv) such Entity's scheduled Claim was listed as disputed, contingent or unliquidated or is the subject of an objection.

9.5 *Discharge of Claims.* Except as otherwise provided herein: (a) the rights afforded herein and the treatment of all Claims and Equity Interests in the Plan shall be in exchange for and in complete satisfaction, discharge and release of Claims of any nature whatsoever, including any interest accrued on Claims from and after the Petition Date, against the Reorganized Debtors or any of their assets or properties; (b) on the Effective Date, all such Claims against the Reorganized Debtors shall be satisfied, discharged and released in full; (c) all Entities shall be precluded from asserting against the Reorganized Debtors, their successors or their assets or properties any other or further Claims based upon any act or omission, transaction or activity of any kind or nature that occurred prior to the Effective Date.

ARTICLE X – MANAGEMENT AND OWNERSHIP OF THE REORGANIZED DEBTORS

On June 5, 2013, Walter Bay, founder, President and director of the Debtors, passed away. Upon information and belief; based upon a review of Walter Bay's personal records, Walter Bay was the sole shareholder of CTS. Those Equity Interests are part of Walter Bay's estate.

The passing of Walter Bay necessitated a change in the management of the Debtors as well. As of the date of this Plan, CTS's board of directors is comprised of Carolyn Bay, Jeff Gross, David Bay & Maria Gross. Jeff Gross serves as its President and David Bay serves as its Secretary. Jeff Gross and David Bay are the directors of Tandem, Investment and Eastern as of the date of this Plan. Jeff Gross serves as President of Tandem, Investment and Eastern. David Bay serves as Vice President of Tandem and Secretary of Investment and Eastern. Terry Killingbeck is the Secretary of Tandem.

These officers and directors will continue to serve in such capacities as officers and directors of the Reorganized Debtors, subject to any future action taken by the Reorganized Debtors' board of directors or shareholders (as applicable) in accordance with applicable non-bankruptcy law.

ARTICLE XI – ACCEPTANCE OR REJECTION OF THE PLAN

11.1 *Voting of Claims.* Each Holder of an Allowed Claim, Allowed Secured Claim, or allowed Deficiency Claim in a Class that is Impaired shall be entitled to vote to accept or reject the Plan by following the procedures set forth herein and in the Disclosure Statement. For the purposes of calculating the number of Allowed Claims, Allowed Secured Claims, or allowed Deficiency Claims in a Class that have voted to accept or reject the Plan under § 1126(c) of the Bankruptcy Code, an Allowed Claim, Allowed Secured Claim, or allowed Deficiency Claim in such Class held by one entity or affiliate thereof (as that term is defined in the Securities Act of 1933 and the rules and

regulations promulgated thereunder) shall be aggregated and treated as one Allowed Claim, Allowed Secured Claim, or allowed Deficiency Claim in such Class.

11.2 *Acceptance by a Class.* Consistent with § 1126(c) of the Bankruptcy Code, and except as provided for in § 1126(e) of the Bankruptcy Code, a Class shall have accepted the Plan if Holders of at least two-thirds in dollar amount and more than one-half in number of Allowed Claims, Allowed Secured Claims, or allowed Deficiency Claims or Equity Interests in such Class have timely and properly voted to accept the Plan.

11.3 *Cramdown.* Should any Impaired Class not vote to accept the Plan, the Debtors shall utilize the “cramdown” provisions of § 1129(b) of the Bankruptcy Code to satisfy the requirements for Confirmation.

ARTICLE XII – EFFECTS OF CONFIRMATION

12.1 *Release of Assets.* The Bankruptcy Court shall retain jurisdiction over the Debtors and their estates, assets and property through the Effective Date. On the Effective Date, all property transferred to the Reorganized Debtors and all rights of the Reorganized Debtors shall be removed from the jurisdiction of the Bankruptcy Court (subject to the provisions of Article XIII of the Plan) and the Reorganized Debtors may use, acquire, sell, assign, transfer, license or dispose of property free from any restrictions of the Bankruptcy Code or the Bankruptcy Rules, subject to the requirements of the Plan.

12.2 *Binding Effect.* Except as otherwise provided in § 1141(d)(3) of the Bankruptcy Code, as of the Effective Date the provisions of the Plan shall bind any Holder of a Claim against the Debtors or a Holder of an Equity Interest in the Debtors

and their respective successors and assigns, whether or not the Claim or Equity Interest is Impaired under the Plan and whether or not such Holder has accepted the Plan.

12.3 *Term of Injunction or Stays.* Unless otherwise provided in the Plan or by an order of the Bankruptcy Court, all injunctions or stays provided for in the Chapter 11 Cases pursuant to §§ 105 or 362 of the Bankruptcy Code or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until all distributions required to be made under this Plan have been made.

12.4 *Plan Injunction.* As of the Effective Date, all Entities are permanently enjoined from commencing or continuing in any manner any action or proceeding (whether directly, indirectly, derivatively or otherwise) on account of or respecting any Claim, debt, interest or right of the Debtors as well as on account of or respecting any Cause of Action (for which the Reorganized Debtors retain sole and exclusive authority to pursue in accordance with Article IX, § 4 of the Plan) or any Bankruptcy Cause of Action (which are waived and released as of the Effective Date pursuant to Article V, § 4 of the Plan).

ARTICLE XIII – RETENTION OF BANKRUPTCY COURT JURISDICTION

The Bankruptcy Court shall retain jurisdiction of all matters arising under, arising out of, or related to, the Chapter 11 Cases and this Plan pursuant to, and for the purposes of, §§ 105(a) and 1142 of the Bankruptcy Code for, among other things, the following purposes:

- (a) To hear and determine pending applications for the rejection of Executory Contracts, if there are any pending, and the allowances of Claims resulting therefrom;

(b) To determine any and all adversary proceedings, applications, contested matters, filings and Causes of Action (whether filed before or after the Effective Date);

(c) To hear and determine any requests for estimation of Claims (whether filed before or after the Effective Date) and any objections thereto;

(d) To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, altered, modified or vacated;

(e) To issue any orders in aid of execution of the Plan, to the extent authorized by § 1142 of the Bankruptcy Code;

(f) To consider any modifications to the Plan, to cure any defect or omission, or reconcile any inconsistency in the Plan, the Disclosure Statement, or any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(g) To hear and determine all applications for compensation and reimbursement of expenses of professions under §§ 330, 331 and 503 of the Bankruptcy Code and any disputes or objections related thereto;

(h) To hear and determine disputes arising in connection with the retention of professionals under §§ 327 and 328 of the Bankruptcy Code and any disputes or objections related thereto;

(i) To hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of this Plan or the Confirmation Order;

(j) To ensure that distributions to Holders of Allowed Claims, Allowed Secured Claims, or Allowed Deficiency Claims are accomplished as provided in this Plan;

(k) To determine such other matters and for such other purposes as may be provided in the Confirmation Order;

(l) To hear and determine issues arising under this Plan, including disputes among Holders of Claims, and arising under agreements, instruments and documents executed in connection with this Plan;

(m) To hear and determine matters concerning state, local, and federal taxes in accordance with §§ 346, 505 and 1146 of the Bankruptcy Code;

(n) To hear any other matter related hereto and not inconsistent with the Bankruptcy Code; and

(o) To enter a final decree closing the Chapter 11 Cases.

Notwithstanding the foregoing, if a Reorganized Debtor fails to make a payment due under the Plan to any Holder of a Claim, and if the payment and default is not cured by the earlier of: (a) 30 days from the transmittal of a written notice of default by the Holder to the Reorganized Debtors, or (b) payment default cure period of any Executory Contract, contract or lease between the Holder and a Reorganized Debtor, such Holder may exercise any and all rights and remedies it has available under applicable non-bankruptcy law to collect the amount of the Holder's Allowed Claim under the Plan without further notice or action by the Bankruptcy Court.

ARTICLE XIV – MODIFICATION OF THE PLAN

The Debtors reserve the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify the Plan at any time prior to the entry of the Confirmation Order. After entry of the Confirmation Order, the Reorganized Debtors may, upon notice and hearing and an order of the Bankruptcy Court, amend or modify the Plan in accordance with § 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan. A Holder of a Claim or Equity Interest that is deemed to have accepted the Plan shall be deemed to have accepted

the Plan as modified if the proposed modification does not materially and adversely change the treatment of the Claim or Equity Interest of such Holder.

ARTICLE XV – DISCHARGE OF THE DEBTORS

Except as otherwise provided in § 1141(d) of the Bankruptcy Code, the Plan, or the Confirmation Order, Confirmation of the Plan shall discharge the Debtors from any debt that arose before the Confirmation Date and any debt of the kind specified in §§ 502(g), (h) or (i) of the Bankruptcy Code, whether or not:

- (a) a proof of Claim based upon such debt is filed pursuant to § 501 of the Bankruptcy Code;
- (b) a Claim based upon such debt is allowed under § 502 of the Bankruptcy Code; or
- (c) the Holder of a Claim based upon such debt has accepted the Plan.

ARTICLE XVI – MISCELLANEOUS PROVISIONS

16.1 *Courts of Competent Jurisdiction.* If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of the Plan, such abstention, refusal or failure of jurisdiction shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

16.2 *Post-Confirmation Date Professional Fees and Expenses.* After the Effective Date the Reorganized Debtors shall, without the necessity for any approval of the Bankruptcy Court, pay the reasonable fees and expenses of professional persons employed by the Reorganized Debtors in connection with the implementation and consummation of the Plan and any other matters as to which the professionals may be engaged.

16.3 *Payment of Trustee Fees.* All Trustee Fees due and payable as of the Confirmation Date shall be paid on the Distribution Date. Any Trustee Fees accruing after the Confirmation Date shall be paid by the Reorganized Debtors when due. The Reorganized Debtors shall be responsible for preparing and filing post-Confirmation reports.

16.4 *Severability.* If the Bankruptcy Court or other court of competent jurisdiction determines that any provision of the Plan is invalid, void, or unenforceable, the Bankruptcy Court or such other court shall, with the consent of the Debtors, have the power to alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable. Such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and in no way shall be affected, impaired, or invalidated by such holding, alteration, or interpretation.

16.5 *Successors and Assigns.* The rights, benefits, and obligations of any Entity named or referred in the Plan shall be binding upon, and shall inure to the benefit of, any successor or assign of such Entity.

16.6 *Governing Law.* Except to the extent that the Bankruptcy Code or the Bankruptcy Rules are applicable, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Indiana, without giving effect to the principles of conflicts of law thereof.

16.7 *Application of § 1146 of the Bankruptcy Code.* The issuance, transfer, or exchange of a security, or the making or delivery of an instrument of transfer under the Plan shall be entitled to the tax treatment provided by § 1146 of the Bankruptcy Code and each recording or other agent of any governmental office shall record any such documents of issuance, transfer or exchange without any further direction or order from the Bankruptcy Court.

16.8 *Headings.* Headings used in this Plan are for convenience and reference only, and shall not constitute part of the Plan for any other purpose.

Dated: October 28, 2013

CONSOLIDATED TRANSPORT SYSTEMS, INC.,
as debtor and debtor-in-possession,

By: /s/ Jeffrey T. Gross
Jeffrey T. Gross, President

-and-

TANDEM TRANSPORT CORP,
as debtor and debtor-in-possession,

By: /s/ Jeffrey T. Gross
Jeffrey T. Gross, President

-and-

TRANSPORT INVESTMENT CORPORATION,
as debtor and debtor-in-possession,

By: /s/ Jeffrey T. Gross
Jeffrey T. Gross, President

-and-

TANDEM EASTERN, INC.,
as debtor and debtor-in-possession,

By: /s/ Jeffrey T. Gross
Jeffrey T. Gross, President

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