

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
Miami Division
www.flsb.uscourts.gov

In re:

GOODMAN AND DOMINGUEZ, INC.,¹
TRAFFIC, INC.,
TRAFFIC LAS PLAZAS, INC.,
TRAFFIC PLAZA DEL NORTE, INC.,
d/b/a TRAFFIC SHOES,

Debtors.

Case No. 16-10056-RAM
Case No. 16-10060
Case No. 16-10061
Case No. 16-10062
Chapter 11
Jointly Administered

**DISCLOSURE STATEMENT FOR PLAN PROPONENTS' PLAN OF
REORGANIZATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE**

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Dated: September 21, 2016

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¹ The Debtors' current mailing address is 10701 NW 127 St, Medley, FL 33178. G&D and TI both use EIN 59-2268839. Las Plazas's EIN is 66-0726918 and Plaza del Norte's EIN is 66-0719972.

DISCLAIMER

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS INCLUDED HEREIN FOR PURPOSES OF SOLICITING ACCEPTANCES OF THE PLAN PROPONENTS' PLAN OF REORGANIZATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE, DATED SEPTEMBER 21, 2016 (AS DEFINED HEREIN, THE "PLAN"),² AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. NO SOLICITATION OF VOTES TO ACCEPT THE PLAN MAY BE MADE EXCEPT PURSUANT TO SECTION 1125 OF TITLE 11 OF THE UNITED STATES CODE.

ALL CREDITORS ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN **IN THEIR ENTIRETY** BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. ALL HOLDERS OF CLAIMS SHOULD CAREFULLY READ AND CONSIDER FULLY THE RISK FACTORS SET FORTH IN SECTION VI OF THIS DISCLOSURE STATEMENT ("RISK FACTORS IN CONNECTION WITH THE PLAN") BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. A COPY OF THE PLAN IS ANNEXED HERETO AS **EXHIBIT "1"**. PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN AND THE EXHIBITS ANNEXED TO THE PLAN AND THIS DISCLOSURE STATEMENT, INCLUDING THE DEFINITIONS OF TERMS CONTAINED IN SUCH DOCUMENTS. ALL EXHIBITS TO THE DISCLOSURE STATEMENT ARE INCORPORATED INTO AND ARE A PART OF THIS DISCLOSURE STATEMENT AS IF SET FORTH IN FULL HEREIN

THIS DISCLOSURE STATEMENT CONTAINS A SUMMARY OF CERTAIN PROVISIONS OF THE PLAN. ALTHOUGH THE PLAN PROPONENTS BELIEVE AND HAVE MADE EVERY EFFORT TO ENSURE THAT THIS SUMMARY PROVIDES ADEQUATE INFORMATION WITH RESPECT TO THE PLAN, IT DOES NOT PURPORT TO BE COMPLETE AND IS QUALIFIED TO THE EXTENT IT DOES NOT SET FORTH THE ENTIRE TEXT OF THE PLAN. IF THERE IS ANY INCONSISTENCY BETWEEN THE PLAN AND THE SUMMARY OF THE PLAN CONTAINED IN THIS DISCLOSURE STATEMENT, THE PLAN SHALL CONTROL. ACCORDINGLY, EACH HOLDER OF A CLAIM SHOULD REVIEW THE PLAN IN ITS ENTIRETY.

THE DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE UNITED STATES BANKRUPTCY CODE AND RULE 3016(b) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND NOT NECESSARILY IN ACCORDANCE WITH OTHER NON-BANKRUPTCY LAW. PERSONS OR ENTITIES TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING CLAIMS AGAINST THE DEBTORS SHOULD EVALUATE THIS DISCLOSURE STATEMENT AND THE PLAN IN LIGHT OF THE PURPOSE FOR WHICH IT WAS PREPARED. THIS DISCLOSURE STATEMENT SHALL NOT BE CONSTRUED TO BE ADVICE ON THE TAX, SECURITIES OR OTHER LEGAL EFFECTS OF THE

² Unless otherwise defined, capitalized terms used herein shall have the meaning ascribed to such terms in the Plan.

REORGANIZATION OF THE DEBTORS AS TO HOLDERS OF CLAIMS AGAINST THE DEBTORS.

AS TO ANY CONTESTED MATTERS OR OTHER ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THIS DISCLOSURE STATEMENT WILL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING INVOLVING THE DEBTORS OR ANY OTHER PARTY, NOR WILL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST, OR EQUITY INTERESTS IN, THE DEBTORS AND DEBTORS-IN-POSSESSION IN THESE CHAPTER 11 CASES.

NO HOLDER OF A CLAIM SHOULD RELY ON ANY INFORMATION RELATING TO THE DEBTORS, THEIR PROPERTY OR THE PLAN OTHER THAN THAT CONTAINED IN THIS DISCLOSURE STATEMENT AND THE ATTACHED EXHIBITS. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED HEREIN, AND (I) THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER THE DATE HEREOF, AND (II) THE DELIVERY OF THIS DISCLOSURE STATEMENT SHALL NOT CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION STATED SINCE THE DATE HEREOF.

THIS DISCLOSURE STATEMENT AND THE PLAN ARE THE ONLY DOCUMENTS CONDITIONALLY AUTHORIZED BY THE BANKRUPTCY COURT TO BE USED IN CONNECTION WITH THE SOLICITATION OF VOTES ACCEPTING THE PLAN. NO REPRESENTATIONS HAVE BEEN CONDITIONALLY AUTHORIZED BY THE BANKRUPTCY COURT CONCERNING THE DEBTORS OR THE PLAN, EXCEPT AS EXPLICITLY SET FORTH IN THE DISCLOSURE STATEMENT. CONDITIONAL APPROVAL OF THIS DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT DOES NOT INDICATE THAT THE BANKRUPTCY COURT RECOMMENDS EITHER ACCEPTANCE OR REJECTION OF THE PLAN NOR DOES SUCH CONDITIONAL APPROVAL CONSTITUTE A DETERMINATION BY THE BANKRUPTCY COURT OF THE FAIRNESS OR MERITS OF THE PLAN OR OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT.

EXCEPT WHERE SPECIFICALLY NOTED, THE FINANCIAL INFORMATION CONTAINED HEREIN HAS NOT BEEN AUDITED BY A CERTIFIED PUBLIC ACCOUNTANT AND MAY NOT HAVE BEEN PREPARED IN ACCORDANCE WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES.

ALTHOUGH THE ATTORNEYS, ADVISORS AND OTHER PROFESSIONALS EMPLOYED BY THE PLAN PROPONENTS HAVE ASSISTED IN PREPARING THIS DISCLOSURE STATEMENT BASED UPON FACTUAL INFORMATION AND

ASSUMPTIONS RESPECTING FINANCIAL, BUSINESS, AND ACCOUNTING DATA FOUND IN THE BOOKS AND RECORDS OF THE DEBTORS, THEY HAVE NOT INDEPENDENTLY VERIFIED SUCH INFORMATION AND MAKE NO REPRESENTATIONS AS TO THE ACCURACY THEREOF. THE ATTORNEYS, ADVISORS AND OTHER PROFESSIONALS EMPLOYED BY THE PLAN PROPONENTS SHALL HAVE NO LIABILITY FOR THE INFORMATION IN THE DISCLOSURE STATEMENT.

PRIOR TO THE EFFECTIVE DATE, THE DEBTORS DO NOT INTEND TO UNDERTAKE A GENERAL CLAIMS OBJECTION PROCESS WITH RESPECT TO GENERAL UNSECURED CLAIMS, BUT THE DEBTORS RESERVE THE RIGHT TO OBJECT TO ANY CLAIM PRIOR TO THE EFFECTIVE DATE. ON AND AFTER THE EFFECTIVE DATE OF THE PLAN, THE REORGANIZED DEBTORS WILL BE VESTED WITH FULL AUTHORITY TO UNDERTAKE THE CLAIMS OBJECTION PROCESS WITH RESPECT TO ALL CLAIMS THAT HAVE NOT BEEN PREVIOUSLY RESOLVED BY COURT ORDER OR OTHERWISE (INCLUDING, BUT NOT LIMITED TO, GENERAL UNSECURED CLAIMS). THE ACTUAL AMOUNTS OF THE DISTRIBUTIONS UNDER THE PLAN TO THE HOLDERS OF ALLOWED GENERAL UNSECURED CLAIMS WILL BE DETERMINED AFTER COMPLETION OF THE CLAIMS OBJECTION PROCESS.

ALL OF THE PROJECTED RECOVERIES TO CREDITORS ARE BASED UPON THE ANALYSES PERFORMED BY THE PLAN PROPONENTS AND THEIR PROFESSIONALS. ALTHOUGH THE PLAN PROPONENTS HAVE MADE EVERY EFFORT TO VERIFY THE ACCURACY OF THE INFORMATION PRESENTED HEREIN AND IN THE EXHIBITS ATTACHED HERETO, THE PLAN PROPONENTS CANNOT MAKE ANY REPRESENTATIONS OR WARRANTIES REGARDING THE ACCURACY OF THE INFORMATION.

THE PLAN PROPONENTS BELIEVE THAT THE PLAN PROVIDES THE BEST POSSIBLE RESULT FOR ALL HOLDERS OF CLAIMS. THE PLAN PROPONENTS ALSO BELIEVE THAT THE PLAN WILL ENABLE THE DEBTORS TO ACCOMPLISH THE OBJECTIVES OF REORGANIZATION UNDER CHAPTER 11 AND THAT ACCEPTANCE OF THE PLAN IS IN THE BEST INTERESTS OF THE DEBTORS AND THEIR CREDITORS. THUS, IT IS THE OPINION OF THE PLAN PROPONENTS THAT THE TREATMENT OF CREDITORS UNDER THE PLAN CONTEMPLATES A GREATER RECOVERY THAN THAT WHICH IS LIKELY TO BE ACHIEVED THROUGH LIQUIDATION OF THE DEBTORS.

IF YOU ARE ENTITLED TO VOTE TO APPROVE THE PLAN, YOU ARE RECEIVING A BALLOT WITH YOUR NOTICE OF THIS DISCLOSURE STATEMENT. THE PLAN PROPONENTS STRONGLY URGE CREDITORS TO VOTE TO ACCEPT THE PLAN.

IRS CIRCULAR 230 NOTICE: TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, HOLDERS OF CLAIMS AND EQUITY INTERESTS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN

TO BE USED, AND CANNOT BE USED, BY HOLDERS OF CLAIMS OR EQUITY INTERESTS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING BY THE DEBTORS OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS OF CLAIMS AND EQUITY INTERESTS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

THIS DISCLOSURE STATEMENT WAS NOT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE AUTHORITY AND NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE PLAN. NEITHER THIS DISCLOSURE STATEMENT NOR THE SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY SECURITIES IN ANY STATE OR JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED.

THIS DISCLOSURE STATEMENT MAY CONTAIN “FORWARD LOOKING STATEMENTS” WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. SUCH STATEMENTS CONSIST OF ANY STATEMENT OTHER THAN A RECITATION OF HISTORICAL FACT AND CAN BE IDENTIFIED BY THE USE OF FORWARD LOOKING TERMINOLOGY SUCH AS “MAY,” “EXPECT,” “ANTICIPATE,” “ESTIMATE” OR “CONTINUE” OR THE NEGATIVE THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. THE READER IS CAUTIONED THAT ALL FORWARD LOOKING STATEMENTS ARE NECESSARILY SPECULATIVE AND THERE ARE CERTAIN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL EVENTS OR RESULTS TO DIFFER MATERIALLY FROM THOSE REFERRED TO IN SUCH FORWARD LOOKING STATEMENTS.

EXHIBITS

- Exhibit 1 Plan Proponents' Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code, dated September 21, 2016
- Exhibit 2 Liquidation Analysis
- Exhibit 3 Projections
- Exhibit 4 Schedule of Assumed Executory Contracts and Unexpired Leases

I. INTRODUCTION

On January 4, 2016 (the “**Petition Date**”),³ Goodman and Dominguez, Inc., (“**G&D**”), Traffic, Inc. (“**TI**”), Traffic Las Plazas, Inc. (“**Las Plazas**”), and Traffic Plaza Del Norte, Inc. (“**Plaza Del Norte**” and together with G&D, TI, and Las Plazas, collectively, the “**Debtors**”) each filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, as now in effect or as hereafter amended (the “**Bankruptcy Code**”).

The Debtors and the Official Committee of Unsecured Creditors appointed in these Chapter 11 Cases by the United States Trustee (the “**Creditors’ Committee**” and together with the Debtors, collectively, the “**Plan Proponents**”) submit this disclosure statement (the “**Disclosure Statement**”), pursuant to section 1125 of the Bankruptcy Code, and rule 3017 of the Federal Rules of Bankruptcy Procedure, as now in effect or as hereafter amended (the “**Bankruptcy Rules**”), in connection with the solicitation of votes on their proposed *Plan Proponents’ Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code*, dated as of September 21, 2016 (the “**Plan**”) and attached hereto as **Exhibit “1”**. The Plan Proponents believe that confirmation and implementation of the Plan is in the best interests of the Debtors’ Estates, Creditors and all other interested parties.

This Disclosure Statement and the other documents described herein are being furnished by the Plan Proponents to Creditors in the Debtors’ Chapter 11 Cases pending before the United States Bankruptcy Court for the Southern District of Florida (the “**Bankruptcy Court**”). This Disclosure Statement is intended to provide adequate information of a kind, and in sufficient detail, to enable the Debtors’ Creditors to make an informed judgment about the Plan, including whether to accept or reject the Plan. This Disclosure Statement sets forth certain information regarding (i) the Debtors’ prepetition operating and financial history; (ii) the Debtors’ need to file for relief under chapter 11 of the Bankruptcy Code; (iii) significant events that have occurred during the Debtors’ Chapter 11 Cases; (iv) the terms of the Plan; (v) the manner in which distributions will be made under the Plan; (vi) certain effects of confirmation of the Plan; (vii) certain risk factors associated with the Plan; and (viii) the confirmation process and the voting procedures that holders of Claims entitled to vote under the Plan must follow for their votes to be counted.

This Disclosure Statement is subject to the Bankruptcy Court’s approval, as containing information of a kind, and in sufficient detail, adequate to enable a hypothetical, reasonable investor typical of each of the Classes whose votes are being solicited to make an informed judgment with respect to the Plan. **THE BANKRUPTCY COURT’S CONDITIONAL APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE A DETERMINATION WITH RESPECT TO THE MERITS OF THE PLAN. ALL CREDITORS ARE ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND ITS EXHIBITS CAREFULLY AND IN THEIR ENTIRETY BEFORE DECIDING TO VOTE TO ACCEPT OR REJECT THE PLAN.**

The summary of the Plan provided herein is qualified in its entirety by reference to the Plan. To the extent that the information provided in this Disclosure Statement and the Plan

³ Any term not explicitly defined herein shall have the meaning attributed to it in the Plan (defined herein).

(including any Plan Supplements) conflict, the terms of the Plan (including any Plan Supplements) will control. Terms not otherwise specifically defined herein will have the meanings attributed to them in the Plan. Each definition in this Disclosure Statement and in the Plan includes both the singular and plural. Headings are for convenience or reference and shall not affect the meaning or interpretation of this Disclosure Statement.

A. Overview of Chapter 11 and the Plan Confirmation Process.

Chapter 11 of the Bankruptcy Code allows debtors to reorganize or to liquidate and wind up their affairs for the benefit of the debtors and their creditors. Upon the commencement of a chapter 11 case, an estate is created comprised of all the legal and equitable interests of a debtor as of the date the petition is filed, which typically remain in control of the debtor as a debtor-in-possession. The Debtors remain in possession of their property without the oversight of a trustee.

Pursuant to section 362 of the Bankruptcy Code, the filing of a chapter 11 petition imposes an automatic stay of all attempts by creditors or third-parties to collect or enforce prepetition claims against a debtor or otherwise interfere with its property or business, unless relief from the automatic stay is obtained from the bankruptcy court.

The Bankruptcy Code is designed to encourage the parties-in-interest in a chapter 11 case to negotiate the terms of a chapter 11 plan so that it may be confirmed. A chapter 11 plan is the vehicle for satisfying or otherwise addressing the claims against and the interests in the debtor. Confirmation of a chapter 11 plan makes it binding on the debtor and all of its creditors and the prior obligations owed by the debtor to such parties are compromised in exchange for the obligations specified in the plan.

After a chapter 11 plan has been filed, the holders of impaired claims against the debtor are permitted to vote to accept or reject the plan. Before soliciting acceptances of the proposed plan, section 1125 of the Bankruptcy Code requires the debtor to file a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical, reasonable investor to make an informed judgment about the plan. This Disclosure Statement is presented to holders of Claims against the Debtors entitled to vote under section 1125 of the Bankruptcy Code in connection with the Debtors' solicitation of votes on the Plan.

B. Recommendation of the Plan Proponents and Plan Overview.

The Plan contemplates that the Debtors will reorganize and continue in business under the current primary ownership and control of David Goodman. The Plan Proponents believe that the Plan will allow for a prompt resolution of the Debtors' Chapter 11 Cases and will achieve the best possible result for General Unsecured Creditors. The following is a brief overview of the Plan and is qualified by reference to the Plan itself.

C. Summary of Voting Requirements for Plan Confirmation.

1. In General.

Creditors should refer only to this Disclosure Statement and the Plan to determine whether to vote to accept or reject the Plan. Under the Bankruptcy Code, only holders of Claims that are “impaired” are entitled to vote to accept or reject the Plan. Under section 1124 of the Bankruptcy Code, a class of claims or interests is deemed to be “impaired” under a plan unless (1) the plan leaves unaltered the legal, equitable and contractual rights to which such claim or interest entitles the holder thereof; or (2) notwithstanding any legal right to an accelerated payment of such claim or interest, the plan, among other things, cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such claim or interest as it existed before the default.

An impaired class of creditors votes to accept a plan if the holders of at least two-thirds (2/3) in dollar amount, and more than one-half (1/2) in number, of those creditors that actually cast ballots vote to accept such plan. Those classes that are not impaired are not entitled to vote and are deemed to accept a plan. Those classes that are not entitled to a distribution and will not retain property under a plan are deemed to reject a plan.

A class of interest holders is deemed to accept a plan if the holders of at least two-thirds (2/3) in amount of those interest holders that actually cast ballots vote to accept such plan. A class of interest holders is impaired, not entitled to vote, and deemed to reject the plan if the plan treats such holders by providing that they will retain no property and receive no distributions under the plan.

Any Claim in an Impaired Class that is subject to a pending objection or is scheduled as unliquidated, disputed or contingent is not entitled to vote unless the holder of such Claim has obtained an order of the Bankruptcy Court temporarily allowing the Claim for the purpose of voting on the Plan.

Pursuant to the Bankruptcy Code, only creditors who actually vote on the Plan will be counted for purposes of determining whether the required number of acceptances have been obtained. Failure to deliver a properly completed ballot by the Voting Deadline (as defined herein) will result in an abstention; consequently, the vote will neither be counted as an acceptance or rejection of the Plan.

2. Impaired Classes Entitled to Vote.

Class 3 (General Unsecured Claims) are Impaired. Accordingly, only the Claims in Class 3 (General Unsecured Claims) are both Impaired and entitled to vote to accept or reject the Plan.

3. Unimpaired Classes Deemed to Accept the Plan.

Claims in Class 1 (Other Priority Claims) and Class 2 (Secured Claims) are Unimpaired and the vote of holders of such Claims in these Classes will not be solicited.

4. Certain Classes Are Deemed to Reject the Plan and Do Not Vote.

Under Bankruptcy Code section 1126(g), the following Classes will receive no Distributions and are deemed to have rejected the Plan: Class 4 (Subordinated Claims) and Class 5 (Equity Interests). The vote of holders of such Claims and Equity Interests in these Classes will not be solicited.

5. Voting Deadline.

If a Creditor holds a Claim classified in a voting Class of Claims under the Plan, the Creditor's acceptance or rejection of the Plan is important and must be in writing and submitted on time. The record date for determining which Creditors may vote on the Plan is _____, 2016 (the "**Voting Record Date**"). The voting deadline is _____, 2016 at _____ p.m. (prevailing Eastern Time) (the "**Voting Deadline**").

6. Voting Instructions.

IN ORDER FOR A VOTE TO BE COUNTED, THE BALLOT MUST BE PROPERLY COMPLETED IN ACCORDANCE WITH THE VOTING INSTRUCTIONS ON THE BALLOT AND RETURNED TO THE CLERK OF THE COURT OF THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF FLORIDA (MIAMI DIVISION) BY THE VOTING DEADLINE AT THE ADDRESS PRINTED ON THE BALLOT.

7. Ballots.

Creditors must use only the Ballot or Ballots sent to them with the notice of this Disclosure Statement. If a Creditor has multiple Claims that it is entitled to vote, it should receive multiple Ballots. IF A CREDITOR RECEIVES MORE THAN ONE BALLOT, THEN THE CREDITOR SHOULD ASSUME THAT EACH BALLOT IS FOR A SEPARATE CLAIM AND SHOULD COMPLETE AND RETURN ALL OF THEM.

8. Additional Information.

If you have any questions about (i) the procedure for voting on your Claim, (ii) the package of materials that you have received, (iii) the amount of your Claim, (iv) obtaining or replacing a Ballot, or (v) obtaining an additional copy of the Plan, this Disclosure Statement, or any exhibits to such documents, please contact the Debtors' counsel, Meland Russin & Budwick, P.A., 3200 Southeast Financial Center, 200 South Biscayne Boulevard, Miami, Florida 33131, ATTN: Joshua W. Dobin, telephone: 305.358.6363, email: jdobin@melandrussin.com.

II. BACKGROUND INFORMATION

A. Overview of the Debtors' Businesses.

The Debtors own and operate a closely-held business in the retail shoe industry, consisting of approximately 66 mall-based stores in nine states within the United States and Puerto Rico, and online sales via e-commerce at www.trafficshoe.com. The business, which

started in Miami in 1989 with just one store, strives to provide the hottest in teenage footwear to a fashion forward, budget conscious consumer.

B. Organizational Structure and Management of the Debtors.

G&D is a Florida corporation and is owned 70% by David Goodman and 30% by Ornella Goodman. TI is a Florida corporation and is owned 100% by David Goodman. Las Plazas is a Puerto Rican corporation and is 100% owned by David Goodman. Plaza Del Norte is a Puerto Rican corporation and is 100% owned by David Goodman.

The Debtors are jointly operated and controlled by David Goodman. The Debtors employ a senior management team consisting of: (1) Janiris Leonardo, chief financial officer; (2) Maria Suarmy Hernandez, human resources director; and (3) Felix Padron, vice president of construction.

During the fiscal year ending December 31, 2015, the gross income for G&D was \$33,583,215.24, the gross income for Las Plazas was \$1,139,792.74, and gross income from Plaza Del Norte was \$1,068,690.22. As of the Petition Date, the Debtors had assets totaling approximately \$7 million, and liabilities totaling approximately \$6 million.

C. Assets and Claims.

i. In General.

As of the Petition Date, and as reported by the Debtors in their *Amended Schedules of Assets and Liabilities and Statements of Financial Affairs* [ECF Nos. 272 (G&D), 34 (TI), and 30 (Plaza De Norte)] (collectively, the “**Schedules**”), the combined amount of the Debtors’ assets totaled approximately \$7 million, and the claims (undisputed and disputed) totaled approximately \$6 million, as follows:

Name of Debtor	Total Amount of Scheduled Assets	Total Amount of Scheduled Claims
G&D	\$6,937,076.46	\$5,399,414.92
TI	\$0	\$84,976.75
Las Plazas	\$47,306.38	\$216,139.61
Plaza Del Norte	\$48,828.15	\$313,451.05
<i>Total:</i>	\$7,033,210.99	\$6,013,982.33

ii. Description of Certain Assets.

As of the Petition Date, G&D’s assets consisted of primarily cash on hand, bank accounts, security deposits, pre-paid sales tax, and office equipment and furnishings.

As of the Petition Date, TI had no assets other than leasehold interests.

As of the Petition Date, Las Plaza's assets consisted primarily of bank accounts, deposits, and office equipment and furnishings.

As of the Petition Date, Plaza Del Norte's assets consisted of primarily bank accounts, deposits, and office equipment and furnishings.

iii. Description of Certain Claims.

Of the total amount of Claims listed on the Debtors' Schedules, and as stated herein, the largest types of claims include: (i) the secured claims of CitiBank, N.A. (\$109,472.65), (ii) administrative expense claims under section 503(b)(9) of the Bankruptcy Code (\$337,338.52), (iii) section 507(a)(2) claims for rent (48,930.89), (iv) section 507(a)(8) tax claims (\$296,923.14), and (v) General Unsecured Claims (originally estimated in the Schedules at approximately \$5.9 million exclusive of lease rejection damage claims, which based upon the Plan Proponent's preliminary analysis are expected to total approximately \$621,000.00, and are comprised primarily of lease rejection damage claims and vendor claims).

III. EVENTS LEADING TO THE CHAPTER 11 FILINGS

The filing was necessitated by the Debtors' desire to restructure their indebtedness, renegotiate, restructure, assume or reject certain leases, and reorganize for the benefit of their creditors and estates. Shopping malls have been hard hit in the last few years by the significant increase in online shopping. Stores targeting junior or teenage customers have suffered significantly as the younger generation is very tech savvy and more likely to shop online. However, in spite of this trend of increased online shopping, the demand for the Debtors' shoes and concept remain strong, and the mall-based stores at the right lease rates remain viable and are the main focus of the Debtors' business. The purpose of the Debtors' bankruptcy is to enable the Debtors to restructure occupancy and operational costs and to shed certain stores in order to continue to offer the best value to their customers.

IV. EVENTS OCCURRING DURING DEBTORS' CHAPTER 11 CASES

A. Bankruptcy Filings and First Day Orders and Other Initial Matters.

On January 4, 2016 ("***Petition Date***"), the Debtors each filed a Voluntary Petition for relief under chapter 11 of the United States Bankruptcy Code [ECF No. 1].⁶

The Debtors continue to manage and operate their business as debtors in possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

On January 5, 2016, the Debtors filed their Consolidated Chapter 11 Case Management Summary [ECF No. 5].

On January 6, 2016, the Debtors were jointly administered and G&D is the lead case [ECF No. 18].

⁶ The references to "ECF" in this Disclosure Statement are to the "Electronic Case File" system which is the docket number in the Chapter 11 Cases for the referenced item.

On January 5, 2016, the Debtors filed their expedited application to employ Peter D. Russin, Esquire, and the law firm of Meland Russin & Budwick, P.A. (“**MRB**”) *nunc pro tunc* to the Petition Date [ECF No. 11], which was approved on an interim basis on January 11, 2016 [ECF No. 30]. A final order was entered on February 8, 2016 [ECF No. 87].

On January 5, 2016, the Debtors’ filed their Emergency Motion for Pre-Petition Wages and to Maintain and Continue Employee Benefits and Programs; and for Banks and Other Financial Institutions to Honor and Process Checks and to Honor Transfers Related to Such Obligations [ECF No. 10], which was granted on January 11, 2016 [ECF No. 32].

On January 5, 2016, the Debtors’ filed their Emergency Motion for Payment of Insurance Obligations and to Continue their Insurance Programs [ECF No. 7], which was granted on January 11, 2016 [ECF No. 33].

On January 5, 2016, the Debtors filed their Emergency Motion for Maintenance of Existing Bank Accounts and Continue to Use Existing Cash Management System, and Waiver of Certain Investment and Deposit Guidelines [ECF No. 6], which was granted on an interim basis on January 19, 2016 [ECF No. 46] and on a final basis on February 11, 2016 [ECF No. 97].

On January 5, 2016, the Debtors filed their Emergency Motion to Approve Debtors to Honor Certain PrePetition Customer Programs [ECF No. 8], which was granted on January 11, 2016 [ECF No. 31].

The 341 Meeting of Creditors was held on February 5, 2016 [ECF No. 23].

The United States Trustee docketed a Notice of Appointment of a Committee of Creditors Holding Unsecured Claims (as defined, the “*Creditors’ Committee*”) pursuant to 11 U.S.C. § 1102 [ECF No. 62].

On February 2, 2016, the Creditors’ Committee filed its Application to Employ Christopher A. Jarvinen and the Law Firm of Berger Singerman LLP as Counsel for the Official Committee of Unsecured Creditors, *Nunc Pro Tunc* to January 29, 2016 [ECF No. 74], which was approved on February 25, 2016 [ECF No. 107].

On February 11, 2016 the Creditors’ Committee filed its application to employ KapilaMukamal as Financial Advisor for the Official Committee of Unsecured Creditors, *Nunc Pro Tunc* to February 9, 2016 [ECF No. 99], which was approved on February 25, 2016 [ECF No. 108].

The Debtors requested authority for certain professionals to maintain time records in support of any application for compensation and reimbursement of costs with respect to the Debtors on a consolidated basis without the necessity for tracking time separately as to each Debtor inasmuch as Debtor Goodman and Dominguez, Inc. pays for each of the Debtors’ expenses. This requested relief was granted by the Court. *See* ECF No. 87.

As set forth in the Debtors’ Emergency Motion for (A) Authority to (I) Maintain Certain Bank Accounts and Continue to Use Existing Business Forms and Checks, and (II) Continue to Use Existing Cash Management System, and (B) Waiver of Certain Investment and Deposit

Guidelines [ECF No. 6], which was granted by Court Order [ECF No. 93], the Debtors have continued to utilize their Cash Management System as defined therein.

B. Schedules and Statements.

On February 2, 2016, the Debtors each filed their Schedules and Statements of Financial Affairs, some of which were amended on September 21, 2016.

C. Retention and Employment of Bankruptcy Professionals.

During the Chapter 11 Cases, the Bankruptcy Court also entered final orders approving the Debtors' retention and employment of Meland Russin & Budwick, P.A. as bankruptcy counsel to the Debtors [ECF No. 30].

The Bankruptcy Court also approved the Creditors' Committee's retention of the following professionals: (i) Berger Singerman LLP, as counsel to the Creditors' Committee [ECF No. 107]; and (ii) KapilaMukamal, as Financial Advisor to the Creditors' Committee [ECF No. 99].

D. Appointment of Creditors' Committee.

On January 26, 2016, an Official Committee of Unsecured Creditors (as defined, the "*Creditors' Committee*") was appointed by the United States Trustee [ECF No. 62]. The Creditors' Committee consists of: (i) Forever Link International, Inc.; (ii) GGP Limited Partnership; (iii) Simon Property Group, Inc.; (iv) Sandy's Discount Shoes, Inc.; and (v) Jesco Footwear Group, Inc. The Creditors' Committee retained Berger Singerman LLP as its counsel and KapilaMukamal as its financial advisor.

E. Interim Compensation and Expense Reimbursement.

On April 21, 2016, the Bankruptcy Court entered an order approving certain interim compensation and expense reimbursement procedures for Professionals [ECF No. 176] (the "**Interim Compensation Order**"). In accordance with the Interim Compensation Order, Professionals that comply with the procedures set forth therein can request payment of eighty percent (80%) of their fees and one hundred percent (100%) of their expenses on a monthly basis. The fees and expenses paid pursuant to the Interim Compensation Order are not deemed allowed or disallowed for purposes of sections 330 and 331 of the Bankruptcy Code, and Professionals are required to seek approval and allowance of such fees and expenses by filing and serving applications in accordance with the Bankruptcy Code and Bankruptcy Rules. The first interim fee applications were filed by the Professionals on May 16, 2016 [ECF Nos. 204, 206, and 207].

F. Exclusivity Extension.

On May 3, 2016, the Bankruptcy Court entered an order [ECF No. 192] granting the Debtors' first request, pursuant to section 1121(d) of the Bankruptcy Code, to extend the Debtors' exclusive period to file a plan of reorganization and solicit acceptances thereof to August 1, 2016 and October 31, 2016, respectively. On September 1, 2016, the Bankruptcy

Court entered an order [ECF No. 259] granting the Debtors' additional request, pursuant to section 1121(d) of the Bankruptcy Code, to extend further the Debtors' exclusive period to file a plan of reorganization and solicit acceptances thereof to September 21, 2016 and November 21, 2016, respectively. The Plan Proponents have filed the Plan within the exclusive time period to propose a plan of reorganization.

G. Administrative Expense Claims Bar Date.

On March 24, 2016, the Debtors' filed their Motion to Establish Procedures Pursuant to Section 503(b)(9) of the Bankruptcy Code for Submitting and Resolving Claims Related to Goods Received Within Twenty Days Prior to the Petition Date [ECF No. 131], which was granted on April, 14, 2016 [ECF No. 163] and established the deadline as June 6, 2016 at 4:00 p.m. (prevailing Eastern Time).

In response to the Administrative Claims Bar Date Order, the Debtors received two requests asserting combined Administrative Claims totaling \$387,338.52, which were deemed allowed by the Court by Orders entered on April 6, 2016 [ECF No. 155] and May 12, 2016 [ECF No. 201].

H. Leases for Nonresidential Real Property.

The initial deadline to assume or reject leases of non-residential real property was May 3, 2016.

On March 24, 2016, the Debtors filed their Motion to Extend Time Within Which to Assume or Reject Leases of Non-Residential Real Property [ECF No. 129], which was granted on April 15, 2016 [ECF No. 165]. The Court granted a preliminary extension through and including May 11, 2016 and set a further hearing on May 11, 2016. At the hearing held on May 11, 2016, the Court extended the deadline within which to assume or reject leases of non-residential real property to August 1, 2016 [ECF No. 211].

On July 14, 2016, the Debtors filed their Motion for Entry of Order Pursuant to 11 U.S.C. § 365(d)(4)(B)(ii) Granting Consensual Extensions of Deadline to Assume or Reject Certain Unexpired Leases of Nonresidential Real Property [ECF No. 236], which was granted on August 2, 2016 [ECF No. 247]. At the hearing held on July 26, 2016, the Court extended the deadline within which to assume or reject leases of non-residential real property to October 31, 2016 [ECF No. 247].

On August 1, 2016, the Debtors filed their Motion to Assume Unexpired Leases for Nonresidential Real Property with respect to six leases, which was granted on September 13, 2016 [ECF No. 261].

A major element of the Debtors' reorganization efforts involved working diligently with the majority of their landlords to negotiate and amend the terms of their leases and enter into modifications. These lease modifications, many of which provide for, among other things, reduced rent amounts and a waiver of pre-petition amounts, are beneficial to the Debtors'

continued business operations and provide the Debtors with significant savings and improved cash flow, which will greatly aid the Debtors in their operations and reorganization.

V. THE CHAPTER 11 PLAN

A. Treatment of Claims and Equity Interests Under the Plan.

THIS SECTION PROVIDES A SUMMARY OF THE STRUCTURE, CLASSIFICATION, TREATMENT AND IMPLEMENTATION OF THE PLAN, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN, WHICH IS ATTACHED TO THIS DISCLOSURE STATEMENT AS EXHIBIT “1”.

The Claims against the Debtors are divided into Classes according to their seniority and other criteria. The Classes of Claims for each of the Debtors and the funds and other property to be distributed under the Plan are described more fully below.

THE PLAN PROPONENTS BELIEVE THAT THE PLAN AFFORDS CREDITORS THE POTENTIAL FOR THE GREATEST REALIZATION OF THE VALUE OF THE DEBTORS’ ASSETS.

1. Administrative and Priority Claims.

a. Administrative Expense Claims.

The Debtors shall pay each holder of an Allowed Administrative Claim, in satisfaction of such Allowed Administrative Claim, the full unpaid amount of such Allowed Administrative Claim in Cash: (1) on the Effective Date or as soon as practicable thereafter (or, if not then due, when such Allowed Administrative Claim is due or as soon as practicable thereafter); (2) if such Claim is Allowed after the Effective Date, on the date such Claim is Allowed or as soon as practicable thereafter (or, if not then due, when such Allowed Administrative Claim is due or as soon as practicable thereafter); (3) at such time and upon such terms as may be agreed upon by such holder and the Debtors; or (4) at such time and upon such terms as set forth in an order of the Bankruptcy Court; provided, however, that Administrative Claims do not include Administrative Claims filed after the Administrative Claims Bar Date or Administrative Claims filed or asserted pursuant to section 503(b)(9) of the Bankruptcy Code after the General Bar Date or any Claim seeking administrative expense status included as a part of a proof of claim filed in these Chapter 11 Cases shall not qualify as an Administrative Claim..

b. Administrative Expense Claims Bar Date.

Pursuant to the Administrative Claims Bar Date Order, the general bar date for filing applications seeking approval of an Administrative Claim in the Chapter 11 Cases, other than Accrued Professional Compensation Claims and any other exceptions permitted thereby, occurred on June 6, 2016. A request for payment of an Administrative Claim was timely filed only if it was filed with the Bankruptcy Court on or before June 6, 2016.

Notwithstanding anything herein, the Debtors’ Professionals and the Creditors’ Committee’s Professionals were not required to file a request for payment of any Administrative

Claim on or before the Administrative Claims Bar Date for fees and expenses arising under sections 330, 331 or 503(b)(2)-(5) of the Bankruptcy Code, as such Professionals will instead file final fee applications as required by the Bankruptcy Code, Bankruptcy Rules, order of the Bankruptcy Court and/or the Confirmation Order.

c. Accrued Professional Compensation Claims.

The deadline for submission by Professionals for Bankruptcy Court approval of Accrued Professional Compensation Claim shall be set by the Bankruptcy Court. Any Professional or other Person or Entity that is required to file and serve a request for approval of Accrued Professional Compensation and fails to timely file and serve such request on or before such date shall be forever barred, estopped and enjoined from asserting such request or participating in Distributions under the Plan on account thereof. All Professionals employed by the Debtors or the Creditors' Committee, shall provide in their final fee applications to be filed in connection with confirmation of the Plan an estimate of their Accrued Professional Compensation through the Effective Date (including an estimate for fees and expenses expected to be incurred prior to the Effective Date to prepare and prosecute allowance of final fee applications). From and after the Confirmation Date until the Effective Date, the Debtors, in the ordinary course of business and without the necessity for any approval by the Bankruptcy Court, shall pay the reasonable fees and expenses of Professionals during such period in accordance with the Interim Compensation Order; provided, however, that the Interim Compensation Order is hereby modified to provide for one hundred (100%) percent of reasonable fees and expenses during the period covering the Confirmation Date through the Effective Date.

d. Priority Tax Claims.

The Debtors shall pay each holder of an Allowed Priority Tax Claim, in satisfaction of such Allowed Priority Tax Claim, the full unpaid amount of such Allowed Priority Tax Claim in Cash, on the later of (i) the Effective Date, (ii) the date such Allowed Priority Tax Claim becomes Allowed or as soon as practicable thereafter and (iii) the date such Allowed Priority Tax Claim is payable under applicable non-bankruptcy law; provided, however, that the Debtors shall not pay any premium, interest or penalty in connection with such Allowed Priority Tax Claim.

2. Classification of Claims and Equity Interests.

a. Classified Claims Against and Equity Interests in the Debtors.

Except as set forth in the Plan, all Claims against and Equity Interests in a particular Debtor are placed in a particular Class. The Debtors have not classified Administrative Claims, Accrued Professional Compensation Claims or Priority Tax Claims.

The following table classifies Claims against and Equity Interests in the Debtors for all purposes, including voting, confirmation and Distribution pursuant hereto and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. The Plan deems a Claim or Equity Interest to be classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class and shall be deemed classified in a different Class to

the extent that any remainder of such Claim or Equity Interest qualifies within the description of such different Class. A Claim or Equity Interest is in a particular Class only to the extent that any such Claim or Equity Interest is Allowed in that Class and has not been paid or otherwise settled prior to the Effective Date. Each Class set forth below is treated hereunder as a distinct Class for voting and Distribution purposes.

Subject to all other applicable provisions of the Plan (including its Distribution provisions), classified Claims shall receive the treatment described in Article III of the Plan. The Plan will not provide any Distributions on account of a Claim to the extent that such Claim has been disallowed, released, withdrawn, waived, or otherwise satisfied or paid as of the Effective Date, including, without limitation, payments by third parties.

Class	Type of Claim or Equity Interest	Status	Treatment	Entitled to Vote	Estimated Amount of Allowed Claims / Approx. Percentage Recovery
1	Other Priority Claims	Unimpaired	Except to the extent that a holder of an Allowed Other Priority Claim has been paid by the Debtors prior to the Effective Date or agrees to a less favorable classification and treatment, each holder of an Allowed Other Priority Claim shall receive the full unpaid amount of such Allowed Other Priority Claim in Cash, on the later of (i) the Effective Date or as soon as practicable thereafter, (ii) the date such Allowed Other Priority Claim becomes Allowed or as soon as practicable thereafter and (iii) the date such Allowed Other Priority Claim is payable under applicable non-bankruptcy law; provided, however, that the Debtors shall not pay any premium, interest or penalty in connection with such Allowed Other Priority Claim.	No; Deemed to Accept the Plan	\$337,339 / 100%;
2	Secured Claims	Unimpaired	Except to the extent that a holder of an Allowed Secured Claim has been paid by the Debtors prior to the Effective Date or agrees to a less favorable classification and treatment, each holder of an Allowed Secured Claim shall receive the full unpaid amount of such Allowed Secured Claim, in Cash, on the later of: (i) the Effective Date or as soon as practicable	No; Deemed to Accept the Plan	\$109,473 / 100%;

			thereafter; (ii) the first Business Day after the date that is ten (10) Business Days after the date such Claim becomes an Allowed Secured Claim; and (iii) the date or dates agreed to by the Debtors and the holder of the Allowed Secured Claim.		
3	General Unsecured Claims	Impaired	<p>Except to the extent that a holder of an Allowed General Unsecured Claim has been paid by the Debtors prior to the Effective Date or agrees to a less favorable classification and treatment, each holder of an Allowed General Unsecured Claim shall receive its Pro Rata share of (i) the Class 3 Annual Minimum Distribution on the Class 3 Annual Minimum Distribution Payment Dates, (ii) the Class 3 Annual Excess Cash Flow Distribution on the Class 3 Annual Excess Cash Flow Distribution Dates, and (iii) fifty (50%) percent of the net proceeds (i.e., proceeds net of reasonable attorney's fees and documented expenses) from any Cause of Action.</p> <p>If a Class 3 Claim is Disputed on or after the Effective Date, the Reorganized Debtors shall deposit in the Disputed Claims Reserve the amount of such Disputed Class 3 Claim's Pro-Rata share of the Class 3 Annual Minimum Distribution, Class 3 Annual Excess Cash Flow Distribution and interest in fifty (50%) percent of the net proceeds from any Cause of Action, and such amounts shall be held in the Disputed Claims Reserve until such time as the claim is Allowed and thereafter paid by the Reorganized Debtors from the Disputed Claims Reserve or otherwise distributed pursuant to the terms of the Plan. Once a Class 3 Claim becomes Allowed by Final Order or</p>	Yes; Entitled To Vote on the Plan	approximately \$4.65 million/26.9% ⁷

⁷ Please see the Liquidation Analysis attached hereto as **Exhibit "2"** for additional information regarding the calculation of the percentage range.

			<p>otherwise pursuant to the terms of the Plan, the holder of the Allowed Class 3 Claim shall receive a Distribution or Distributions in Cash from the Reorganized Debtors representing such holder's Pro-Rata share of the Class 3 Annual Minimum Distribution, Class 3 Annual Excess Cash Flow Distribution and interest in fifty (50%) percent of the net proceeds from any Cause of Action.</p> <p>Holders of Claims in Class 3 shall be released from liability in respect of Avoidance Actions. The Debtors or the Reorganized Debtors, as the case may be, explicitly waive any right to pursue Avoidance Actions against the holders of Claims in Class 3.</p>		
4	Subordinated Claims	Impaired	No Distribution shall be made under the Plan from the Estates in respect of the Subordinated Claims.	No; Deemed to Reject the Plan	\$481,605 / 0% ⁸
5	Equity Interests	Impaired	No Distribution shall be made under the Plan from the Estates in respect of the Equity Interests.	No; Deemed to Reject the Plan	\$N/A/ 0%

B. Special Provision Governing Unimpaired Claims.

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

C. Non-Consensual Confirmation.

If any Impaired Class of Claims entitled to vote does not accept the Plan by the requisite statutory majority provided in section 1126 of the Bankruptcy Code, the Plan Proponents reserve the right to amend the Plan or to undertake to have the Bankruptcy Court confirm the Plan under section 1129(b) of the Bankruptcy Code, or both. With respect to Impaired Classes that are deemed to reject the Plan, the Plan Proponents intend to request that the Bankruptcy Court to confirm the Plan pursuant to section 1129(b) of the Bankruptcy Code notwithstanding the deemed rejection of the Plan by such Class of Claims.

⁸ All of the Claims comprising this Class are Claims of Insiders of the Debtors who have voluntarily agreed to this classification.

D. Consolidation for Voting and Distribution Purposes.

The Plan treats the Debtors as comprising a single Estate solely for the purposes of classification of Claims, voting on the Plan, confirmation of the Plan, and making Distributions under the Plan with respect to Allowed Claims against in the Debtors. Such treatment shall not affect any Debtor's status as a separate legal entity, change the organizational structure of the Debtors' business enterprise, constitute a change of control of any Debtor for any purpose, cause a merger or consolidation of any legal entities, cause the transfer of any assets, nor result in the substantive consolidation of the Debtors; and, except as otherwise provided by or permitted in the Plan, all Debtors shall continue to exist as separate legal entities. Such treatment shall also not affect any Cause of Action available to any Debtor or the Debtors' Estates. The above-described treatment serves only as a mechanism to effect a fair distribution of value to the holders of Allowed Claims.

The Plan shall be deemed to be a motion, pursuant to Bankruptcy Rule 9013, by the Debtors for limited and partial substantive consolidation with respect to the Plan as set forth herein. Any objection by an affected Creditor to such consolidation shall be treated as an objection to Confirmation and shall be determined by the Bankruptcy Court at the Confirmation hearing. Failure to timely object to such limited or partial substantive consolidation may result in consolidation of the Debtors in accordance herewith, without further hearing.

E. Intercompany Claims.

Except as otherwise provided in the Plan, Intercompany Claims held by one Debtor against another Debtor shall, solely for purposes of receiving Distributions under the Plan, be deemed waived such that no such Intercompany Claim owed from one Debtor to another Debtor shall receive a Distribution under the Plan, and the applicable Debtor shall not be entitled to vote on the Plan in connection therewith.

F. Means for Implementation of the Plan.

1. Excess Funds.

Notwithstanding anything to the contrary in the Plan, the Debtors or Reorganized Debtors, as applicable, shall not be required to make a Distribution to any Creditor if the dollar amount of the Distribution is less than \$10 or otherwise so small that the cost of making that Distribution exceeds the dollar amount of such Distribution. On or about the time that the final Distribution is made, the Debtors or Reorganized Debtors, as applicable, may make a donation of undistributable funds as defined by Local Rule 3011-1(C)(1), in the reasonable discretion of the Debtors or Reorganized Debtors, as applicable, to one or more of the following organizations (each of which qualifies for not-for-profit status under section 501(c)(3) of the Tax Code) with undistributable funds if, in the reasonable judgment of the Debtors or Reorganized Debtors, as applicable, the cost of calculating and making the final Distribution of the undistributable funds remaining is excessive in relation to the benefits to the or holders of Claims who would otherwise be entitled to such Distributions: (i) the Bankruptcy Bar Foundation of the Bankruptcy Bar Association of the Southern District of Florida; or (ii) The Eleanor R. Cristol and Judge A. Jay Cristol Bankruptcy Pro Bono Assistance Clinic at the University of Miami School of Law.

2. Source and Application of Funds Upon Confirmation.

The Debtors or the Reorganized Debtors, as applicable, will use the (i) Available Cash on the Effective Date, (ii) Cash Flow on and after the Effective Date, or, where applicable, (iii) Disputed Claims Reserve, to make all Distributions required to be made by the Debtors or the Reorganized Debtors, as applicable, on and after the Effective Date in accordance with the Plan.

3. Prosecution of Causes of Action.

The Debtors' Plan will also be implemented through the prosecution of claims against third parties, if any. On the Effective Date, the Debtors shall be authorized, except as provided for in the Plan, to commence and prosecute any and all third party litigation claims that arose before, on or after the Petition Date. Proceeds, if any, realized from any Causes of Action claims shall be added to Available Cash.

4. Post-Confirmation Operations.

Following Confirmation, the Debtors shall execute such documents and take such other actions as are necessary to make effective the transactions provided for in the Plan.

5. Post-Confirmation Accounts.

The Debtors may establish one or more interest-bearing accounts as they determine may be necessary or appropriate to effectuate the provisions of the Plan consistent with the section 345 of the Bankruptcy Code and any orders of the Bankruptcy Court.

6. Automatic Stay.

The automatic stay provided for under section 362 of the Bankruptcy Code shall remain in effect in the Chapter 11 Cases until the Effective Date.

7. The Creditors' Committee.

Upon the Effective Date, the Creditors' Committee shall dissolve, and their members shall be released and discharged from all further authority, duties, responsibilities and obligations relating to and arising from the Chapter 11 Cases. The retention and employment of the Professionals retained by the Creditors' Committee shall terminate as of the Effective Date, provided, however, that the Creditors' Committee shall exist, and their Professionals shall be retained, after such date with respect to applications (if any) filed pursuant to sections 330 and 331 of the Bankruptcy Code and motions seeking the enforcement of the provisions of the Plan or the Confirmation Order.

8. Closing of the Chapter 11 Cases.

Notwithstanding anything to the contrary in the Bankruptcy Rules or Local Rules providing for earlier closure of the chapter 11 case, when all Claims against the Debtors have become Allowed Claims or disallowed Claims, and the Debtors' Cash has been distributed in accordance with the Plan, or at such earlier time as the Reorganized Debtors deem appropriate,

the Reorganized Debtors shall seek authority from the Bankruptcy Court to close the Chapter 11 Cases in accordance with the Bankruptcy Code and the Bankruptcy Rules.

9. Voting of Claims.

Each holder of an Allowed Claim in an Impaired Class of Claims that is entitled to vote on the Plan pursuant to Article IV of the Plan shall be entitled to vote separately to accept or reject the Plan, as provided in such order as is entered by the Bankruptcy Court establishing procedures with respect to the solicitation and tabulation of votes to accept or reject the Plan, or any other order or orders of the Bankruptcy Court. For purposes of calculating the number of Allowed Claims in a Class of Claims that have voted to accept or reject the Plan under section 1126(c) of the Bankruptcy Code, all Allowed Claims in such Class held by one Entity or any Affiliate thereof shall be aggregated and treated as one Allowed Claim in such Class. For purposes of any Claim in any Impaired Class that is Disputed as to its amount only, the holder of such claim shall be entitled to vote on the Plan as if such holder held an Allowed Claim in an amount equal to the undisputed portion of such Claim.

10. Distribution Dates.

Distributions to holders of Claims shall be made as provided in Article VI of the Plan. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

11. Record Date for Distributions.

Except as otherwise provided in a Final Order of the Bankruptcy Court, the transferees of Claims that are transferred pursuant to Bankruptcy Rule 3001 on or prior to the Record Date will be treated as the holders of those Claims for all purposes, notwithstanding that any period provided by Bankruptcy Rule 3001 for objecting to the transfer may not have expired by the Record Date. The Debtors or Reorganized Debtors, as applicable, shall have no obligation to recognize any transfer of any Claim occurring after the Record Date. In making any Distribution with respect to any Claim, the Debtors or Reorganized Debtors, as applicable, shall be entitled instead to recognize and deal with, for all purposes hereunder, only the Entity that is listed on the proof of Claim filed with respect thereto or on the Schedules as the holder thereof as of the close of business on the Record Date and upon such other evidence or record of transfer or assignment that was known to the Debtors as of the Record Date.

12. Delivery of Distributions.

Subject to Bankruptcy Rule 9010 and except as otherwise provided herein, Distributions to the holders of Allowed Claims shall be made by the Debtors or Reorganized Debtors, as applicable, at (a) the address of each holder as set forth in the Schedules, unless superseded by the address set forth on proofs of Claim filed by such holder or (b) the last known address of such holder if no proof of Claim is filed or if the Debtors or Reorganized Debtors, as applicable, have not been notified in writing of a change of address.

13. Undeliverable and Unclaimed Distributions.

In the event that any Distribution to any holder of an Allowed Claim made by the Debtors or Reorganized Debtors, as applicable is returned as undeliverable, the Debtors or Reorganized Debtors, as applicable, shall use commercially reasonable efforts to determine the current address of each holder, but no Distribution to such holder shall be made unless and until the Debtors or Reorganized Debtors, as applicable, has determined the then current address of such holder; provided, however, that all Distributions to holders of Allowed Claims made by the Debtors or Reorganized Debtors, as applicable, that are unclaimed for a period of ninety (90) days after the date of the first attempted Distribution shall have its, his or her Claim for such undeliverable Distribution deemed satisfied and will be forever barred from asserting any such Claim against the Debtors or Reorganized Debtors, as applicable, or their property. Any Distributions which are undeliverable or have not been negotiated within the time period set forth above shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and revested in the Debtors or Reorganized Debtors, as applicable. The Debtors or Reorganized Debtors, as applicable, shall have no further obligation to make any Distribution to the holder of such Claim on account of such Claim, and any entitlement of any holder of such Claim to any such Distributions shall be extinguished and forever barred; provided, however, that the holder of such Claim may receive future Distributions on account of such Claim by contacting the Debtors or Reorganized Debtors, as applicable, at some point prior to the final Distribution.

14. Manner of Cash Payments Under the Plan.

Cash payments made pursuant to the Plan shall be in United States dollars by checks drawn on a domestic bank or by wire transfer from a domestic bank, at the option of the Debtors.

15. Compliance with Tax Requirements.

The Debtors or Reorganized Debtors, as applicable, may withhold and pay to the appropriate taxing authority all amounts required to be withheld pursuant to the Tax Code or any provision of any foreign, state or local tax law with respect to any payment or Distribution on account of Claims. All such amounts withheld and paid to the appropriate taxing authority shall be treated as amounts distributed to such holders of the Claims. The Debtors or Reorganized Debtors, as applicable, shall be authorized to collect such tax information from the holders of Claims (including social security numbers or other tax identification numbers) as they in their sole discretion deems necessary to effectuate the Plan. In order to receive Distributions under the Plan, all holders of Claims will need to identify themselves to the Debtors or Reorganized Debtors, as applicable, and provide all tax information the Debtors or Reorganized Debtors, as applicable, deem appropriate (including completing the appropriate Form W-8 or Form W-9, as applicable to each holder). The Debtors or Reorganized Debtors, as applicable, may refuse to make a Distribution to any holder of a Claim that fails to furnish such information within the time period specified by the Debtors or Reorganized Debtors, as applicable, and such Distribution shall be deemed an unclaimed Distribution under the Plan, and, provided further that, if the Debtors or Reorganized Debtors, as applicable, fail to withhold in respect of amounts received or distributable with respect to any such holder and such Debtors are later held liable for the amount of such withholding, such holder shall reimburse the Debtors or Reorganized Debtors, as applicable, for such liability. Notwithstanding any other provision of the Plan, (a)

each holder of an Allowed Claim that is to receive a Distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, and (b) no Distributions shall be required to be made to or on behalf of such holder pursuant to the Plan unless and until such holder has made arrangements satisfactory to the Debtors or Reorganized Debtors, as applicable, for the payment and satisfaction of such tax obligations or has, to the Debtors' or Reorganized Debtors', as applicable, satisfaction, established an exemption therefrom.

16. No Payments of Fractional Dollars.

Notwithstanding any other provision of the Plan to the contrary, no payment of fractional dollars shall be made pursuant to the Plan. Whenever any payment of a fraction of a dollar under the Plan would otherwise be required, the actual Distribution made shall reflect a rounding down of such fraction to the nearest whole dollar.

17. Interest on Claims.

Except as specifically provided for in the Plan or the Confirmation Order or required by the Bankruptcy Code, interest shall not accrue on Claims and no holder of a Claim shall be entitled to interest on any Claim accruing on or after the Petition Date. Interest shall not accrue on any General Unsecured Claim that is a Disputed Claim in respect of the period from the Effective Date to the date a final Distribution is made thereon if and after that Disputed Claim becomes an Allowed Claim. Except as expressly provided herein or in a Final Order of the Bankruptcy Court, no prepetition Claim shall be Allowed to the extent that it is for postpetition interest or similar charges.

18. No Distribution in Excess of Allowed Amount of Claim.

Notwithstanding anything to the contrary contained in the Plan, no holder of an Allowed Claim shall receive in respect of that Claim any Distribution in excess of the Allowed amount of such Claim.

19. Setoff and Recoupment.

The Debtors or Reorganized Debtors, as applicable, may setoff against, or recoup from, any Claim and the Distributions to be made pursuant to the Plan in respect thereof, any Claims or defenses of any nature whatsoever that any of the Debtors or Reorganized Debtors, as applicable, or the Estates may have against the holder of such Claim, but neither the failure to do so nor the allowance of any Claim under the Plan shall constitute a waiver or release by the Debtors or Reorganized Debtors, as applicable, or the Estates of any right of setoff or recoupment that any of them may have against the holder of any Claim. Any such setoffs or recoupments may be challenged in Bankruptcy Court. Notwithstanding any provision in the Plan to the contrary, nothing herein shall bar any creditor from asserting its setoff or recoupment rights to the extent permitted under section 553 or any other provision of the Bankruptcy Code; provided, however, that such setoff or recoupment rights are timely asserted; provided further that all rights of the Debtors or Reorganized Debtors, as applicable, and the Estates with respect thereto are reserved.

20. De Minimis Distributions; Charitable Donation.

Notwithstanding anything to the contrary in the Plan, the Debtors or Reorganized Debtors, as applicable, shall not be required to make a Distribution to any Creditor if the dollar amount of the Distribution is less than \$10 or otherwise so small that the cost of making that Distribution exceeds the dollar amount of such Distribution. On or about the time that the final Distribution is made, the Debtors or Reorganized Debtors, as applicable, may make a donation of undistributable funds as defined by Local Rule 3011-1(C)(1), in the reasonable discretion of the Debtors or Reorganized Debtors, as applicable, to one or more of the following organizations (each of which qualifies for not-for-profit status under section 501(c)(3) of the Tax Code) with undistributable funds if, in the reasonable judgment of the Debtors or Reorganized Debtors, as applicable, the cost of calculating and making the final Distribution of the undistributable funds remaining is excessive in relation to the benefits to the or holders of Claims who would otherwise be entitled to such Distributions: (i) the Bankruptcy Bar Foundation of the Bankruptcy Bar Association of the Southern District of Florida; or (ii) The Eleanor R. Cristol and Judge A. Jay Cristol Bankruptcy Pro Bono Assistance Clinic at the University of Miami School of Law.

21. United States Trustee Fees.

The Reorganized Debtors shall pay the U.S. Trustee the appropriate sum required pursuant to 28 U.S.C. § 1930(a)(6), within ten (10) days of the Effective Date, for pre-confirmation periods. The Reorganized Debtors shall further pay the U.S. Trustee the appropriate sum required pursuant to 28 U.S.C. § 1930(a)(6) for post-confirmation periods within the time period set forth in 28 U.S.C. § 1930(a)(6), based upon all post-confirmation disbursements made by the Debtors or Reorganized Debtors, as applicable, until the earlier of the closing of this case by the issuance of a Final Decree by the Bankruptcy Court, or upon the entry of an Order by the Bankruptcy Court dismissing this case or converting this case to another chapter under the United States Bankruptcy Code. After the Confirmation Date, the Debtors or Reorganized Debtors, as applicable, shall file a quarterly Post-Confirmation Operating Report which shall include, among other things, all payments made under the Plan and payments made in the ordinary course of business. Each Debtor or Reorganized Debtor, as applicable, shall remain obligated to pay quarterly fees to the Office of the U.S. Trustee until the earliest of that particular Debtor's or Reorganized Debtors', as applicable, case being closed pursuant to the terms of the Plan, dismissed or converted to a case under chapter 7 of the Bankruptcy Code.

22. Withholding from Distributions.

Any federal, state or local withholding taxes or other amounts required to be withheld under applicable law shall be deducted from Distributions pursuant to the Plan. The Debtors or Reorganized Debtors, as applicable, may withhold from amounts distributable pursuant to the Plan to any Person or Entity any and all amounts, determined in the reasonable discretion of the Debtors or Reorganized Debtors, as applicable, required to be withheld by any law, regulation, rule, ruling, directive, or other governmental requirement.

23. No Distributions on Late-Filed Claims.

Except as otherwise provided in a Final Order of the Bankruptcy Court, any Claim as to which a proof of Claim was required to be filed and was first filed after the applicable bar date in the Chapter 11 Cases, including, without limitation, the General Bar Date and any bar date established in the Plan or in the Confirmation Order, shall automatically be deemed a late-filed Claim that is disallowed in the Chapter 11 Cases, without the need for (a) any further action by the Debtors or (b) an order of the Bankruptcy Court. Nothing in this paragraph is intended to expand or modify the applicable bar dates or any orders of the Bankruptcy Court relating thereto.

G. Disputed Claims

1. Disputed Claims Reserve.

The Debtors or Reorganized Debtors, as applicable, will withhold from the property that would otherwise be distributed to holders of Claims within a given Class an amount sufficient to be distributed on account of Claims that are not Allowed Claims within that Class as of the Effective Date, and shall place such withheld property in a Disputed Claims Reserve, which thereafter will be retained and administered by the Debtors.

2. Resolution of Disputed Claims.

The Debtors or Reorganized Debtors, as applicable, shall have the right to make and file objections to Claims in the Bankruptcy Court. Unless otherwise ordered by the Bankruptcy Court after notice and a hearing, all Disputed Claims shall be subject to the exclusive jurisdiction of the Bankruptcy Court.

3. Objection Deadline.

All objections to Disputed Claims shall be filed no later than the Claims Objection Bar Date, unless otherwise ordered by the Bankruptcy Court after notice and a hearing, with notice only to those parties entitled to notice in the Chapter 11 Cases pursuant to Bankruptcy Rule 2002.

4. Estimation of Claims.

At any time, the Debtors or Reorganized Debtors, as applicable, may request that the Bankruptcy Court estimate any contingent or unliquidated Claim to the extent permitted by section 502(c) of the Bankruptcy Code regardless of whether the Debtors or Reorganized Debtors, as applicable, have previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall have jurisdiction to estimate any Claim at any time during litigation concerning any objection to such Claim, including during the pendency of any appeal relating to any such objection. If the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount shall constitute either the Allowed amount of such Claim or a maximum limitation on the Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the Claim, the Debtors or Reorganized Debtors, as applicable, may elect to pursue supplemental proceedings to object to the ultimate allowance of the Claim. All of the aforementioned Claims objection, estimation and

resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court.

5. No Distributions Pending Allowance.

Notwithstanding any other provision in the Plan, if any portion of a Claim is disputed, no payment or Distribution provided under the Plan shall be made on account of such Claim unless and until such Disputed Claim becomes an Allowed Claim.

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, Distributions (if any) shall be made to the holder of such Allowed Claim in accordance with the provisions of the Plan. Upon allowance, a holder of the Allowed Disputed Claim shall receive any Distributions that would have been made up to the date of allowance to such holder under the Plan had the Disputed Claim been allowed on the Effective Date.

6. Resolution of Claims.

On and after the Effective Date, the Debtors shall have the authority to compromise, settle, otherwise resolve or withdraw any objections to Claims, and to compromise, settle, or otherwise resolve any Disputed Claims without approval of the Bankruptcy Court.

H. Treatment of Executory Contracts and Unexpired Leases

1. General Treatment: Rejected if not Previously Assumed.

Pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, upon the Effective Date, all executory contracts and unexpired leases that exist between the Debtors and any Person or Entity shall be deemed rejected by the Debtors, except for any executory contract or unexpired lease (i) that has been assumed or rejected pursuant to an order of the Bankruptcy Court entered prior to the Effective Date, (ii) as to which a motion for approval of the assumption of such executory contract or unexpired lease has been filed and served prior to the Effective Date, or (iii) that is specifically designated as a contract to be assumed on the attached Schedule of Assumed Executory Contracts and Unexpired Leases (“Exhibit 4”), which provided, however, that the Plan Proponents reserve the right, on or prior to the Confirmation Date, to amend the Schedule of Assumed Executory Contracts and Unexpired Leases to delete any executory contract therefrom, or add any executory contract, in which event such executory contract(s) shall be deemed to be, respectively, either rejected or assumed as of the Effective Date. Subject to the occurrence of the Effective Date, entry of the Confirmation Order shall constitute approval of such assumption or rejection pursuant to section 365(a) of the Bankruptcy Code and a finding by the Bankruptcy Court that each such assumption or rejection is in the best interests of the Debtors, the Reorganized Debtors, their Estates, and all parties in interest in the Chapter 11 Cases.

2. Bar to Claims Arising from Rejection, Termination or Expiration.

Claims created by the rejection of executory contracts or unexpired leases (including, without limitation, the rejection provided herein (“General Treatment; Rejected if not Previously

Assumed”) or the expiration or termination of any executory contract or unexpired lease prior to the Confirmation Date must be filed with the Bankruptcy Court and served on the Debtors or Reorganized Debtors, as applicable, no later than thirty (30) days after: (a) *the General Bar Date*, with respect to any executory contract or unexpired lease rejected prior to that date by the Debtors; (ii) *the date of the entry of any order of the Bankruptcy Court authorizing rejection*, with respect to any executory contract or unexpired lease rejected by the Debtors or otherwise pertaining to such order, or (c) *the Confirmation Date*, with respect to any executory contract or unexpired lease that is deemed rejected pursuant hereof (“General Treatment; Rejected if not Previously Assumed”). Any rejection claim for which a proof of claim is not filed and served within the time provided herein will be forever barred from assertion and shall not be enforceable against the Debtors, or their estates, assets, properties, or interests in property, or the Reorganized Debtors, or their estate, assets, properties, or interests in property. Unless otherwise ordered by the Bankruptcy Court, all such Claims that are timely filed as provided herein shall be treated as a Claim under Class 3 (“General Unsecured Claims”) and shall be subject to the provisions of the treatment of Disputed Claims covered by Article V hereof (“Disputed Claims”). Nothing contained herein shall be deemed an admission by the Debtors or any of them that such rejection gives rise to or results in a Claim or shall be deemed a waiver by the Debtors or the Reorganized Debtors of any objections to such Claim if asserted.

3. Assumption of Executory Contracts and Unexpired Leases.

(1) Assumption of Executory Contracts and Unexpired Leases; Schedule of Assumed Executory Contracts and Unexpired Leases. On the Effective Date, the Debtors will assume all of the executory contracts and unexpired leases listed on the Schedule of Assumed Executory Contracts and Unexpired Leases attached as an Exhibit to the Disclosure Statement and/or the Plan Supplement. With respect to the executory contracts and unexpired leases listed on the Schedule of Assumed Executory Contracts and Unexpired Leases, the Debtors will designate a proposed Cure on the Schedule of Assumed Executory Contracts and Unexpired Leases. Unless subject to separate motion and order of the Bankruptcy Court, the Confirmation Order will constitute an order of the Bankruptcy Court approving assumption of all of the executory contracts and unexpired leases listed on the Schedule of Assumed Executory Contracts and Unexpired Leases attached to the Plan Supplement pursuant to sections 365(a) and 1123 of the Bankruptcy Code and the listed amount of Cure Claims.

(2) Modifications, Amendments, Supplements, Restatements, or Other Agreements. Unless otherwise provided in the Plan, each executory contract or unexpired lease that is assumed pursuant to the Plan will include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such executory contract or unexpired lease, and all rights related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated, or is rejected or repudiated pursuant to the Plan or separate motion and Final Order of the Bankruptcy Court.

(3) Modification of the Schedule of Assumed Executory Contracts and Unexpired Leases. The Schedule of Assumed Executory Contracts and Unexpired Leases may be modified by either of the Plan Proponents to add or delete contracts and leases up to three (3) days prior to the scheduled Confirmation Hearing.

(4) Proof of Claim Based on Executory Contracts or Unexpired Leases that Have Been Assumed. Any and all proofs of claim relating to executory contracts or unexpired leases that have been assumed in the Chapter 11 Cases will be deemed amended and superseded by the amount of Cure Claim identified in the Plan, the Confirmation Order or other order of the Bankruptcy Court authorizing assumption of executory contracts to the Debtors or the Reorganized Debtors.

(5) Cure of Defaults for Assumed Executory Contracts and Unexpired Leases. With respect to each of the executory contracts or unexpired leases listed on the Schedule of Assumed Executory Contracts and Unexpired Leases, the Debtors will designate a proposed Cure and the assumption or assumption and assignment of such executory contract or unexpired lease will be conditioned on the disposition of all issues with respect to Cure. All Allowed Cure Claims will be satisfied by the Debtors by payment of the Cure in Cash to (i) holders of Allowed General Unsecured Claims (“Class 3”) per the terms of such section of the Plan, or (ii) holders of other Claims, or on the Effective Date or as soon as reasonably practicable thereafter, or (iii) on such other terms as may be either ordered by the Bankruptcy Court or agreed by the Debtors and the applicable contract counter-party without any further notice to or action, order, or approval of the Bankruptcy Court. Any provisions or terms of the Debtors’ executory contracts or unexpired leases to be assumed and assigned pursuant to the Plan that are, or may be, alleged to be in default, shall be satisfied solely by the Cure, or by an agreed-upon waiver of the Cure.

(6) Confirmation Order. Entry of the Confirmation Order will constitute a finding of adequate assurance of future performance by the Reorganized Debtors within the meaning of section 365 of the Bankruptcy Code. Any objections relating to adequate assurance of future performance, or any other matters relating to the assumption and assignment of executory contracts and unexpired leases (other than Cure Claim disputes) must be asserted as an objection to confirmation of the Plan. Assumption of any executory contract or unexpired lease pursuant to the Confirmation Order or other order of the Bankruptcy Court will limit the Claims of any such contract counter-party to the (i) Allowed Cure Claim and (ii) Claims for ongoing performance under the unexpired lease or executory contract by Reorganized Debtor pursuant to section 365(k) of the Bankruptcy Code.

4. Indemnification and Reimbursement.

Subject to the occurrence of the Effective Date, all Allowed Claims against the Debtors for indemnification, defense, reimbursement, or limitation of liability of current or former directors, officers, or employees of the Debtors against any Claims, costs, liabilities or causes of action as provided in the Debtors’ articles of organization, certificates of incorporation, bylaws, other organizational documents, or applicable law, shall, to the extent such indemnification, defense, reimbursement, or limitation is owed in connection with one or more events or omissions occurring before the Petition Date, be (i) paid only to the extent of any applicable insurance coverage, and (ii) to the extent a proof of Claim has been timely filed and is Allowed, be treated as Subordinated Claims to the extent such Claims are not covered by any applicable insurance, including deductibles. Nothing contained in the Plan shall affect the rights of directors, officers or employees under any insurance policy or coverage with respect to such Claims, costs, liabilities or Causes of Action or limit the rights of the Debtors or the Debtors’

Estates to object to or otherwise contest or challenge Claims or rights asserted by any current or former officer, director or employee of the Debtors.

I. Conditions Precedent to the Effective Date

1. Conditions Precedent.

The following are conditions precedent to the Effective Date that must be satisfied or waived:

(a) The Court shall have entered the Confirmation Order in form and substance acceptable to each of the Plan Proponents confirming and approving the Plan in all respects, and the Confirmation Order shall have become a Final Order.

(b) There shall be no stay or injunction in effect with respect to the Confirmation Order, which such Confirmation Order shall contain approval of the releases provided for herein.

(c) The Plan Documents shall be in a form and substance reasonably acceptable to the Plan Proponents, and have been duly executed and delivered; provided, however, that no party to any such agreements and instruments may unreasonably withhold its execution and delivery of such documents to prevent this condition precedent from occurring.

2. Waiver.

Notwithstanding the foregoing conditions hereinabove, the Plan Proponents reserve, in their sole discretion, the right to waive the occurrence of any condition precedent or to modify any of the foregoing conditions precedent. Any such written waiver of a condition precedent set forth in this Article may be effected at any time, without notice, without leave or order of the Bankruptcy Court, and without any formal action other than proceeding to consummate the Plan. Any actions required to be taken on the Effective Date or Confirmation Date (as applicable) shall take place and shall be deemed to have occurred simultaneously, and no such action shall be deemed to have occurred prior to the taking of any other such action.

J. Indemnification, Release, Injunctive and Related Provisions

1. Compromise and Settlement.

Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the Distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims and Equity Interests. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all Claims and Equity Interests, as well as a finding by the Bankruptcy Court that such compromises or settlements are fair, equitable, reasonable and in the best interests of the Debtors, the Estates and holders of Claims and Equity Interests.

2. Releases by the Debtors and Their Estates.

The Plan provides for certain Releases (described below) and Exculpation (also described below) of the Released Parties, which include: (i) the Debtors; (ii) the Debtors' Professionals; (iii) the members of the Creditors' Committee (solely in their capacity as members of the Creditors' Committee); (iv) the Creditors' Committee's Professionals; and (v) the current and former Representatives of each of the entities listed in parts "(i)" through "(v)" of this paragraph. In turn, the Representatives include: any current or former officers, directors, employees, attorneys, Professionals, accountants, investment bankers, financial advisors, consultants, agents and other representatives (including their respective officers, directors, employees, independent contractors, members and professionals).

The Releases and Exculpation are an integral part of the Plan, and are narrowly tailored to release and exculpate parties whose efforts, money and support have been essential to the Debtors' bankruptcy cases, and are necessary and fair.

The consideration supporting the Releases and Exculpation for the Released Parties include: (i) the services provided by the current and former Representatives of the Debtors and Creditors' Committee who acted in such capacities after the Petition Date; and (ii) the voluntary fee reductions described herein at Section V ("Accrued Professional Compensation Claims").

The provision in the Plan providing for the Releases by the Debtors and their Estates in favor of the Released Parties is as follows: **Notwithstanding anything contained in the Plan to the contrary, as of the Effective Date, for the good and valuable consideration provided by each of the Released Parties, each of the Debtors and their current and former Affiliates and Representatives and the Estates shall be deemed to have provided a full, complete, unconditional and irrevocable release to the Released Parties (and each such Released Party so released shall be deemed released by the Debtors and their current and former Affiliates and Representatives, the Estates and the Creditors' Committee and its members but solely in their capacity as members of the Creditors' Committee and not in their individual capacities), from any and all Causes of Action and any other debts, obligations, rights, suits, damages, actions, remedies and liabilities whatsoever, whether accrued or unaccrued, whether known or unknown, foreseen or unforeseen, existing before the Effective Date, as of the Effective Date or arising thereafter, in law, at equity, whether for tort, contract, violations of statutes (including but not limited to the federal or state securities laws), or otherwise, based in whole or in part upon any act or omission, transaction, or other occurrence or circumstances existing or taking place prior to or on the Effective Date arising from or related in any way to the Debtors, including, without limitation, those that any of the Debtors would have been legally entitled to assert or that any holder of a Claim or Equity Interest or other Entity would have been legally entitled to assert for or on behalf of any of the Debtors or the Estates, including those in any way related to the Chapter 11 Cases or the Plan; provided, however, that the foregoing release shall not prohibit the Debtors, the Reorganized Debtors or the Estates from asserting any and all defenses and counterclaims in respect of any Disputed Claim asserted by any Released Parties; provided further that nothing contained in the foregoing provision or elsewhere in the Plan or Confirmation Order shall be construed as a release of any claims against any Released Party resulting from an act or omission determined by a final order**

of a court of competent jurisdiction to have constituted willful misconduct or gross negligence, provided that each such Released Party shall be entitled to rely upon the advice of counsel concerning its duties pursuant to, or in connection with, its actions or inactions.

3. Releases by Holders of Claims.

The provision in the Plan providing for releases by holders of Claims in favor of the Released Parties is as follows: **Except as otherwise provided in this Article of the Plan, as of the Effective Date, each Person, other than any of the Debtors, who votes to accept the Plan or accepts a Distribution under the Plan, or is deemed to accept the Plan, or abstains from voting on the Plan, shall be deemed to fully, completely, unconditionally, irrevocably, and forever release the Released Parties of and from any and all Claims and Causes of Action and any other debts, obligations, rights, suits, damages, actions, remedies and liabilities whatsoever, whether accrued or unaccrued, whether known or unknown, foreseen or unforeseen, existing before the Effective Date, as of the Effective Date or arising thereafter, in law, at equity, whether for tort, contract, violations of statutes (including but not limited to the federal or state securities laws), or otherwise, based in whole or in part upon any act or omission, transaction, or other occurrence or circumstances existing or taking place prior to or on the Effective Date arising from or related in any way to the Debtors and their current and former Affiliates and Representatives, whether direct, derivative, accrued or unaccrued, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, known or unknown, foreseen or unforeseen, in law, equity or otherwise; provided that nothing contained in the foregoing provision or elsewhere in the Plan or Confirmation Order shall be construed as a release of any claims against any Released Party resulting from an act or omission determined by a final order of a court of competent jurisdiction to have constituted willful misconduct or gross negligence, provided that each such Released Party shall be entitled to rely upon the advice of counsel concerning its duties pursuant to, or in connection with, its actions or inactions; *provided, however* that such releases shall not affect any rights of any non-Debtor Person or Entity with respect to any written personal or cross-corporate guarantees of the Debtors' obligations executed by such non-Debtor Person or Entity to and in favor of any Party or Entity in connection with the Debtors' prepetition operations.**

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the releases set forth in this Article pursuant to Bankruptcy Rule 9019 and its finding that they are: (a) in exchange for good and valuable consideration, representing a good faith settlement and compromise of the Claims and Causes of Action released by the Plan; (b) in the best interests of the Debtors and all holders of Claims; (c) fair, equitable and reasonable; (d) approved after due notice and opportunity for hearing; and (e) a bar to the assertion of any Claim or Cause of Action thereby released.

4. Exculpation.

Notwithstanding anything contained herein the contrary, the Released Parties shall neither have nor incur any liability relating to these Chapter 11 Cases to any Entity for any and all Claims and Causes of Action arising after the Petition Date and through the Effective Date, including any act taken or omitted to be taken in connection with, or related to, formulating,

negotiating, preparing, disseminating, implementing, administering, confirming or consummating the Plan or distributing property thereunder, the Disclosure Statement, or any other contract, instrument, release or other agreement or document created or entered into in connection with the Plan or any other postpetition act taken or omitted to be taken in connection with the Chapter 11 Cases; provided, however, that the foregoing provisions of this Article shall have no effect on the liability of any Entity that results from any such act or omission that is determined in a Final Order to have constituted gross negligence or willful misconduct. Notwithstanding anything contained in this Article to the contrary, nothing shall restrict the United States Securities and Exchange Commission from bringing any regulatory or enforcement action for violation of the federal securities laws respecting any parties otherwise protected thereunder.

5. Government Carve-Out.

Except for the Claims described in Articles II and III of the Plan or other Final Order of the Bankruptcy Court that are discharged and released under the Plan, nothing in the Plan or the Confirmation Order shall (i) effect a release of any other claim by the United States Government or any of its agencies or any state and local authority whatsoever against the Released Parties, including without limitation any claim arising under the Internal Revenue Code, securities laws, the environmental laws or any criminal laws of the United States or any state and local authority, (ii) enjoin the United States Government or any of its agencies or any state and local authority whatsoever from bringing any claim, suit, action or other proceedings against the Released Parties asserting any other liability, including without limitation any claim, suit or action arising under the Internal Revenue Code, securities laws, environmental laws or any criminal laws of the United States or any state or local authority, and (iii) exculpate any of the Released Parties from any other liability to the United States Government or any of its agencies or any state and local authority whatsoever, including any liabilities arising under the Internal Revenue Code, securities laws, environmental laws or any criminal laws of the United States or any state and local authority.

6. Savings Clause.

If any release or discharge of a non-Debtor Entity under the Plan is ruled by the Court to be improper or ineffective, the Plan shall proceed to confirmation and be confirmed without that part found to be improper or ineffective.

7. Limitations on Exculpation and Releases.

Nothing in Article V.J (“Releases”) or Article V.J (“Exculpation”) herein shall (i) be construed to release or exculpate any person from, or require indemnification of any Person against losses arising from, the fraud, malpractice, criminal conduct, intentional unauthorized misuse of confidential information that causes damages, or ultra vires acts of such Person, or (ii) limit the liability of the professionals of the Debtors or the Creditors’ Committee to their respective clients pursuant to Rule 4-1.8(h) of the Florida Rules of Professional Conduct (“Limiting Liability for Malpractice”).

8. Preservation of All Causes of Action Not Expressly Settled or Released.

Except as provided in Article V.J (“Releases”), the Debtors (prior to the Effective Date) and the Reorganized Debtors (on and after the Effective Date) shall retain all Causes of Action; provided, however, that the holders of Claims in Class 3 (“General Unsecured Claims”) shall be released from any liability in respect of Avoidance Actions and the Debtors and Reorganized Debtors, as applicable, waive any right to pursue Avoidance Actions against the holders of Claims in Class 3 (“General Unsecured Claims”).

On the Effective Date, the Causes of Action shall be preserved and vested in the Reorganized Debtors for the benefit of the holders of Allowed Claims in Class 3 (“General Unsecured Claims”) and the Reorganized Debtors. The Reorganized Debtors will have the right, in their sole and absolute discretion, to pursue, not pursue, enforce, file, settle, compromise, release, withdraw, arbitrate or litigate any Cause of Action without seeking any approval from the Bankruptcy Court except as provided in Article V.J (“Prosecution and Settlement of Causes of Action”). Any net recovery (i.e., net of reasonable attorney’s fees and documented, necessary expenses) obtained by the Reorganized Debtors from Causes of Action shall be distributed by the Reorganized Debtors (i) fifty (50%) percent to the holders of Allowed General Unsecured Claims in Class 3 and (ii) fifty (50%) percent to the Reorganized Debtors.

The Debtors are currently not in a position to express an opinion on the merits of any of the Causes of Action or on the recoverability of any amounts as a result of any such Causes of Action. **FOR PURPOSES OF PROVIDING NOTICE, THE DEBTORS STATE THAT ANY PARTY IN INTEREST THAT ENGAGED IN BUSINESS OR OTHER TRANSACTIONS WITH ANY OF THE DEBTORS PREPETITION OR THAT RECEIVED payments FROM ANY OF THE DEBTORS PREPETITION MAY BE SUBJECT TO LITIGATION TO THE EXTENT THAT APPLICABLE BANKRUPTCY OR NON-BANKRUPTCY LAW SUPPORTS SUCH LITIGATION; PROVIDED, HOWEVER, THE DEBTORS AND REORGANIZED DEBTORS, AS APPLICABLE, HAVE EXPLICITLY WAIVED ANY RIGHT TO PURSUE AVOIDANCE ACTIONS AGAINST THE HOLDERS OF CLAIMS IN CLASS 3 (“GENERAL UNSECURED CLAIMS”).** Unless otherwise covered by insurance, the Reorganized Debtors will fund the costs and expenses (including legal fees) to pursue the Causes of Action.

No Creditor or other party should vote for the Plan or otherwise rely on the Confirmation of the Plan or the entry of the Confirmation Order in order to obtain, or on the belief that it will obtain, any defense to any Cause of Action. No Creditor or other party should act or refrain from acting on the belief that it will obtain any defense to any Cause of Action. **ADDITIONALLY, THE PLAN DOES NOT, AND IS NOT INTENDED TO, RELEASE ANY CAUSE OF ACTION OR OBJECTIONS TO CLAIMS -- OTHER THAN WITH RESPECT TO AVOIDANCE ACTIONS -- FOR THE HOLDERS OF CLAIMS IN CLASS 3 (“GENERAL UNSECURED CLAIMS”), AND ALL SUCH RIGHTS ARE SPECIFICALLY RESERVED IN FAVOR OF THE DEBTORS AND THE REORGANIZED DEBTORS.** Creditors are advised that legal rights, claims and rights of action the Debtors may have against them, if they exist, are retained under the Plan for prosecution unless a specific order of the Bankruptcy Court authorizes the Debtors to release

such claims. As such, Creditors are cautioned not to rely on (i) the absence of the listing of any legal right, claim or right of action against a particular Creditor in the Disclosure Statement, the Plan, or the Schedules, or (ii) the absence of litigation or demand prior to the Effective Date of the Plan as any indication that the Debtors or Reorganized Debtors do not possess or do not intend to prosecute a particular claim or Cause of Action if a particular Creditor votes to accept the Plan. It is the expressed intention of the Plan to preserve rights, objections to Claims, and rights of action of the Debtors, whether now known or unknown, for the benefit of Reorganized Debtors. A Cause of Action shall not, under any circumstances, be waived as a result of the failure of the Debtors to describe such Cause of Action with specificity in the Plan or in the Disclosure Statement; nor shall the Reorganized Debtors, as a result of such failure, be estopped or precluded under any theory from pursuing any such Cause of Action. Nothing in the Plan operates as a release of any Cause of Action.

The Debtors do not presently know the full extent of the Causes of Action and, for purposes of voting on the Plan, all Creditors are advised that the Reorganized Debtors will have substantially the same rights that a Chapter 7 trustee would have with respect to the Causes of Action. Accordingly, neither a vote to accept the Plan by any Creditor nor the entry of the Confirmation Order will act as a release, waiver, bar or estoppel of any Cause of Action against such Creditor or any other Person or Entity, unless such Creditor, Person or Entity is specifically identified by name as a Released Party in the Plan, in the Confirmation Order, or in any other Final Order of the Bankruptcy Court. Confirmation of the Plan and entry of the Confirmation Order is not intended to and shall not be deemed to have any res judicata or collateral estoppel or other preclusive effect that would precede, preclude, or inhibit prosecution of such Cause of Action following Confirmation of the Plan.

The Estates shall remain open, even if the Bankruptcy Cases shall have been closed, as to any and all Causes of Action until such time as the Causes of Action have been fully administered and the recoveries therefrom have been received by Reorganized Debtors.

9. Injunction.

From and after the Effective Date, all Entities are permanently enjoined from commencing or continuing in any manner against the Debtors, the Estates, the Creditors' Committee, and their successors and assigns, and their assets and properties, as the case may be, any suit, action or other proceeding, on account of or respecting any Claim or Equity Interest, demand, liability, obligation, debt, right, Cause of Action, interest or remedy released or satisfied or to be released or satisfied pursuant to the Plan or the Confirmation Order.

Except as otherwise expressly provided for in the Plan or in obligations issued pursuant to the Plan, from and after the Effective Date, all Entities shall be precluded from asserting against the Debtors, the Estates, the Creditors' Committee, and their successors and assigns and their assets and properties, any other Claims or Equity Interests based upon any documents, instruments, or any act or omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date, solely to the extent that (a) such Claims or Equity Interests have been released or satisfied pursuant to the Plan or the Confirmation Order or (b) such Claims, Equity Interests, actions or assertions of Liens relate to property that will be distributed pursuant to the Plan or the Confirmation Order.

The rights afforded in the Plan and the treatment of all Claims and Equity Interests in the Plan shall be in exchange for and in complete satisfaction of Claims and Equity Interests against the Debtors or any of their assets or properties solely to the extent that (a) such Claims or Equity Interests have been released or satisfied pursuant to the Plan or the Confirmation Order or (b) such Claims, Equity Interests, actions or assertions of Liens relate to property that will be distributed pursuant to the Plan or the Confirmation Order. On the Effective Date, all such Claims against, and Equity Interests in, the Debtors shall be satisfied and released in full.

Except as otherwise expressly provided for in the Plan or in obligations issued pursuant to the Plan, all Persons and Entities are permanently enjoined, on and after the Effective Date, on account of any Claim or Equity Interest satisfied and released pursuant to the Plan or Confirmation Order, from:

- (a) commencing or continuing in any manner any action or other proceeding of any kind against any Debtor, any Estate, the Creditors' Committee, and their successors and assigns and their assets and properties;
- (b) enforcing, attaching, collecting or recovering by any manner or means any judgment, award, decree or order against any Debtor, any Estate, the Creditors' Committee, and their successors and assigns and their assets and properties;
- (c) creating, perfecting or enforcing any encumbrance of any kind against any Debtor, any Estate, the Creditors' Committee, and their successors and assigns and their assets and properties; and
- (d) commencing or continuing in any manner any action or other proceeding of any kind in respect of any Claim or Equity Interest or Cause of Action released or settled hereunder).

10. Releases of Liens.

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement or document created pursuant to the Plan, on the Effective Date, all mortgages, deeds of trust, Liens, pledges or other security interests against property of the Estates distributed under the Plan shall be fully released and discharged and all of the right, title and interest of any holder of such mortgages, deeds of trust, Liens, pledges or other security interest shall revert to the Debtors.

K. Retention of Jurisdiction

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall, after the Effective Date, retain such jurisdiction over the Chapter 11 Cases and all Entities, including, without limitation, the Debtors, with respect to all matters related to the Chapter 11 Cases, the Debtors and the Plan as is legally permissible, including, without limitation, jurisdiction to:

- (1) allow, disallow, determine, liquidate, classify, estimate or establish the priority or secured or unsecured status of any Claim against the Debtors, including the

resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the allowance or priority of Claims;

(2) grant, deny or otherwise resolve any and all applications of Professionals or Persons retained in the Chapter 11 Cases by the Debtors or the Creditors' Committee for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or the Plan, for periods ending on or before the Effective Date;

(3) resolve any matters related to the assumption, assignment or rejection of any executory contract or unexpired leases to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine and, if necessary, liquidate, any Claims arising therefrom;

(4) ensure that Distributions to holders of Allowed Claims are accomplished pursuant to the provisions of the Plan, including by resolving any disputes regarding the Debtors' entitlement to recover assets held by third parties;

(5) decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters and grant or deny any applications involving a Debtor that may be pending on the Effective Date or instituted by the Debtors after the Effective Date;

(6) enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all other contracts, instruments, releases, indentures and other agreements or documents adopted in connection with the Plan or the Disclosure Statement;

(7) resolve any cases, controversies, suits or disputes that may arise in connection with the Effective Date, interpretation or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;

(8) issue injunctions, enforce them, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with the Effective Date or enforcement of the Plan, except as otherwise provided in the Plan;

(9) enforce Articles within the Plan;

(10) resolve any cases, controversies, suits or disputes with respect to the releases, injunction and other provisions contained in Article X of the Plan, and enter such orders as may be necessary or appropriate to implement or enforce all such releases, injunctions and other provisions;

(11) enter and implement such orders as necessary or appropriate if the Confirmation Order is modified, stayed, reversed, revoked or vacated;

(12) resolve any other matters that may arise in connection with or related to the Plan, the Disclosure Statement, the Confirmation Order, or any contract,

instrument, release, indenture or other agreement or document adopted in connection with the Plan or the Disclosure Statement; and

(13) enter an order and a Final Decree closing the Chapter 11 Cases.

L. Miscellaneous Provisions

1. Modification of Plan.

Subject to the limitations contained in the Plan, the Plan Proponents reserve the right in their sole discretion, in accordance with the Bankruptcy Code and the Bankruptcy Rules to amend or modify the Plan prior to the entry of the Confirmation Order, including amendments or modifications to satisfy section 1129(b) of the Bankruptcy Code; provided, however, that any pre-Confirmation Date amendments shall not materially or adversely affect the interests, rights or treatment of any Allowed Claims or Equity Interests under the Plan; and (2) after the entry of the Confirmation Order, the Plan Proponents or the Liquidating Trustee may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan.

2. Revocation of Plan.

The Plan Proponents reserve the right in their sole discretion to revoke or withdraw the Plan prior to the entry of the Confirmation Order, and to file subsequent chapter 11 plans. If the Plan Proponents revoke or withdraw the Plan or if entry of the Confirmation Order or the Effective Date does not occur, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan, assumption or rejection of executory contracts effected by the Plan, and any document or agreement executed pursuant hereto shall be deemed null and void; and (3) nothing contained in the Plan shall: (a) constitute a waiver or release of any Claims by or against, or any Equity Interests in, such Debtor or any other Entity; (b) prejudice in any manner the rights of either of the Plan Proponents or any other Entity; or (c) constitute an admission of any sort by either of the Plan Proponents or any other Entity.

3. Binding Effect.

On the Effective Date, the provisions of the Plan shall bind any holder of a Claim against, or Equity Interest in, a Debtor and such holder's respective successors and assigns, whether or not the Claim or Equity Interest of such holder is Impaired under the Plan, whether or not such holder has accepted the Plan and whether or not such holder is entitled to a Distribution under the Plan.

4. Successors and Assigns.

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

5. Governing Law.

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

6. Reservation of Rights.

The Plan shall have no force or effect unless and until the Effective Date occurs. Neither the filing of the Plan, any statement or provision contained therein, nor the taking of any action by a Debtor, a Plan Proponent, or any Entity with respect to the Plan shall be or shall be deemed to be an admission or waiver of any rights of: (1) any Debtor with respect to the holders of Claims or Equity Interests or other parties in interest; or (2) any holder of a Claim or other party in interest prior to the Effective Date.

7. Title 1146 Exemption.

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant hereto shall not be subject to any stamp tax or other similar tax or governmental assessment in the United States, and the Confirmation Order shall direct the appropriate state or local governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation instruments or other documents pursuant to such transfers of property without the payment of any such tax or governmental assessment.

8. Section 1125(e) Good Faith Compliance.

Confirmation of the Plan shall act as a finding by the Bankruptcy Court that the Plan Proponents and each of their respective Representatives have acted in “good faith” under section 1125(e) of the Bankruptcy Code.

9. Further Assurances.

The Plan Proponents, all holders of Claims receiving Distributions hereunder, and all other parties in interest shall, from time to time, prepare, execute and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan or the Confirmation Order.

10. Service of Documents.

Any pleading, notice or other document required by the Plan to be served on or delivered to any of the Plan Proponents shall be sent by both email and first class, certified U.S. mail, postage prepaid as follows:

To the Debtors:

Goodman and Dominguez, Inc.
10701 Northwest 127th Street
Medley, Florida 33178
Attn: David Goodman
Email: goodman@trafficshoe.com

With a copy to (which shall not constitute notice)

Meland Russin & Budwick, P.A.
3200 Southeast Financial Center
200 South Biscayne Boulevard
Miami, Florida 33131
Attn: Joshua W. Dobin
Tel: 305.358.6363
Email: jdobin@melandrussin.com

To the Committee:

Berger Singerman LLP
1450 Brickell Avenue
Miami, Florida 33131
Attn: Christopher Andrew Jarvinen
Tel: 305.714.4363
Email: cjarvinen@bergersingerman.com

11. Filing of Additional Documents.

On or before the Effective Date, the Plan Proponents may file with the Bankruptcy Court all agreements and other documents that may be necessary or appropriate to effectuate and further evidence the terms and conditions hereof.

12. No Stay of Confirmation Order.

The Plan Proponents shall request that the Bankruptcy Court waive stay of enforcement of the Confirmation Order otherwise applicable, including pursuant to Federal Rules of Bankruptcy Procedure 3020(e), 6004(h) and 7062.

VI. RISK FACTORS IN CONNECTION WITH THE PLAN

The holders of Claims against the Debtors should read and carefully consider the following risk factors, as well as the other information set forth in this Disclosure Statement (and the documents delivered together herewith), before deciding whether to vote to accept or reject the Plan. These risk factors should not, however, be regarded as constituting the only risks associated with the Plan and its implementation.

A. Bankruptcy Considerations.

Although the Plan Proponents believe the Plan will satisfy all requirements necessary for confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court will confirm the Plan as proposed. Moreover, there can be no assurance that modifications of the Plan will not be required for confirmation or that such modifications would not necessitate the re-solicitation of votes.

In addition, the occurrence of the Effective Date is conditioned on the satisfaction (or waiver) of the conditions precedent set forth in Article IX of the Plan, and there can be no assurance that such conditions will be satisfied or waived. In the event the conditions precedent described in Article IX of the Plan have not been satisfied, or waived (to the extent possible) by the Plan Proponents or applicable parties (as provided for in the Plan) as of the Effective Date, then the Confirmation Order will be vacated, no Distributions will be made pursuant to the Plan, and each of the Plan Proponents and all holders of Claims and Equity Interests will be restored to the status quo ante as of the day immediately preceding the Confirmation Date as though the Confirmation Date had never occurred.

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an equity interest in a particular class only if such claim or equity interest is substantially similar to the other claims or equity interests in such class. The Plan Proponents believe that the classification of Claims and Equity Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because each Class of Claims and Equity Interests encompass Claims or Equity Interests, as applicable, that are substantially similar to the other Claims and Equity Interests in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

The Plan provides that the holders of Allowed Claims in Class 3 (“General Unsecured Claims”) are to receive a Pro Rata share of \$1.25 million in Cash over the four year period of the Plan and fifty (50%) of any Excess Cash Flow generated by the Debtors’ business between the Effective Date and December 31, 2020. The Distributions to the holders of Allowed Claims in Class 3 will be made from Available Cash on the Effective Date and by the net proceeds generated from the continuing operation of the Debtors’ business, as well as the possible prosecution of Causes of Action, if any. The potential recoveries from such actions, however, are unknown. In addition, there can be no assurance that the net proceeds generated from the continuing operation of the Debtors’ business will be sufficient to pay the fees and expenses of the Debtors and/or the professionals employed in connection therewith.

The Plan provides for no Distribution to certain Classes as specified in Article III of the Plan. The Bankruptcy Code conclusively deems these Classes to have rejected the Plan. Pursuant to section 1129(a)(10) of the Bankruptcy Code, notwithstanding the fact that these Classes are deemed to have rejected the Plan, the Bankruptcy Court may confirm the Plan if at least one Impaired Class votes to accept the Plan (with such acceptance being determined without including the vote of any “insider” in such class). As to each Impaired Class that has not accepted the Plan, the Plan may be confirmed if the Bankruptcy Court determines that the Plan “does not discriminate unfairly” and is “fair and equitable” with respect to these Classes. The Plan Proponents believe that the Plan satisfies these requirements.

B. No Duty to Update Disclosures.

The Plan Proponents have no duty to update the information contained in this Disclosure Statement as of the date hereof, unless otherwise specified herein, or unless the Plan Proponents are required to do so pursuant to an order of the Bankruptcy Court. Delivery of the Disclosure Statement after the date hereof does not imply that the information contained herein has remained unchanged.

C. Representations Outside this Disclosure Statement.

This Disclosure Statement contains representations concerning or related to the Debtors and the Plan that are conditionally approved by the Bankruptcy Code and the Bankruptcy Court. Please be advised that any representations or inducements outside this Disclosure Statement and any related documents which are intended to secure your acceptance or rejection of the Plan should not be relied upon by holders of Claims that are entitled to vote to accept or reject the Plan.

D. No Admission.

The information and representations contained herein shall not be construed to constitute an admission of, or be deemed evidence of, any legal effect of the Plan on the Debtors or holders of Claims and Equity Interests.

E. Tax and Other Related Considerations.

A discussion of potential tax consequences of the Plan is provided in Section IX hereof; however, the content of this Disclosure Statement is not intended and should not be construed as tax, legal, business or other professional advice. Holders of Claims and/or Equity Interests should seek advice from their own independent tax, legal or other professional advisors based on their own individual circumstances.

VII. PLAN CONFIRMATION AND CONSUMMATION**A. The Confirmation Hearing.**

Bankruptcy Code section 1128(a) requires the Bankruptcy Court, after appropriate notice, to hold a hearing on confirmation of a plan (the “**Confirmation Hearing**”). On, or as promptly as practicable after the filing of the Plan and this Disclosure Statement, the Plan Proponents will request, pursuant to the requirements of the Bankruptcy Code and the Bankruptcy Rules, that the Bankruptcy Court schedule the Confirmation Hearing. Notice of the Confirmation Hearing through the order conditionally approving the Disclosure Statement (the “**Confirmation Hearing Notice**”) will be provided to all known Creditors or their representatives. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement of the adjourned date made at the Confirmation Hearing or any subsequent adjourned Confirmation Hearing.

Pursuant to Bankruptcy Code section 1128(b), any party in interest may object to confirmation of a plan of reorganization. Any objection to confirmation of the Plan must be in

writing, must conform to the Bankruptcy Rules, must set forth the name of the objector, the nature and amount of Claims or Equity Interests held or asserted by the objector against the particular Plan Debtor(s), the basis for the objection and the specific grounds of the objection, and must be filed with the Bankruptcy Court, together with proof of service thereof, and served upon: (i) the Debtors' counsel, Meland Russin & Budwick, P.A., 200 South Biscayne Blvd., Suite 3200, Miami, FL 33131 (Attn: Joshua W. Dobin, Esq.); and (ii) counsel for the Creditors' Committee, Berger Singerman LLP, 1450 Brickell Ave., Miami, FL 33131 (Attn: Christopher A. Jarvinen, Esq.); and (iii) such other parties as the Bankruptcy Court may order, so as to be actually received no later than the date and time designated in the Confirmation Hearing Notice.

Bankruptcy Rule 9014 governs objections to confirmation of the Plan. **UNLESS AN OBJECTION TO CONFIRMATION OF THE PLAN IS TIMELY SERVED UPON THE PARTIES LISTED ABOVE AND FILED WITH THE BANKRUPTCY COURT, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT IN DETERMINING CONFIRMATION OF THE PLAN.**

B. Plan Confirmation Requirements Under the Bankruptcy Code.

In order for the Plan to be confirmed, the Bankruptcy Code requires that the Bankruptcy Court determine that the Plan complies with the technical requirements of chapter 11 of the Bankruptcy Code and that the disclosures concerning the Plan have been adequate and have included information concerning all payments made or promised in connection with the Plan and these Chapter 11 Cases. The Bankruptcy Code also requires that: (1) the Plan be accepted by the requisite votes of Creditors except to the extent that confirmation despite dissent is available under Bankruptcy Code section 1129(b); (2) the Plan is feasible (that is, there is a reasonable probability that the Debtors will be able to perform their obligations under the Plan without needing further financial reorganization not contemplated by the Plan); and (3) the Plan is in the "best interests" of all Creditors (that is, Creditors will receive at least as much under the Plan as they would receive in a hypothetical liquidation case under chapter 7 of the Bankruptcy Code). To confirm the Plan, the Bankruptcy Court must find that all of the above conditions are met, unless the applicable provisions of Bankruptcy Code section 1129(b) are employed to confirm the Plan, subject to satisfying certain conditions, over the dissent or deemed rejections of Classes of Claims.

1. Best Interests of Creditors.

The Bankruptcy Code requires that, with respect to an impaired class of claims or interests, each holder of an impaired claim or interest in such class either (i) accepts the plan or (ii) receives or retains under the plan property of a value, as of the effective date of the plan, that is not less than the amount (value) such holder would receive or retain if the debtor was liquidated under chapter 7 of the Bankruptcy Code on the Effective Date.

The Plan Proponents, with the assistance of their professionals, have prepared the Liquidation Analysis attached hereto as **Exhibit "2"**. The Liquidation Analysis is based upon a hypothetical liquidation in a chapter 7 case. In preparing the Liquidation Analysis, the Plan Proponents have taken into account the nature, status and underlying value of the Debtors' assets, the ultimate realizable value of the Assets, and the extent to which such Assets are subject

to liens and security interests. In addition, the Liquidation Analysis also reflects the required time and resources necessary to effectuate an orderly wind down of the Estates. The Liquidation Analysis provides an estimate of the Cash on hand in the Estates as of the expected Effective Date of the Plan.

Based upon the Liquidation Analysis, the Plan Proponents believe that liquidation under chapter 7 would result in smaller distributions, if any, being made to Creditors than those provided for in the Plan because of (a) the likelihood that other Assets of the Debtors would have to be sold or otherwise disposed of in a less orderly fashion; (b) additional administrative expenses attendant to the appointment of a trustee and the trustee's employment of attorneys and other professionals, and (c) additional expenses and Claims, some of which would be entitled to priority, which would be generated during the liquidation and from the rejection of leases and other executory contracts in connection with a cessation of the Debtors' operations. In the opinion of the Plan Proponents, the recoveries projected to be available in a chapter 7 liquidation are not likely to afford the holders of Claims as great a realization potential as afforded to them under the Plan.

Accordingly, the Plan Proponents believe that in a chapter 7 liquidation, holders of Claims would receive less than such holders would receive under the Plan. There can be no assurance, however, as to values that would actually be realized in a chapter 7 liquidation, nor can there be any assurance that a Bankruptcy Court would accept the Plan Proponents' conclusions or concur with such assumptions in making its determinations under section 1129(a)(7) of the Bankruptcy Code.

2. Feasibility of the Plan.

Pursuant to section 1129(a)(11) of the Bankruptcy Code, a debtor must demonstrate that a bankruptcy court's confirmation of a plan is not likely to be followed by the liquidation or need for further financial reorganization of the debtor or its successor under the plan, unless such liquidation or reorganization is proposed under the plan. Pursuant to the Plan, the Reorganized Debtors shall be vested with the Debtors' Assets in order to continue to operate the Debtors' business and to make Distributions in accordance with the Plan. Therefore, the Bankruptcy Court's confirmation of the Plan is not likely to be followed by liquidation or the need for any further reorganization.

3. Acceptance by Impaired Classes.

The Bankruptcy Code requires, as a condition to confirmation, that, except as described below, each class of claims or equity interests that is impaired under a plan, accept the plan. A class that is not "impaired" under a plan is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such class is not required. As a general matter under the Bankruptcy Code, a class is "impaired," unless the plan: (a) leaves unaltered the legal, equitable and contractual rights to which the claim or the equity interest entitles the holder of such claim or equity interest; (b) cures any default and reinstates the original terms of such claim or equity interest; or (c) provides that, on the consummation date, the holder of such claim or equity interest receives cash equal to the allowed amount of that claim or, with respect to any

equity interest, any fixed liquidation preference to which the holder of such equity interest is entitled to any fixed price at which the debtor may redeem the security.

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of claims in that class, but for that purpose counts only those who actually vote to accept or to reject the plan. Thus, a class of claims will have voted to accept the plan only if two-thirds (2/3) in amount and a majority in number actually voting cast their ballots in favor of acceptance. A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

Any Class of Claims that is not occupied as of the commencement of the Confirmation Hearing by an Allowed Claim or a Claim temporarily Allowed under Bankruptcy Rule 3018 shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code. If no votes to accept or reject the Plan are received with respect to a Class whose votes have been solicited under the Plan (other than a Class that is deemed eliminated under the Plan), such Class shall be deemed to have voted to accept the Plan.

4. Section 1129(b).

The Bankruptcy Code permits confirmation of a plan even if it is not accepted by all impaired classes, as long as (a) the plan otherwise satisfies the requirements for confirmation, (b) at least one impaired class of claims has accepted it without taking into consideration the votes of any insiders in such class, and (c) the plan is “fair and equitable” and does not “discriminate unfairly” as to any impaired class that has not accepted the plan. These so called “cramdown” provisions are set forth in section 1129(b) of the Bankruptcy Code.

a. No Unfair Discrimination.

The “no unfair discrimination” test requires that the plan not provide for unfair treatment with respect to classes of claims or interests that are of equal priority, but are receiving different treatment under the plan.

b. Fair and Equitable.

The fair and equitable requirement applies to classes of claims of different priority and status, such as secured versus unsecured. The plan satisfies the fair and equitable requirement if no class of claims receives more than 100% of the allowed amount of the claims in such class. Further, if a class of claims is considered a dissenting class (a “**Dissenting Class**”), i.e., a Class of Claims that is deemed to reject the Plan because the required majorities in amount and number of votes is not received from the Class, the following requirements apply:

1. Class of Secured Claims.

Each holder of an impaired secured claim either (i) retains its liens on the subject property, to the extent of the allowed amount of its secured claim and receives deferred cash

payments having a value, as of the effective date of the plan, of at least the allowed amount of such claim, (ii) has the right to credit bid the amount of its claim if its property is sold and retains its liens on the proceeds of the sale (or if sold, on the proceeds thereof), or (iii) receives the “indubitable equivalent” of its allowed secured claim.

2. Class of Unsecured Creditors.

Either (i) each holder of an impaired unsecured claim receives or retains under the plan property of a value equal to the amount of its allowed claim or (ii) the holders of claims and interests that are junior to the claims of the Dissenting Class will not receive any property under the plan.

3. Class of Equity Interests.

Either (i) each interest holder will receive or retain under the Plan property of a value equal to the greater of (a) the fixed liquidation preference or redemption price, if any, of such stock and (b) the value of the stock, or (ii) the holders of interests that are junior to the interests of the Dissenting Class will not receive any property under the plan.

The Plan Proponents believe the Plan does not “discriminate unfairly” and will satisfy the “fair and equitable” requirement notwithstanding that certain Classes of Claims and Equity Interests are deemed to reject the Plan because no Class that is junior to such Class will receive or retain any property on account of the Claims and Equity Interests in such Class and the Plan does not provide for unfair treatment with respect to Classes of Claims or Equity Interests that are of equal priority.

VIII. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

The Plan Proponents believe the Plan is in the best interests of their Creditors and should accordingly be accepted and confirmed. If the Plan as proposed, however, is not confirmed, the following three alternatives may be available to the Debtors: (i) a liquidation of the Debtors’ Assets pursuant to chapter 7 of the Bankruptcy Code; (ii) an alternative plan of reorganization or liquidation may be proposed and confirmed; or (iii) the Debtors’ Chapter 11 Cases may be dismissed.

A. Chapter 7 Liquidation.

If a plan pursuant to chapter 11 of the Bankruptcy Code is not confirmed by the Bankruptcy Court, the Debtors’ Chapter 11 Cases may be converted to liquidation cases under chapter 7 of the Bankruptcy Code, in which a trustee would be elected or appointed, pursuant to applicable provisions of chapter 7 of the Bankruptcy Code, to liquidate the assets of the Debtors for distribution in accordance with the priorities established by the Bankruptcy Code. The Debtors believe that such a liquidation would result in smaller distributions being made to the Debtors’ Creditors than those provided for in the Plan because (a) of the likelihood that other assets of the Debtors would have to be sold or otherwise disposed of in a less orderly fashion, (b) additional administrative expenses attendant to the appointment of a trustee and the trustee’s employment of attorneys and other professionals, (c) additional expenses and Claims, some of

which would be entitled to priority, which would be generated during the liquidation and from the rejection of leases and other executory contracts in connection with a cessation of the Debtors' operations. The Plan Proponents have found that confirmation of the Plan will provide each holder of an Allowed Claim with a recovery that is not less than such holder would receive pursuant to liquidation of the Debtors under chapter 7 of the Bankruptcy Code.

B. Alternative Plan Pursuant to Chapter 11 of the Bankruptcy Code.

If the Plan is not confirmed, the Plan Proponents may propose a different plan, which might involve an alternative means for the reorganization or liquidation of the Debtors' Assets. However, the Plan Proponents believe that the terms of the Plan provide for an orderly and efficient liquidation of the Debtors' Assets and will result in the realization of the most value for holders of Claims against the Debtors' Estates.

C. Dismissal of the Debtors' Chapter 11 Cases.

Dismissal of the Debtors' Chapter 11 Cases would have the effect of restoring (or attempting to restore) all parties to the status quo ante. Upon dismissal of the Debtors' Chapter 11 Cases, the Debtors would lose the protection of the Bankruptcy Code, thereby requiring, at the very least, an extensive and time-consuming process of negotiation with the various creditors of the Debtors, and possibly resulting in costly and protracted litigation in various jurisdictions. Most significantly, dismissal of the Debtors' Chapter 11 Cases would permit secured creditors to foreclose upon any assets that are subject to their Liens and could unravel the significant lease modification negotiated by the Debtors for the benefit of the creditors and the Debtors' estates. Dismissal will also permit unpaid unsecured creditors to obtain and enforce judgments against the Debtors. The Plan Proponents believe that these actions could lead ultimately to the liquidation of the Debtors' Assets under chapter 7 of the Bankruptcy Code. Therefore, the Plan Proponents believe that dismissal of the Debtors' Chapter 11 Cases is not a preferable alternative to the Plan.

IX. CERTAIN FEDERAL TAX CONSEQUENCES

THE FOLLOWING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN U.S. FEDERAL TAX CONSEQUENCES OF THE PLAN AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE FOLLOWING DISCUSSION IS FOR INFORMATION PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A HOLDER'S PARTICULAR CIRCUMSTANCES.

ACCORDINGLY, EACH HOLDER IS STRONGLY URGED TO CONSULT ITS TAX ADVISOR REGARDING THE U.S. FEDERAL, STATE, LOCAL, AND APPLICABLE NON-U.S. INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN.

TO COMPLY WITH INTERNAL REVENUE SERVICE CIRCULAR 230, TAXPAYERS ARE HEREBY NOTIFIED THAT (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THIS DISCLOSURE STATEMENT (INCLUDING ANY ATTACHMENTS) IS NOT INTENDED OR

WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON A TAXPAYER UNDER THE INTERNAL REVENUE CODE, (B) ANY SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN, AND (C) TAXPAYERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

A. General.

The following discussion summarizes certain material U.S. federal income tax consequences to the Debtors and holders entitled to vote on the Plan. This discussion is based on current provisions of the Internal Revenue Code of 1986, as amended (the “**IRC**”), applicable Treasury Regulations, judicial authority and current administrative rulings and pronouncements of the Internal Revenue Service (the “**Service**”). There can be no assurance that the Service will not take a contrary view, no ruling from the Service has been or will be sought nor will any counsel provide a legal opinion as to any of the expected tax consequences set forth below.

Legislative, judicial or administrative changes or interpretations may be forthcoming that could alter or modify the statements and conclusions set forth herein. Any such changes or interpretations may or may not be retroactive and could affect the tax consequences to holders of Claims or the Debtors. It cannot be predicted at this time whether any tax legislation will be enacted or, if enacted, whether any tax law changes contained therein would affect the tax consequences described herein.

The following summary is for general information only. The tax treatment of a holder may vary depending upon such holder’s particular situation. This summary does not address all of the tax consequences that may be relevant to a holder, including any alternative minimum tax consequences and does not address the tax consequences to a holder that has made an agreement to resolve its claim in a manner not explicitly provided for in the Plan. This summary also does not address the U.S. federal income tax consequences to persons not entitled to vote on the Plan or holders subject to special treatment under the U.S. federal income tax laws, such as brokers or dealers in securities or currencies, certain securities traders, tax-exempt entities, financial institutions, insurance companies, foreign persons, partnerships and other pass-through entities, holders that have a “functional currency” other than the United States dollar and holders that have acquired Claims in connection with the performance of services. The following summary assumes that the Claims are held by holders as “capital assets” within the meaning of Section 1221 of the IRC and that all Claims denominated as indebtedness are properly treated as debt for U.S. federal income tax purposes.

The tax treatment of holders and the character, amount and timing of income, gain or loss recognized as a consequence of the Plan and the distributions provided for by the Plan may vary, depending upon, among other things: (i) whether the Claim (or portion thereof) constitutes a Claim for principal or interest; (ii) the type of consideration received by the holder in exchange for the Claim and whether the holder receives Distributions under the Plan in more than one taxable year; (iii) whether the holder is a citizen or resident of the United States for tax purposes, is otherwise subject to U.S. federal income tax on a net basis, or falls into any special class of

taxpayers, such as those that are excluded from this discussion as noted above; (iv) the manner in which the holder acquired the Claim; (v) the length of time that the Claim has been held; (vi) whether the Claim was acquired at a discount; (vii) whether the holder has taken a bad debt deduction with respect to the Claim (or any portion thereof) in the current or prior years; (viii) whether the holder has previously included in income accrued but unpaid interest with respect to the Claim; (ix) the method of tax accounting of the holder; (x) whether the Claim is an installment obligation for U.S. federal income tax purposes; and (xi) whether the “market discount” rules are applicable to the holder. Therefore, each holder should consult its tax advisor for information that may be relevant to its particular situation and circumstances, and the particular tax consequences to such holder of the transactions contemplated by the Plan.

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X. RECOMMENDATION AND CONCLUSION

The Plan Proponents believe the Plan is in the best interests of their Estates, Creditors and other interested parties and urge the holders of Impaired Claims entitled to vote to accept the Plan and to evidence such acceptance by properly voting and timely returning their ballots.

Dated: September 21, 2016

Respectfully submitted,

Goodman and Dominguez, Inc.

By: 
Name: David Goodman
Title: President

Traffic, Inc.

By: 
Name: David Goodman
Title: President

Traffic Las Plazas, Inc.

By: 
Name: David Goodman
Title: Sole Director

Traffic Plaza del Norte, Inc.

By: 
Name: David Goodman
Title: Sole Director

Official Committee of Unsecured Creditors of
Goodman and Dominguez, Inc., Traffic, Inc.,
Traffic Las Plazas, Inc. and Traffic Plaza de Norte,
Inc., d/b/a Traffic Shoes

By: _____
Name: _____
Title: _____

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
Miami Division
www.flsb.uscourts.gov

In re:

GOODMAN AND DOMINGUEZ, INC.,¹
TRAFFIC, INC.,
TRAFFIC LAS PLAZAS, INC.,
TRAFFIC PLAZA DEL NORTE, INC.,
d/b/a TRAFFIC SHOES,

Debtors.

Case No. 16-10056-RAM
Case No. 16-10060
Case No. 16-10061
Case No. 16-10062
Chapter 11
Jointly Administered

**PLAN PROPONENTS' PLAN OF REORGANIZATION
PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE**

MELAND RUSSIN & BUDWICK, P.A.

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Counsel to the Debtors in Possession

Dated: September 21, 2016

BERGER SINGERMANN LLP

Christopher Andrew Jarvinen, Esq.
1450 Brickell Avenue, Suite 1900
Miami, Florida 33133
Telephone: (305) 755-9500
Facsimile: (305) 714-4340

*Counsel to the Official Committee of
Unsecured Creditors*

¹ The Debtors' current mailing address is 10701 NW 127 St, Medley, FL 33178. G&D and TI both use EIN 59-2268839. Las Plazas's EIN is 66-0726918 and Plaza del Norte's EIN is 66-0719972.

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PLAN PROPONENTS' PLAN OF REORGANIZATION
UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

Goodman and Dominguez, Inc., (“G&D”), Traffic, Inc. (“TI”), Traffic Las Plazas, Inc. (“Las Plazas”), and Traffic Plaza Del Norte, Inc. (“Plaza Del Norte” and together with G&D, TI, and Las Plazas, collectively, the “Debtors”) and the Official Committee of Unsecured Creditors appointed in these chapter 11 bankruptcy cases by the Office of the United States Trustee (the “Creditors’ Committee” and together with the Debtors, collectively, the “Plan Proponents”) respectfully propose this *Plan Proponents’ Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code*² (and including all Plan Documents and other attachments hereto, as any of the same may be amended from time to time, all of which are incorporated herein by reference and are a part of, the “Plan”), pursuant to the provisions of chapter 11 of the Bankruptcy Code (as defined in Article I.A herein (“Defined Terms”)).

For a discussion of the Debtors’ history, business, operations, assets and liabilities, for a summary and analysis of the Plan, preservation of Causes of Action, risk factors, liquidation analysis, tax implications and alternatives to the Plan, reference should be made to the *Disclosure Statement for Plan Proponents’ Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code*, dated September 21, 2016, filed with and approved conditionally by the Bankruptcy Court [ECF No. ___], as such disclosure statement may be amended, modified or supplemented (the “Disclosure Statement”).

ALL HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. SUBJECT TO CERTAIN RESTRICTIONS AND REQUIREMENTS SET FORTH IN SECTION 1127 OF THE BANKRUPTCY CODE, BANKRUPTCY RULE 3018 AND IN THIS PLAN, THE PLAN PROPONENTS RESERVE THE RIGHT TO ALTER, AMEND, MODIFY, REVOKE OR WITHDRAW THE PLAN PRIOR TO ITS SUBSTANTIAL CONSUMMATION.

ARTICLE I.
DEFINED TERMS AND RULES OF INTERPRETATION

A. Defined Terms

Unless the context otherwise requires, the following terms shall have the following meanings when used in capitalized form herein:

1. “*Accrued Professional Compensation*” means, at any given moment, all accrued and/or unpaid fees and expenses (including, without limitation, fees or expenses allowed or awarded by a Final Order of the Bankruptcy Court) for legal, financial advisory, accounting, liquidation and other professional services and reimbursement of expenses of such professionals that are awardable and allowable under sections 328, 330(a), 331 or 363 of the Bankruptcy Code, or otherwise rendered prior to the Effective Date, including in connection with: (a) applications

² All capitalized terms not otherwise defined herein shall be subject to the definition of such capitalized terms in Article I.A. hereof.

filed pursuant to sections 330, 331 and 363 of the Bankruptcy Code; (b) motions seeking the enforcement of the provisions of the Plan or Confirmation Order, by all Professionals in the Chapter 11 Cases that the Bankruptcy Court has not denied by a Final Order, to the extent that any such fees and expenses have not previously been paid regardless of whether a fee application has been filed for any such amount; and (c) applications for allowance of Administrative Claims arising under sections 503(b)(2) (i.e., compensation and reimbursement awarded under section 330(a) of the Bankruptcy Code) and 503(b)(3)(F) (i.e., expenses of members of the Creditors' Committee) of the Bankruptcy Code. To the extent the Bankruptcy Court or any higher court denies by a Final Order any amount of a Professional's fees or expenses, then those amounts shall no longer be Accrued Professional Compensation.

2. "*Accrued Professional Compensation Claims Bar Date*" means the date set by the Bankruptcy Court for Professionals to file Accrued Professional Compensation Claims and is the deadline for a holder of an Accrued Professional Compensation Claim to file a request with the Bankruptcy Court for payment of such Accrued Professional Compensation Claim in the manner indicated in Article II herein.

3. "*Administrative Claims*" means: (A) Claims that have been timely filed before the (i) Administrative Claims Bar Date pursuant to the deadline and procedure set forth in the Administrative Claims Bar Date Order, (ii) Accrued Professional Compensation Claims Bar Date, and (iii) date provided by any other separate order of the Bankruptcy Court, for costs and expenses of administration under sections 503(b), 507(b) or 1114(e)(2) of the Bankruptcy Code, including, without limitation: the actual and necessary costs and expenses incurred after the Petition Date of preserving the Estates and operating the businesses of the Debtors (such as wages, salaries or commissions for services and payments for goods and other services and leased premises); and (B) the actual and necessary costs and expenses incurred in the ordinary course by the Debtors after the Petition Date of preserving the Estates; provided, however, that any Claim seeking administrative expense status that was included as a part of a proof of claim filed in these Chapter 11 Cases shall not qualify as an Administrative Claim as the claimant was required to follow the procedures outlined in the Administrative Claims Bar Date Order. Any fees or charges assessed against the estates of the Debtors under section 1930 of chapter 123 of title 28 of the United States Code are excluded from the definition of Administrative Claim and shall be paid in accordance with Article VI.M ("United States Trustee Fees") of this Plan. Notwithstanding anything to the contrary herein, the filing of an Administrative Claim shall not be required in order to receive payment for any tax liability described in sections 503(b)(1)(B) and (C) in accordance with section 503(b)(1)(D) of the Bankruptcy Code.

4. "*Administrative Claims Bar Date*" means the date contained in that certain Administrative Claims Bar Date Order, establishing June 6, 2016 as the general bar date for filing applications seeking approval of an Administrative Claim in the Chapter 11 Cases, other than Accrued Professional Compensation Claims and any other exceptions permitted thereby.

5. "*Administrative Claims Bar Date Order*" means that certain "*Order Granting Debtors' Motion Pursuant to Section 503(b)(9) of the Bankruptcy Code to Establish Procedures for Submitting and Resolving Claims Related to Goods Received Within Twenty Days Prior to the Petition Date*" dated as of April 13, 2016 [ECF No. 163] which set the Administrative Claims Bar Date.

6. “*Affiliate*” means, any Person that is an “affiliate” of any Debtor within the meaning of section 101(2) of the Bankruptcy Code.

7. “*Allowed*” means, with respect to any Claim against the Debtors, except as otherwise provided herein: (a) a Claim that has been scheduled by the Debtors in their Schedules filed in the Chapter 11 Cases as other than disputed, contingent or unliquidated and as to which the Debtors or other parties-in-interest have not filed an objection by the Claims Objection Bar Date; (b) a Claim filed in the Chapter 11 Cases and that either is not Disputed or has been allowed by a Final Order; or (c) a Claim filed in the Chapter 11 Cases that is allowed: (i) in any stipulation of amount and nature of Claim executed prior to the Effective Date and approved by the Bankruptcy Court; (ii) in any stipulation or written agreement with Debtors of amount and nature of Claim executed on or after the Effective Date; or (iii) in or pursuant to any contract, instrument or other agreement entered into or assumed in connection herewith; (d) a Claim that is allowed pursuant to the terms of this Plan; or (e) a Disputed Claim that the Debtors ultimately determine will not be objected to (such claim being deemed Allowed at the time such determination is made).

8. “*Available Cash*” means Cash in the Debtors’ possession on the Effective Date and the net proceeds from the continued operations of the Debtors’ business, including, without limitation, recoveries from any prosecution of any Causes of Action.

9. “*Avoidance Actions*” means a Cause of Action assertable by the Debtors or their Estates, including without limitation, any action brought under sections 510, 541, 542, 543, 544, 545, 547, 548, 549, 550, 551 or 553 of the Bankruptcy Code (or any state, county, municipal or local law equivalent), other than those Causes of Action barred pursuant to (i) the releases under Article X.G hereof, and (ii) any other release or agreement approved by the Bankruptcy Court prior to the Effective Date; provided, however, that the holders of Claims in Class 3 (“General Unsecured Claims”) shall be released from any liability in respect of Avoidance Actions and the Debtors and Reorganized Debtors, as applicable, explicitly waive any right to pursue Avoidance Actions against the holders of Claims in Class 3 (“General Unsecured Claims”).

10. “*Bankruptcy Code*” means Articles 101 *et seq.* of title 11 of the United States Code, and applicable portions of titles 18 and 28 of the United States Code.

11. “*Bankruptcy Court*” means the United States Bankruptcy Court for the Southern District of Florida, Miami Division.

12. “*Bankruptcy Rules*” means the Federal Rules of Bankruptcy Procedure, promulgated under 28 U.S.C. § 2075, the Local Rules of the Bankruptcy Court, and general orders and chambers procedures of the Bankruptcy Court, each as applicable to the Chapter 11 Cases and as amended from time to time.

13. “*Bar Date Order*” means that certain “*Notice of Chapter 11 Bankruptcy Case, Meeting of Creditors, & Deadlines*” dated as of January 7, 2016 [ECF No. 23], establishing May 5, 2016 as the general bar date for filing proofs of Claim in the Chapter 11 Cases, with only those exceptions permitted thereby.

14. “*Books and Records*” means, with respect to the Debtors, all books and records of such Debtor(s), including, without limitation, all documents and communications of any kind, whether physical or electronic.

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

16. “*Cash*” means cash and cash equivalents in certified or immediately available U.S. funds, including but not limited to bank deposits, checks and similar items.

17. “*Cash Flow*” means the Debtors’ or the Reorganized Debtors’, as the case may be, EBITDA.

18. “*Causes of Action*” means all claims, actions, causes of action, choses in action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, remedies, rights of setoff, third-party claims, subrogation claims, contribution claims, reimbursement claims, indemnity claims, counterclaims and crossclaims (including, without limitation, all claims and any avoidance, preference, recovery, subordination or other actions against Creditors, insiders and/or any other entities under the Bankruptcy Code, and any and all state and common law claims for breach of fiduciary duty against the Debtors’ directors and officers solely to the extent such directors and officers served in such capacity prior to the Effective Date) against any Person or Entity, based in law or equity, including, without limitation, under the Bankruptcy Code, whether direct, indirect, derivative or otherwise and whether asserted or unasserted as of the Effective Date, including, but not limited to, the Avoidance Actions; provided, however, that the Debtors or the Reorganized Debtors, as applicable, expressly waive and release the holders of Claims in Class 3 (“General Unsecured Claims”) from any liability in respect of Avoidance Actions, and the Debtors or Reorganized Debtors, as the case may be, expressly waive any right to pursue Avoidance Actions against the holders of Claims in Class 3 (“General Unsecured Claims”).

19. “*Chapter 11 Cases*” means the chapter 11 cases commenced when the Debtors each filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code on the Petition Date and with the following case numbers: 16-10056-RAM, 16-10060-RAM, 16-10061-RAM, and 16-10062-RAM, which are jointly administered under case number 15-10056-RAM.

20. “*Claim*” means (a) a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; (b) a right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured; or (c) any other claim, as such term is defined in section 101(5) of the Bankruptcy Code.

21. “*Claims Objection Bar Date*” means the bar date for objecting to proofs of Claim, which shall be sixty (60) days after the Effective Date; provided, however, that the Debtors or Reorganized Debtors, as applicable, may seek additional extensions of this date from

the Bankruptcy Court, with notice only to those parties entitled to notice in the Chapter 11 Cases pursuant to Bankruptcy Rule 2002. A party requesting to extend the Claims Objection Bar Date may specify which entities may benefit from such an extension.

22. “*Class*” means a category of holders of Claims or Equity Interests as set forth in Article III herein and pursuant to section 1122(a) of the Bankruptcy Code.

23. “*Class 3 Annual Excess Cash Flow Distribution*” means the calculation of Excess Cash Flow to be performed, and the distribution of fifty (50%) percent of such Excess Cash Flow (if any) to be made, on an annual basis by the Reorganized Debtors to the holders of Allowed Claims in Class 3 (“General Unsecured Claims”) on the Class 3 Annual Excess Cash Flow Distribution Dates. The Class 3 Annual Excess Cash Flow Distribution shall be calculated by the Reorganized Debtors within three (3) Business Days after the Reorganized Debtors receive their reviewed financial statements covering the prior fiscal year (the Reorganized Debtors’ fiscal year runs from January 1 through December 31 of each year). The Reorganized Debtors will calculate Excess Cash Flow for each of the following five time periods and by the deadlines noted in the parentheticals: (i) Effective Date through December 31, 2016 (to be calculated by the Reorganized Debtors not later than June 15, 2017 (if the Effective Date occurs during 2016)); (ii) January 1, 2017 through December 31, 2017 (to be calculated by the Reorganized Debtors not later than June 15, 2018); (iii) January 1, 2018 through December 31, 2018 (to be calculated by the Reorganized Debtors not later than June 15, 2019); (iv) January 1, 2019 through December 31, 2019 (to be calculated by the Reorganized Debtors not later than June 15, 2020); and (v) January 1, 2020 through December 31, 2020 (to be calculated by the Reorganized Debtors not later than June 15, 2021). To explain by way of example, if the Reorganized Debtors receive on March 1, 2018 the Reorganized Debtors’ reviewed financial statements for the period covering January 1, 2017 through December 31, 2017, then the Class 3 Annual Excess Cash Flow Distribution shall be calculated by the Reorganized Debtors not later than March 6, 2018 (i.e., three Business Days from March 1, 2018). The initial Class 3 Annual Excess Cash Flow Distribution will be calculated not later than June 15, 2017 for the period covering the Effective Date through December 31, 2016 (if the Effective Date occurs during 2016). The final Class 3 Annual Excess Cash Flow Distribution will be calculated not later than June 15, 2021 for the period covering January 1, 2020 through December 31, 2020.

24. “*Class 3 Annual Excess Cash Flow Distribution Dates*” means the dates which fall within five (5) Business Days after the Reorganized Debtors calculate the Class 3 Annual Excess Cash Flow Distribution and are the dates on which the Reorganized Debtors will distribute the Class 3 Annual Excess Cash Flow Distribution (if any) to the holders of Allowed Class 3 Claims.

25. “*Class 3 Annual Minimum Distribution*” means one million two hundred and fifty thousand (\$1,250,000.00) dollars in Cash to be distributed by the Reorganized Debtors to the holders of Allowed Claims in Class 3 (“General Unsecured Claims”) in installment payments in the amounts, and on the dates, as set forth in the Class 3 Annual Minimum Distribution Payment Dates.

26. “*Class 3 Annual Minimum Distribution Payment Dates*” means the dates on which the Reorganized Debtors shall make the Class 3 Annual Minimum Distribution, as

follows: (i) \$350,000 (within 30 days of the Effective Date); (ii) \$100,000 (within 60 days of the Effective Date); (iii) \$250,000 (not later than the first anniversary of the Effective Date); (iv) \$350,000 (not later than the second anniversary of the Effective Date); and (v) \$200,000 (not later than the third anniversary of the Effective Date).

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

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

29. “*Creditor*” shall have the meaning in section 101(10) of the Bankruptcy Code.

30. “*Creditors’ Committee*” has the meaning set forth in the preamble hereof.

31. “*Cure*” means a Claim for all unpaid monetary obligations, or adequate assurance of cure or compensation, or other amounts as may be agreed upon by the parties, under an executory contract or unexpired lease (or assumed or assumed and assigned) by any Debtor pursuant to section 365 of the Bankruptcy Code or the Plan.

32. “*Cure Claim*” means a Claim for a Cure.

33. “*Debtors*” have the meaning set forth in the preamble hereof, and where applicable, the Estates thereof.

34. “*Debtors in Possession*” means each Debtor in its capacity as a debtor in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

35. “*Disclosure Statement*” has the meaning set forth in the preamble hereof.

36. “*Disputed*” means, with respect to any Claim: (a) listed on the Schedules as unliquidated, disputed or contingent, unless a proof of Claim has been filed in a liquidated, non-contingent amount; (b) as to which the Debtors or any other party in interest, has interposed a timely objection or request for estimation in accordance with the Bankruptcy Code and the Bankruptcy Rules; or (c) as otherwise disputed in accordance with applicable bankruptcy or insolvency law, which objection, request for estimation or dispute has not been withdrawn or determined by a Final Order.

37. “*Disputed Claims Reserve*” means the reserve funds created pursuant to Article VII herein.

38. “*Distributions*” means the distributions of Cash to be made in accordance with the Plan.

39. “*Distribution Agent*” means the Person or Entity responsible for making Distributions under the Plan, as identified in the Plan Supplement, and which may be Reorganized Debtors.

40. “*EBITDA*” means earnings before interest, taxes, depreciation and amortization (EBITDA).

41. “*Effective Date*” means the first Business Day after the Confirmation Date selected by the Plan Proponents on which the conditions precedent specified in Article IX of this Plan have been either satisfied or waived. Within five (5) Business days of the Effective Date, notice of the Effective Date shall be filed in the Bankruptcy Court.

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

43. “*Equity Interest*” means the interests of any holder of an equity security of any of the Debtors represented by any issued and outstanding shares of common stock or preferred stock, or any membership interest, partnership interest or other instrument evidencing a present ownership interest in any of the Debtors, including any option, warrant, or right, contractual or otherwise, to acquire any such interest.

44. “*Estates*” means the Debtors’ estates created pursuant to section 541 of the Bankruptcy Code upon the filing of the Chapter 11 Cases.

45. “*Excess Cash Flow*” means the following calculation to be undertaken by the Reorganized Debtors to determine the *Class 3 Annual Excess Cash Flow Distribution*: (i) the Reorganized Debtors’ beginning Cash Flow on, as applicable, the Effective Date or January 1 of each year of the Plan (i.e., the beginning Cash Flow on, as applicable, the Effective Date, January 1, 2017, January 1, 2018, January 1, 2019 or January 1, 2020); plus (ii) the Reorganized Debtors’ annual EBITDA during each year of the Plan (i.e., the EBITDA from the Effective Date through December 31, 2016 (if the Effective Date occurs during 2016), 2017 (annual EBITDA), 2018 (annual EBITDA), 2019 (annual EBITDA) or 2020 (annual EBITDA)); less (iii) the Class 3 Annual Minimum Distribution made by the Reorganized Debtors, as applicable, during 2016, 2017, 2018, 2019 or 2020; less (iv) \$400,000. To explain by way of example, the Excess Cash Flow for 2017 will be calculated as follows: (i) the beginning Cash Flow on January 1, 2017, plus (ii) the Reorganized Debtors’ annual EBITDA for 2017, less (iii) \$250,000 (i.e., the Class 3 Annual Minimum Distribution for 2017), less (iv) \$400,000. The Reorganized Debtors shall arrange for the preparation of reviewed financial statements and the Excess Cash Flow shall be calculated based upon the applicable amounts appearing in such reviewed financial statements.

46. “*Final Decree*” means the decree contemplated under Bankruptcy Rule 3022.

47. “*Final Order*” means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction with respect to the subject matter, which has not been reversed, stayed, modified or amended, and as to which the time to file an appeal, motion for reconsideration or rehearing, or request for a stay has expired with no appeal, motion for reconsideration or rehearing, or request for a stay having been timely filed.

48. “*General Bar Date*” means May 5, 2016 as established in the Bar Date Order.

49. “*General Unsecured Claims*” means Claims against any Debtor that are not Administrative Claims, Accrued Professional Compensation Claims, Priority Tax Claims, Other Priority Claims, Secured Claims, Subordinated Claims or Equity Interests.

50. “*Impaired*” means “*impaired*” within the meaning of sections 1123(a)(4) and 1124 of the Bankruptcy Code, with respect to a Claim, Equity Interest, or Class of Claims or Equity Interests.

51. “Interim Compensation Order” means the *Order Granting Debtors’ Motion for Order Establishing Procedures for Monthly and Interim Compensation and Reimbursement of Expenses for Professionals* (ECF No. 176).

52. “*Intercompany Claim*” shall mean any Claim held by one Debtor against another Debtor arising at any time before the Effective Date.

53. “*Lien*” shall mean any lien, mortgage, charge, security interest, pledge or other encumbrance against or interest in property to secure payment or performance of a claim, debt or litigation.

54. “*Other Priority Claims*” means Claims accorded priority in right of payment under section 507(a) of the Bankruptcy Code, other than Priority Tax Claims.

55. “*Person*” means an individual, partnership, corporation, limited liability company, cooperative, trust, estate, unincorporated organization, association, joint venture, government unit or agency or political subdivision thereof or any other form of legal entity or enterprise.

56. “*Petition Date*” means January 4, 2016, the date on which the Debtors filed the Chapter 11 Cases.

57. “*Plan*” has the meaning set forth in the preamble hereof.

58. “*Plan Documents*” means all documents that aid in effectuating the Plan, including, without limitation, all addenda, exhibits, schedules, and the Plan Supplement, which documents (as may be amended, modified or supplemented from time to time) shall be in form and substance reasonably acceptable to the Plan Proponents.

59. “*Plan Proponents*” has the meaning set forth in the preamble hereof.

60. “*Plan Supplement*” means the supplement, if any, to the Plan containing certain documents and forms of documents specified in the Plan each in form and substance reasonably acceptable to the Plan Proponents, which documents and forms shall be filed with the Bankruptcy Court no later than ten (10) days prior to the commencement of the hearing on confirmation of the Plan.

61. “*Priority Tax Claims*” means Claims of governmental units of the kind specified in section 507(a)(8) of the Bankruptcy Code.

62. “*Pro Rata*” shall mean the proportion (expressed as a percentage) that the amount of a Claim in a particular Class or Classes bears to the aggregate amount of all Claims (including Disputed Claims, but excluding disallowed Claims) in such Class or Classes, unless this Plan provides otherwise.

63. “*Professionals*” means any Person employed in the Chapter 11 Cases pursuant to a Final Order in accordance with sections 327, 328 or 1103 of the Bankruptcy Code, and to be compensated for services rendered prior to the Effective Date pursuant to sections 327, 328, 329, 330, 331 or 363 of the Bankruptcy Code.

64. “*Record Date*” means the date that the Disclosure Statement is conditionally approved by the Bankruptcy Court.

65. “*Released Parties*” means, collectively, (i) the Debtors, (ii) the Debtors’ Professionals, (iii) the members of the Creditors’ Committee (solely in their capacity as members of the Creditors’ Committee), (iv) the Creditors’ Committee’s Professionals, (v) the Plan Proponents, and (vi) the current and former Representatives of each of the foregoing described in clauses “(i)” through “(v)” hereof.

66. “*Reorganized Debtors*” means the Debtors, as reorganized as of the Effective Date in accordance with the Plan, and their successors.

67. “*Representatives*” means, with regard to an Entity (including the Debtors), any current or former officers, directors, employees, attorneys, Professionals, accountants, investment bankers, financial advisors, consultants, agents and other representatives (including their respective officers, directors, employees, independent contractors, members and professionals).

68. “*Schedules*” mean the schedules of assets and liabilities, schedules of executory contracts and statements of financial affairs filed by the Debtors pursuant to section 521 of the Bankruptcy Code, as may be amended, modified or supplemented from time to time.

69. “*Schedule of Assumed Executory Contracts and Unexpired Leases*” means the schedule to be included in the Plan Supplement and identifying (i) the executory contracts and unexpired leases to be assumed by the Debtors; and (ii) the amount of Cure Claims with respect to each executory contract or unexpired lease proposed to be assumed.

70. “*Secured Claims*” means Claim(s) against the Debtors that are secured by a Lien on property in which the Estates have an interest, which Liens are valid, perfected and enforceable under applicable law or by reason of a Final Order, or that are subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Claim holder’s interest in the Estates’ interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code.

71. “*Subordinated Claims*” means (a) any Claim of any Person or Entity that is liable with the respective Debtor on or has secured the Claim of another creditor to the extent that such co-obligor’s Claim is for indemnity, contribution, or reimbursement and is not Allowed on or before the Confirmation Date, (b) any Claim for penalties or punitive damages and any other Claim of the type described in section 726(a)(4) of the Bankruptcy Code (and notwithstanding the general inapplicability of Chapter 7 of the Bankruptcy Code), including any lien securing such Claim, (c) any Claim subordinated under section 510 of the Bankruptcy Code and any lien securing such Claim, or (d) any Claim subordinated per the terms of this Plan or otherwise by Final Order of the Bankruptcy Court.

72. “*Tax Code*” means the United States Internal Revenue Code of 1986, as amended.

73. “*Tax Returns*” means all tax returns, reports, certificates, forms or similar statements or documents, including amended tax returns or requests for refunds.

74. “*U.S. Trustee*” means the United States Trustee appointed under Article 591 of title 28 of the United States Code to serve in the Southern District of Florida.

75. “*Unimpaired*” means not “impaired” within the meaning of sections 1123(a)(4) and 1124 of the Bankruptcy Code, with respect to a Claim, Equity Interest, or Class of Claims or Equity Interests.

B. Rules of Interpretation

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

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

3. All references herein to monetary figures shall refer to currency of the United States of America, unless otherwise expressly provided.

C. Exhibits

All exhibits and schedules, if any, to the Plan are incorporated into and are part of the Plan as if set forth herein. All exhibits and schedules to the Plan, shall be filed with the Clerk of the Bankruptcy Court not later than three (3) days prior to the deadline set by the Bankruptcy Court to vote to accept or reject the Plan. Such exhibits may be inspected in the office of the Clerk of the Bankruptcy Court during normal hours of operation of the Bankruptcy Court. Holders of Claims or Equity Interests may also obtain a copy of such exhibits, once filed, from the Debtors’ counsel by a written request sent to the following address:

Meland Russin & Budwick, P.A.
3200 Southeast Financial Center
200 South Biscayne Boulevard
Miami, Florida 33131
Attn: Joshua W. Dobin
Telephone: 305.358.6363
Email: jdobin@melandrussin.com

ARTICLE II.
ADMINISTRATIVE AND PRIORITY CLAIMS

A. Establishment of the Administrative Claims Bar Date

1. Pursuant to the Administrative Claims Bar Date Order, the general bar date for filing applications seeking approval of an Administrative Claim in the Chapter 11 Cases, other than Accrued Professional Compensation Claims and any other exceptions permitted thereby, occurred on June 6, 2016. A request for payment of an Administrative Claim was timely filed only if it was filed with the Bankruptcy Court on or before June 6, 2016.

2. Notwithstanding anything herein, the Debtors' Professionals and the Creditors' Committee's Professionals were not required to file a request for payment of any Administrative Claim on or before the Administrative Claims Bar Date for fees and expenses arising under sections 330, 331 or 503(b)(2)-(5) of the Bankruptcy Code, as such Professionals will instead file final fee applications as required by the Bankruptcy Code, Bankruptcy Rules, order of the Bankruptcy Court and/or the Confirmation Order.

B. Administrative Claims

The Debtors shall pay each holder of an Allowed Administrative Claim, in satisfaction of such Allowed Administrative Claim, the full unpaid amount of such Allowed Administrative Claim in Cash: (1) on the Effective Date or as soon as practicable thereafter (or, if not then due, when such Allowed Administrative Claim is due or as soon as practicable thereafter); (2) if such Claim is Allowed after the Effective Date, on the date such Claim is Allowed or as soon as practicable thereafter (or, if not then due, when such Allowed Administrative Claim is due or as soon as practicable thereafter); (3) at such time and upon such terms as may be agreed upon by such holder and the Debtors; or (4) at such time and upon such terms as set forth in an order of the Bankruptcy Court; provided, however, that Administrative Claims do not include Administrative Claims filed after the Administrative Claims Bar Date or Administrative Claims filed or asserted pursuant to section 503(b)(9) of the Bankruptcy Code after the General Bar Date or any Claim seeking administrative expense status included as a part of a proof of claim filed in these Chapter 11 Cases shall not qualify as an Administrative Claim..

C. Professional Compensation and Reimbursement Claims

The deadline for submission by Professionals for Bankruptcy Court approval of Accrued Professional Compensation Claim shall be set by the Bankruptcy Court. Any Professional or other Person or Entity that is required to file and serve a request for approval of Accrued

Professional Compensation and fails to timely file and serve such request on or before such date shall be forever barred, estopped and enjoined from asserting such request or participating in Distributions under the Plan on account thereof. All Professionals employed by the Debtors or the Creditors' Committee, shall provide in their final fee applications to be filed in connection with confirmation of this Plan an estimate of their Accrued Professional Compensation through the Effective Date (including an estimate for fees and expenses expected to be incurred prior to the Effective Date to prepare and prosecute allowance of final fee applications). From and after the Confirmation Date until the Effective Date, the Debtors, in the ordinary course of business and without the necessity for any approval by the Bankruptcy Court, shall pay the reasonable fees and expenses of Professionals during such period in accordance with the Interim Compensation Order; provided, however, that the Interim Compensation Order is hereby modified to provide for one hundred (100%) percent of reasonable fees and expenses during the period covering the Confirmation Date through the Effective Date.

D. Priority Tax Claims

The Debtors shall pay each holder of an Allowed Priority Tax Claim, in satisfaction of such Allowed Priority Tax Claim, the full unpaid amount of such Allowed Priority Tax Claim in Cash, on the later of (i) the Effective Date, (ii) the date such Allowed Priority Tax Claim becomes Allowed or as soon as practicable thereafter and (iii) the date such Allowed Priority Tax Claim is payable under applicable non-bankruptcy law; provided, however, that the Debtors shall not pay any premium, interest or penalty in connection with such Allowed Priority Tax Claim.

ARTICLE III.

CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

A. Summary

1. The Plan constitutes a separate chapter 11 plan of reorganization for each Debtor. In accordance with section 1123(a)(1) of the Bankruptcy Code, the Plan Proponents have not classified Administrative Claims and Priority Tax Claims, as described in Article II.

2. The following table classifies Claims against and Equity Interests in the Debtors for all purposes, including voting, confirmation and Distribution pursuant hereto and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. The Plan deems a Claim or Equity Interest to be classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class and shall be deemed classified in a different Class to the extent that any remainder of such Claim or Equity Interest qualifies within the description of such different Class. A Claim or Equity Interest is in a particular Class only to the extent that any such Claim or Equity Interest is Allowed in that Class and has not been paid or otherwise settled prior to the Effective Date. Each Class set forth below is treated hereunder as a distinct Class for voting and Distribution purposes.

3. Summary of Classification and Treatment of Classified Claims and Equity Interests.

<u>Class</u>	<u>Claim</u>	<u>Status</u>	<u>Entitled to Vote?</u>
1	Other Priority Claims	Unimpaired	No; Deemed to Accept the Plan
2	Secured Claims	Unimpaired	No; Deemed to Accept the Plan
3	General Unsecured Claims	Impaired	Yes; Entitled To Vote
4	Subordinated Claims	Impaired and No Distribution	No; Deemed to Reject the Plan
5	Equity Interests	Impaired and No Distribution	No; Deemed To Reject the Plan

B. Classification and Treatment of Claims and Equity Interests

1. Other Priority Claims (Class 1)

(a) Classification: Class 1 consists of Other Priority Claims.

(b) Treatment: Except to the extent that a holder of an Allowed Other Priority Claim has been paid by the Debtors prior to the Effective Date or agrees to a less favorable classification and treatment, each holder of an Allowed Other Priority Claim shall receive the full unpaid amount of such Allowed Other Priority Claim in Cash, on the later of (i) the Effective Date or as soon as practicable thereafter, (ii) the date such Allowed Other Priority Claim becomes Allowed or as soon as practicable thereafter and (iii) the date such Allowed Other Priority Claim is payable under applicable non-bankruptcy law; provided, however, that the Debtors shall not pay any premium, interest or penalty in connection with such Allowed Other Priority Claim.

(c) Voting: Class 1 is Unimpaired, and therefore, the holders of Other Priority Claims in Class 1 are not entitled to vote to accept or reject the Plan.

2. Secured Claims (Class 2)

(a) Classification: Class 2 consists of Secured Claims.

(b) Treatment: Except to the extent that a holder of an Allowed Secured Claim has been paid by the Debtors prior to the Effective Date or agrees to a less favorable classification and treatment, each holder of an Allowed Secured Claim shall receive the full unpaid amount of such Allowed Secured Claim, in Cash, on the later of: (i) the Effective Date or as soon as practicable thereafter; (ii) the first Business Day after the date that is ten (10) Business Days after the date such Claim becomes an Allowed Secured Claim; and (iii) the date or dates agreed to by the Debtors and the holder of the Allowed Secured Claim.

(c) **Voting:** Class 2 is Unimpaired, and therefore, the holders of Secured Claims in Class 2 are not entitled to vote to accept or reject the Plan.

3. General Unsecured Claims (Class 3)

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

(b) **Treatment:** Except to the extent that a holder of an Allowed General Unsecured Claim has been paid by the Debtors prior to the Effective Date or agrees to a less favorable classification and treatment, each holder of an Allowed General Unsecured Claim shall receive its Pro Rata share of (i) the Class 3 Annual Minimum Distribution on the Class 3 Annual Minimum Distribution Payment Dates, (ii) the Class 3 Annual Excess Cash Flow Distribution on the Class 3 Annual Excess Cash Flow Distribution Dates, and (iii) fifty (50%) percent of the net proceeds (i.e., proceeds net of reasonable attorney's fees and documented expenses) from any Cause of Action.

If a Class 3 Claim is Disputed on or after the Effective Date, the Reorganized Debtors shall deposit in the Disputed Claims Reserve the amount of such Disputed Class 3 Claim's Pro-Rata share of the Class 3 Annual Minimum Distribution, Class 3 Annual Excess Cash Flow Distribution and interest in fifty (50%) percent of the net proceeds from any Cause of Action, and such amounts shall be held in the Disputed Claims Reserve until such time as the claim is Allowed and thereafter paid by the Reorganized Debtors from the Disputed Claims Reserve or otherwise distributed pursuant to the terms of the Plan. Once a Class 3 Claim becomes Allowed by Final Order or otherwise pursuant to the terms of the Plan, the holder of the Allowed Class 3 Claim shall receive a Distribution or Distributions in Cash from the Reorganized Debtors representing such holder's Pro-Rata share of the Class 3 Annual Minimum Distribution, Class 3 Annual Excess Cash Flow Distribution and interest in fifty (50%) percent of the net proceeds from any Cause of Action.

(c) **Avoidance Actions.** Holders of Claims in Class 3 shall be released from liability in respect of Avoidance Actions. The Debtors or the Reorganized Debtors, as the case may be, explicitly waive any right to pursue Avoidance Actions against the holders of Claims in Class 3.

(d) **Voting:** Class 3 is Impaired and, therefore, the holders of General Unsecured Claims in Class 3 are entitled to vote to accept or reject the Plan.

4. Subordinated Claims (Class 4)

(a) **Classification:** Class 4 consists of Subordinated Claims.

(b) **Treatment:** Class 4 is Impaired and will receive no Distribution under the Plan.

(c) **Voting:** Class 4 will receive no Distribution under the Plan and therefore, the holders of Subordinated Claims in Class 4 are deemed to have rejected the Plan and are not entitled to vote on the Plan.

5. Equity Interests (Class 5)

(a) **Classification:** Class 5 consists of Equity Interests.

(b) **Treatment:** Class 5 is Impaired and will receive no Distribution under the Plan.

(c) **Voting:** Class 5 will receive no Distribution under the Plan and therefore, the holders of Equity Interests in Class 5 are deemed to have rejected the Plan and are not entitled to vote on the Plan.

ARTICLE IV.

**ACCEPTANCE, REJECTION, AMENDMENT AND
REVOCATION OR WITHDRAWAL OF THE PLAN**

A. Classes Entitled to Vote

Each holder of a Claim, as of the Record Date, in an Impaired Class, other than those Classes that are deemed to reject the Plan, shall be entitled to vote to accept or reject the Plan, in its sole and absolute discretion, subject to applicable law. Classes 1 and 2 are deemed to have accepted the Plan, and Classes 4 and 5 are deemed to have rejected the Plan. Votes from holders of Claims in Class 3 will be solicited as provided in such order as is entered by the Bankruptcy Court establishing procedures with respect to the solicitation and tabulation of votes to accept or reject the Plan, or any other order or orders of the Bankruptcy Court.

B. Acceptance by Class of Claims

Impaired Class of Claims shall be deemed to accept the Plan if (a) holders (other than any holder designated under section 1126(e) of the Bankruptcy Code) of at least two-thirds in dollar amount of the Allowed Claims actually voting in such Class have voted to accept the Plan and (b) the holders (other than any holder designated under section 1126(e) of the Bankruptcy Code) of more than one-half in number of the Allowed Claims actually voting in such Class have voted to accept the Plan. For purposes of calculating the number of Allowed Claims in a Class of Claims that have voted to accept or reject the Plan under section 1126(c) of the Bankruptcy Code, all Allowed Claims in such Class held by one Entity or any Affiliate thereof shall be aggregated and treated as one Allowed Claim in such Class. For purposes of any Claim in any Impaired Class that is Disputed as to its amount only, the holder of such claim shall be entitled to vote on the Plan as if such holder held an Allowed Claim in an amount equal to the undisputed portion of such Claim.

C. Nonconsensual Confirmation

In the event that any Class of Claims entitled to vote shall not accept the Plan by the requisite statutory majority required by section 1129(a) of the Bankruptcy Code, the Debtors reserve the right to (a) request that the Bankruptcy Court confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code with respect to such non-accepting Class, in which case the Plan shall constitute a motion for such relief, or (b) alter, amend or modify the Plan in accordance with Article XII. The Debtors shall exercise the right to seek confirmation of the Plan under section 1129(b) of the Bankruptcy Code.

D. Revocation or Withdrawal; No Admissions

Right to Revoke or Withdraw. The Plan may be revoked or withdrawn prior to the Confirmation Date by the Plan Proponents in their sole discretion.

Effect of Withdrawal or Revocation; No Admissions. If the Plan is revoked or withdrawn prior to the Confirmation Date, then the Plan shall be deemed null and void. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any claims or defenses or any admission or statement against interest by any Debtor or any other Person or to prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving any Debtor.

E. Amendment of Plan Documents

From and after the Effective Date, the authority to amend, modify, or supplement the Plan Supplement, the Exhibits to the Plan Supplement and the Exhibits to the Plan and any documents attached to such Plan Supplement, Exhibits to the Plan Supplement and Exhibits to the Plan shall be as provided in such Plan Supplement, Exhibits to the Plan Supplement and Exhibits to the Plan and their respective attachments.

F. Removal of Debtors

At the sole discretion of the Plan Proponents, a Debtor may be removed from the Plan. In such event, the Plan will omit any treatment of the assets and liabilities of such Debtor, unless otherwise agreed. The removal of any Debtor from the Plan will not affect the Plan with respect to any other Debtor.

G. Special Provision Governing Unimpaired Claims

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

ARTICLE V.
MEANS FOR IMPLEMENTATION OF THE PLAN

A. Consolidation for Voting and Distribution Purposes

The Plan treats the Debtors as comprising a single Estate solely for the purposes of classification of Claims, voting on the Plan, confirmation of the Plan, and making Distributions under the Plan with respect to Allowed Claims against in the Debtors. Such treatment shall not affect any Debtor's status as a separate legal entity, change the organizational structure of the Debtors' business enterprise, constitute a change of control of any Debtor for any purpose, cause a merger or consolidation of any legal entities, cause the transfer of any assets, nor result in the substantive consolidation of the Debtors; and, except as otherwise provided by or permitted in the Plan, all Debtors shall continue to exist as separate legal entities. Such treatment shall also not affect any Cause of Action available to any Debtor or the Debtors' Estates. The above-

described treatment serves only as a mechanism to effect a fair distribution of value to the holders of Allowed Claims.

The Plan shall be deemed to be a motion, pursuant to Bankruptcy Rule 9013, by the Debtors for limited and partial substantive consolidation with respect to the Plan as set forth herein. Any objection by an affected Creditor to such consolidation shall be treated as an objection to Confirmation and shall be determined by the Bankruptcy Court at the Confirmation hearing. Failure to timely object to such limited or partial substantive consolidation may result in consolidation of the Debtors in accordance herewith, without further hearing.

B. Intercompany Claims

Except as otherwise provided in the Plan, Intercompany Claims held by one Debtor against another Debtor shall, solely for purposes of receiving Distributions under the Plan, be deemed waived such that no such Intercompany Claim owed from one Debtor to another Debtor shall receive a Distribution under the Plan, and the applicable Debtor shall not be entitled to vote on the Plan in connection therewith.

C. Source of Funding for Plan Distributions

The Debtors or the Reorganized Debtors, as applicable, will use the (i) Available Cash on the Effective Date, (ii) Cash Flow on and after the Effective Date, or, where applicable, (iii) Disputed Claims Reserve, to make all Distributions required to be made by the Debtors or the Reorganized Debtors, as applicable, on and after the Effective Date in accordance with the Plan.

D. Section 1146 Exemption

Pursuant to section 1146 of the Bankruptcy Code, the issuance, distribution, transfer or exchange of any equity security or notes, or the creation, making, assignment delivery or recording of any mortgage, deed of trust, instrument of transfer, pursuant to, in implementation of or as contemplated by the Plan or any Plan Document, or the vesting, re-vesting, transfer or sale of any property of, by or in the Debtors or their Estates or Reorganized Debtors pursuant to, in implementation of or as contemplated by the Plan or any Plan Document, or any transaction arising out of, contemplated by or in any way related to the foregoing, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangible or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, sales and use Uniform Commercial Code filing or recording fee, or other similar tax or governmental assessment, and the appropriate state or local governmental officials or agents shall, by the Confirmation Order, be directed to forego the collection of any such tax or governmental assessment and to accept for filing and recording any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

E. Corporate Action

All actions contemplated to be performed by the Plan Proponents, the Debtors or the Reorganized Debtors pursuant to the Plan, or any corporate action to be taken by or required of the Plan Proponents, the Debtors or the Reorganized Debtors, shall, as of the Effective Date, be

deemed to have occurred and be effective as provided herein, and shall be authorized and approved in all respects without any requirement for further action by the shareholders, partners, members or managers of the Debtors or the Reorganized Debtors. All Persons, the Reorganized Debtors, Governmental Units, title agencies, licensing agencies and offices of recordation may rely upon the authority vested in the Debtors' officers, or managers to act on the Debtors' behalf in order to effectuate the Plan and the transactions contemplated herein.

F. Vesting of Assets in the Reorganized Debtors

Except as otherwise provided in the Plan or the other Plan Documents, pursuant to sections 1123(a)(5), 1123(b)(3) and 1141(b) and (c) of the Bankruptcy Code, on the Effective Date, all property of each Estate shall vest in each respective Reorganized Debtor free and clear of all Liens, Claims, charges, or other encumbrances. As of the Effective Date, the Reorganized Debtors may operate their businesses and use, acquire, and dispose of their property, free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules, other than those restrictions expressly imposed by the Plan and the Confirmation Order. All privileges with respect to the property of the Estates, including the attorney/client privilege, to which the Debtors are entitled shall automatically vest in, and may be asserted by or waived on behalf of, the Reorganized Debtors.

G. Distributions

The Distributions will be made in accordance with the Plan by the Debtors, the Reorganized Debtors, and/or the Distribution Agent.

H. Surrender and Cancellation of Notes, Instruments, Certificates and Other Documents Evidencing Claims

On the Effective Date, except to the extent otherwise provided in the Plan, all notes, instruments, certificates, and other documents evidencing Claims will be cancelled and the obligations of the Debtors discharged in accordance with section 1141(d)(1) of the Bankruptcy Code.

I. Continued Corporate Existence of the Reorganized Debtors

Except as otherwise provided in the Plan, each of the Reorganized Debtors will exist after the Effective Date as a reorganized, separate corporate entity or other business entity form, with all of the powers of a corporation or other business form under applicable law in the jurisdiction in which such Debtor is incorporated or otherwise formed and pursuant to its certificate of incorporation and bylaws or other organizational documents in effect before the Effective Date, except to the extent such certificate of incorporation or bylaws (or other formation documents in the case of a limited liability company or limited partnership) are amended by the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be authorized pursuant hereto and without the need for any other approvals, authorizations, actions or consents. Notwithstanding, each of the Debtors or Reorganized Debtors may change its status of incorporation or alter its corporate structure or business form (either through a merger, consolidation, restructuring, conversion, disposition, liquidation, dissolution, or otherwise) on or after the Effective Date as may be determined by the Debtors to be appropriate. In each case in

which the surviving, resulting, or acquiring company in any such transaction is a successor to a Debtor, such successor company shall perform the obligations of the applicable Debtor under the Plan, if any, including, to pay or otherwise satisfy the Allowed Claims against such Debtor.

J. Post-Confirmation Accounts

The Debtors may establish one or more interest-bearing accounts as they determine may be necessary or appropriate to effectuate the provisions of the Plan consistent with the section 345 of the Bankruptcy Code and any orders of the Bankruptcy Court.

K. Intercompany Claims

As of the Effective Date, and without any further action by the stockholders, directors or members of each Debtor or Reorganized Debtor, and to the extent necessary to comply with section 1123(a)(6) of the Bankruptcy Code, the Debtors' articles of incorporation and by-laws (or analogous governance documents) shall be amended and restated, if necessary, and in form and substance consistent with the Plan, to provide for, among other things, (i) to provide for such provisions, terms, and conditions necessary to comply, conform with, authorize and implement the terms, conditions, requirements, and all acts necessary to implement the Plan, including the issuance, if desired, of the common stock or similar equity interests in the Reorganized Debtors (constituting 100% of the issued and outstanding capital stock of the Reorganized Debtors, to be issued under the Plan) and (ii) to prohibit the issuance of nonvoting equity securities. The officers of the Reorganized Debtors are authorized to file such articles of incorporation and by-laws (or analogous governance documents) with the appropriate authority(ies) without shareholder approval or any other action. After the Effective Date, the Reorganized Debtors may amend and/or restate their articles of incorporation and by-laws as permitted under applicable law.

L. Directors, Officers, Members & Managers of the Reorganized Debtors

Subject to any requirement of Bankruptcy Court approval pursuant to section 1129(a)(5) of the Bankruptcy Code, as of the Effective Date, the directors, officers, partners, members and managers, as the case may be, of each of the Debtors immediately prior to the Effective Date shall be deemed to be the directors, officers, partners, members and managers, as the case may be, of each of the Reorganized Debtors without any further action by any party. Pursuant to section 1129(a)(5) of the Bankruptcy Code, the Debtors have disclosed, in the Disclosure Statement or the Plan Supplement, the identity and affiliation of any individuals who will serve as the initial partners, members and managers of the Reorganized Debtors.

On and after the Effective Date, the operations of the Reorganized Debtors shall continue to be the responsibility of their directors, officers, partners, members and managers, as the case may be, or as set forth in the applicable existing organizational or operational documents of each of the Debtors. Each director, officer, partner, member and manager, as applicable, of the Reorganized Debtors shall serve from and after the Effective Date until his or her successor is duly elected or appointed and qualified or until his or her earlier death, resignation or removal in accordance with the applicable articles or certificate of incorporation, operating agreement or other organizational documents of the Reorganized Debtors.

From and after the Confirmation Date, the directors, officers, partners, members and managers, as applicable, of the Debtors and the Reorganized Debtors, as the case may be, shall have all powers accorded by law to put into effect and carry out the Plan and the Confirmation Order.

M. Effectuating Documents & Further Transactions

On or before the Effective Date, and without the need for any further order or authority, the Debtors shall file with the Bankruptcy Court or execute, as appropriate, such agreements and other documents that are in form and substance satisfactory to the Plan Proponents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Debtors, the Reorganized Debtors, and any other necessary party, as applicable, shall perform all actions reasonably contemplated regarding the implementation of the Plan. Each of the directors, officers, partners, members and managers, as the case may be, of the Debtors and the Reorganized Debtors is authorized, without the need for any further order or authority, (i) to execute, deliver, file, or record such contracts, instruments, releases, indentures, mortgages, and other agreements or documents and take such actions as may be necessary or appropriate to implement or consummate the Plan, notes or securities issued pursuant to the Plan, and (ii) to undertake any other action on behalf of the Debtors to implement or consummate the Plan. Each of the matters provided for under the Plan involving the corporate structure of the Debtors or corporate action to be taken by or required of any Debtor will, as of the Effective Date, be deemed to have occurred and be effective as provided herein, and shall be authorized, approved, and (to the extent taken before the Effective Date) ratified in all respects without any requirement of further action by any stockholder, creditor, or director of the Debtor.

N. Section 1145 Determination

The Plan Proponents believe that the offer, purchase, sale and issuance of securities under the Plan is exempt from the registration requirements under state and federal securities laws.

O. Preservation of Causes of Action

Except as provided in Article X.G (“Releases”), the Debtors (prior to the Effective Date) and the Reorganized Debtors (on and after the Effective Date) shall retain all Causes of Action; provided, however, that the holders of Claims in Class 3 (“General Unsecured Claims”) shall be released from any liability in respect of Avoidance Actions and the Debtors and Reorganized Debtors, as applicable, waive any right to pursue Avoidance Actions against the holders of Claims in Class 3 (“General Unsecured Claims”).

On the Effective Date, the Causes of Action shall be preserved and vested in the Reorganized Debtors for the benefit of the holders of Allowed Claims in Class 3 (“General Unsecured Claims”) and the Reorganized Debtors. The Reorganized Debtors will have the right, in their sole and absolute discretion, to pursue, not pursue, enforce, file, settle, compromise, release, withdraw, arbitrate or litigate any Cause of Action without seeking any approval from the Bankruptcy Court except as provided in Article V.P (“Prosecution and Settlement of Causes of Action”). Any net recovery (i.e., net of reasonable attorney’s fees and documented, necessary expenses) obtained by the Reorganized Debtors from Causes of Action shall be distributed by the

Reorganized Debtors (i) fifty (50%) percent to the holders of Allowed General Unsecured Claims in Class 3 and (ii) fifty (50%) percent to the Reorganized Debtors.

The Debtors are currently not in a position to express an opinion on the merits of any of the Causes of Action or on the recoverability of any amounts as a result of any such Causes of Action. **FOR PURPOSES OF PROVIDING NOTICE, THE DEBTORS STATE THAT ANY PARTY IN INTEREST THAT ENGAGED IN BUSINESS OR OTHER TRANSACTIONS WITH ANY OF THE DEBTORS PREPETITION OR THAT RECEIVED PAYMENTS FROM ANY OF THE DEBTORS PREPETITION MAY BE SUBJECT TO LITIGATION TO THE EXTENT THAT APPLICABLE BANKRUPTCY OR NON-BANKRUPTCY LAW SUPPORTS SUCH LITIGATION; PROVIDED, HOWEVER, THE DEBTORS AND REORGANIZED DEBTORS, AS APPLICABLE, HAVE EXPLICITLY WAIVED ANY RIGHT TO PURSUE AVOIDANCE ACTIONS AGAINST THE HOLDERS OF CLAIMS IN CLASS 3 ("GENERAL UNSECURED CLAIMS").** Unless otherwise covered by insurance, the Reorganized Debtors will fund the costs and expenses (including legal fees) to pursue the Causes of Action.

No Creditor or other party should vote for the Plan or otherwise rely on the Confirmation of the Plan or the entry of the Confirmation Order in order to obtain, or on the belief that it will obtain, any defense to any Cause of Action. No Creditor or other party should act or refrain from acting on the belief that it will obtain any defense to any Cause of Action. **ADDITIONALLY, THE PLAN DOES NOT, AND IS NOT INTENDED TO, RELEASE ANY CAUSE OF ACTION OR OBJECTIONS TO CLAIMS -- OTHER THAN WITH RESPECT TO AVOIDANCE ACTIONS -- FOR THE HOLDERS OF CLAIMS IN CLASS 3 ("GENERAL UNSECURED CLAIMS"), AND ALL SUCH RIGHTS ARE SPECIFICALLY RESERVED IN FAVOR OF THE DEBTORS AND THE REORGANIZED DEBTORS.** Creditors are advised that legal rights, claims and rights of action the Debtors may have against them, if they exist, are retained under the Plan for prosecution unless a specific order of the Bankruptcy Court authorizes the Debtors to release such claims. As such, Creditors are cautioned not to rely on (i) the absence of the listing of any legal right, claim or right of action against a particular Creditor in the Disclosure Statement, the Plan, or the Schedules, or (ii) the absence of litigation or demand prior to the Effective Date of the Plan as any indication that the Debtors or Reorganized Debtors do not possess or do not intend to prosecute a particular claim or Cause of Action if a particular Creditor votes to accept the Plan. It is the expressed intention of the Plan to preserve rights, objections to Claims, and rights of action of the Debtors, whether now known or unknown, for the benefit of Reorganized Debtors. A Cause of Action shall not, under any circumstances, be waived as a result of the failure of the Debtors to describe such Cause of Action with specificity in the Plan or in the Disclosure Statement; nor shall the Reorganized Debtors, as a result of such failure, be estopped or precluded under any theory from pursuing any such Cause of Action. Nothing in the Plan operates as a release of any Cause of Action.

The Debtors do not presently know the full extent of the Causes of Action and, for purposes of voting on the Plan, all Creditors are advised that the Reorganized Debtors will have substantially the same rights that a Chapter 7 trustee would have with respect to the Causes of Action. Accordingly, neither a vote to accept the Plan by any Creditor nor the entry of the Confirmation Order will act as a release, waiver, bar or estoppel of any Cause of Action against

such Creditor or any other Person or Entity, unless such Creditor, Person or Entity is specifically identified by name as a Released Party in the Plan, in the Confirmation Order, or in any other Final Order of the Bankruptcy Court. Confirmation of the Plan and entry of the Confirmation Order is not intended to and shall not be deemed to have any res judicata or collateral estoppel or other preclusive effect that would precede, preclude, or inhibit prosecution of such Cause of Action following Confirmation of the Plan.

The Estates shall remain open, even if the Bankruptcy Cases shall have been closed, as to any and all Causes of Action until such time as the Causes of Action have been fully administered and the recoveries therefrom have been received by Reorganized Debtors.

P. Prosecution and Settlement of Causes of Action

The Debtors or Reorganized Debtors, as applicable, (a) may commence or continue in any appropriate court, tribunal or any other appropriate setting (e.g., American Arbitration Association or other arbitration association) any suit or other proceeding for the enforcement of any Cause of Action which the Debtors had or had power to assert immediately prior to the Effective Date, and (b) may settle or adjust such Cause of Action; provided, however, that from and after the Effective Date, the Reorganized Debtors shall be authorized to compromise and settle any Cause of Action or objection to a Claim upon approval by the Bankruptcy Court after notice and a hearing.

Q. Automatic Stay

The automatic stay provided for under section 362 of the Bankruptcy Code shall remain in effect in the Chapter 11 Cases until the Effective Date.

R. The Creditors' Committee

Upon the Effective Date, the Creditors' Committee shall dissolve, and their members shall be released and discharged from all further authority, duties, responsibilities and obligations relating to and arising from the Chapter 11 Cases. The retention and employment of the Professionals retained by the Creditors' Committee shall terminate as of the Effective Date, provided, however, that the Creditors' Committee shall exist, and their Professionals shall be retained, after such date with respect to applications (if any) filed pursuant to sections 330 and 331 of the Bankruptcy Code and motions seeking the enforcement of the provisions of the Plan or the Confirmation Order.

S. Closing of the Chapter 11 Cases

Notwithstanding anything to the contrary in the Bankruptcy Rules or Local Rules providing for earlier closure of the chapter 11 case, when all Claims against the Debtors have become Allowed Claims or disallowed Claims, and the Debtors' Cash has been distributed in accordance with the Plan, or at such earlier time as the Reorganized Debtors deem appropriate, the Reorganized Debtors shall seek authority from the Bankruptcy Court to close the Chapter 11 Cases in accordance with the Bankruptcy Code and the Bankruptcy Rules.

ARTICLE VI.
PROVISIONS GOVERNING DISTRIBUTIONS

A. Manner of Cash Payments Under the Plan

Any Distribution pursuant to the Plan, to the extent posted in the United States mail, shall be deemed made when deposited by the Debtors or the Reorganized Debtors (or their respective agent(s)), as applicable, into the United States mail. At the option of the Debtors or the Reorganized Debtors, as applicable, any Cash payment to be made pursuant to the Plan shall be made, at the election of the Debtors or the Reorganized Debtors, as applicable, by check drawn on a domestic bank, by wire transfer, or by ACH, from a domestic bank, or other method mutually agreed upon by the holder of the Allowed Claim and the Debtors or the Reorganized Debtors. Whenever any Distribution to be made under the Plan shall be due on a day other than a Business Day, such Distribution shall instead be made, without interest, on the immediately succeeding Business Day, but shall be deemed to have been made on that due date.

B. Entity Making Distributions

Except as otherwise provided in the Plan, Distributions to holders of Allowed Claims shall be made, and the responsibility for holding the Disputed Claims Reserve will be, by the Debtors, if before the Effective Date, or the Reorganized Debtors or the Distribution Agent, as the case may be, if on or after the Effective Date. The Debtors, the Reorganized Debtors and the Distribution Agent shall not be required to give any bond or surety or other security for the performance of their duties, unless otherwise ordered by the Bankruptcy Court.

C. Distribution Dates

Distributions to holders of Claims shall be made as provided in Articles II and III of this Plan. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

D. Record Date for Distributions

Except as otherwise provided in a Final Order of the Bankruptcy Court, the transferees of Claims that are transferred pursuant to Bankruptcy Rule 3001 on or prior to the Record Date will be treated as the holders of those Claims for all purposes, notwithstanding that any period provided by Bankruptcy Rule 3001 for objecting to the transfer may not have expired by the Record Date. The Debtors or Reorganized Debtors, as applicable, shall have no obligation to recognize any transfer of any Claim occurring after the Record Date. In making any Distribution with respect to any Claim, the Debtors or Reorganized Debtors, as applicable, shall be entitled instead to recognize and deal with, for all purposes hereunder, only the Entity that is listed on the proof of Claim filed with respect thereto or on the Schedules as the holder thereof as of the close of business on the Record Date and upon such other evidence or record of transfer or assignment that was known to the Debtors as of the Record Date.

E. Delivery of Distributions

Subject to Bankruptcy Rule 9010 and except as otherwise provided herein, Distributions to the holders of Allowed Claims shall be made by the Debtors or Reorganized Debtors, as applicable, at (a) the address of each holder as set forth in the Schedules, unless superseded by the address set forth on proofs of Claim filed by such holder or (b) the last known address of such holder if no proof of Claim is filed or if the Debtors or Reorganized Debtors, as applicable, have not been notified in writing of a change of address.

F. Undeliverable and Unclaimed Distributions

In the event that any Distribution to any holder of an Allowed Claim made by the Debtors or Reorganized Debtors, as applicable is returned as undeliverable, the Debtors or Reorganized Debtors, as applicable, shall use commercially reasonable efforts to determine the current address of each holder, but no Distribution to such holder shall be made unless and until the Debtors or Reorganized Debtors, as applicable, has determined the then current address of such holder; provided, however, that all Distributions to holders of Allowed Claims made by the Debtors or Reorganized Debtors, as applicable, that are unclaimed for a period of ninety (90) days after the date of the first attempted Distribution shall have its, his or her Claim for such undeliverable Distribution deemed satisfied and will be forever barred from asserting any such Claim against the Debtors or Reorganized Debtors, as applicable, or their property. Any Distributions which are undeliverable or have not been negotiated within the time period set forth above shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and revested in the Debtors or Reorganized Debtors, as applicable. The Debtors or Reorganized Debtors, as applicable, shall have no further obligation to make any Distribution to the holder of such Claim on account of such Claim, and any entitlement of any holder of such Claim to any such Distributions shall be extinguished and forever barred; provided, however, that the holder of such Claim may receive future Distributions on account of such Claim by contacting the Debtors or Reorganized Debtors, as applicable, at some point prior to the final Distribution.

G. Compliance with Tax Requirements

The Debtors or Reorganized Debtors, as applicable, may withhold and pay to the appropriate taxing authority all amounts required to be withheld pursuant to the Tax Code or any provision of any foreign, state or local tax law with respect to any payment or Distribution on account of Claims. All such amounts withheld and paid to the appropriate taxing authority shall be treated as amounts distributed to such holders of the Claims. The Debtors or Reorganized Debtors, as applicable, shall be authorized to collect such tax information from the holders of Claims (including social security numbers or other tax identification numbers) as they in their sole discretion deems necessary to effectuate the Plan. In order to receive Distributions under the Plan, all holders of Claims will need to identify themselves to the Debtors or Reorganized Debtors, as applicable, and provide all tax information the Debtors or Reorganized Debtors, as applicable, deem appropriate (including completing the appropriate Form W-8 or Form W-9, as applicable to each holder). The Debtors or Reorganized Debtors, as applicable, may refuse to make a Distribution to any holder of a Claim that fails to furnish such information within the time period specified by the Debtors or Reorganized Debtors, as applicable, and such Distribution shall be deemed an unclaimed Distribution under the Plan, and, provided further

that, if the Debtors or Reorganized Debtors, as applicable, fail to withhold in respect of amounts received or distributable with respect to any such holder and such Debtors are later held liable for the amount of such withholding, such holder shall reimburse the Debtors or Reorganized Debtors, as applicable, for such liability. Notwithstanding any other provision of the Plan, (a) each holder of an Allowed Claim that is to receive a Distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, and (b) no Distributions shall be required to be made to or on behalf of such holder pursuant to the Plan unless and until such holder has made arrangements satisfactory to the Debtors or Reorganized Debtors, as applicable, for the payment and satisfaction of such tax obligations or has, to the Debtors' or Reorganized Debtors', as applicable, satisfaction, established an exemption therefrom.

H. No Payments of Fractional Dollars

Notwithstanding any other provision of the Plan to the contrary, no payment of fractional dollars shall be made pursuant to the Plan. Whenever any payment of a fraction of a dollar under the Plan would otherwise be required, the actual Distribution made shall reflect a rounding down of such fraction to the nearest whole dollar.

I. Interest on Claims

Except as specifically provided for in this Plan or the Confirmation Order or required by the Bankruptcy Code, interest shall not accrue on Claims and no holder of a Claim shall be entitled to interest on any Claim accruing on or after the Petition Date. Interest shall not accrue on any General Unsecured Claim that is a Disputed Claim in respect of the period from the Effective Date to the date a final Distribution is made thereon if and after that Disputed Claim becomes an Allowed Claim. Except as expressly provided herein or in a Final Order of the Bankruptcy Court, no prepetition Claim shall be Allowed to the extent that it is for postpetition interest or similar charges.

J. No Distribution in Excess of Allowed Amount of Claim

Notwithstanding anything to the contrary contained in the Plan, no holder of an Allowed Claim shall receive in respect of that Claim any Distribution in excess of the Allowed amount of such Claim.

K. Setoff and Recoupment

The Debtors or Reorganized Debtors, as applicable, may setoff against, or recoup from, any Claim and the Distributions to be made pursuant to the Plan in respect thereof, any Claims or defenses of any nature whatsoever that any of the Debtors or Reorganized Debtors, as applicable, or the Estates may have against the holder of such Claim, but neither the failure to do so nor the allowance of any Claim under the Plan shall constitute a waiver or release by the Debtors or Reorganized Debtors, as applicable, or the Estates of any right of setoff or recoupment that any of them may have against the holder of any Claim. Any such setoffs or recoupments may be challenged in Bankruptcy Court. Notwithstanding any provision in the Plan to the contrary, nothing herein shall bar any creditor from asserting its setoff or recoupment rights to the extent permitted under section 553 or any other provision of the Bankruptcy Code; provided, however,

that such setoff or recoupment rights are timely asserted; provided further that all rights of the Debtors or Reorganized Debtors, as applicable, and the Estates with respect thereto are reserved.

L. De Minimis Distributions; Charitable Donation

Notwithstanding anything to the contrary in the Plan, the Debtors or Reorganized Debtors, as applicable, shall not be required to make a Distribution to any Creditor if the dollar amount of the Distribution is less than \$10 or otherwise so small that the cost of making that Distribution exceeds the dollar amount of such Distribution. On or about the time that the final Distribution is made, the Debtors or Reorganized Debtors, as applicable, may make a donation of undistributable funds as defined by Local Rule 3011-1(C)(1), in the reasonable discretion of the Debtors or Reorganized Debtors, as applicable, to one or more of the following organizations (each of which qualifies for not-for-profit status under section 501(c)(3) of the Tax Code) with undistributable funds if, in the reasonable judgment of the Debtors or Reorganized Debtors, as applicable, the cost of calculating and making the final Distribution of the undistributable funds remaining is excessive in relation to the benefits to the or holders of Claims who would otherwise be entitled to such Distributions: (i) the Bankruptcy Bar Foundation of the Bankruptcy Bar Association of the Southern District of Florida; or (ii) The Eleanor R. Cristol and Judge A. Jay Cristol Bankruptcy Pro Bono Assistance Clinic at the University of Miami School of Law.

M. United States Trustee Fees

The Reorganized Debtors shall pay the U.S. Trustee the appropriate sum required pursuant to 28 U.S.C. § 1930(a)(6), within ten (10) days of the Effective Date, for pre-confirmation periods. The Reorganized Debtors shall further pay the U.S. Trustee the appropriate sum required pursuant to 28 U.S.C. § 1930(a)(6) for post-confirmation periods within the time period set forth in 28 U.S.C. § 1930(a)(6), based upon all post-confirmation disbursements made by the Debtors or Reorganized Debtors, as applicable, until the earlier of the closing of this case by the issuance of a Final Decree by the Bankruptcy Court, or upon the entry of an Order by the Bankruptcy Court dismissing this case or converting this case to another chapter under the United States Bankruptcy Code. After the Confirmation Date, the Debtors or Reorganized Debtors, as applicable, shall file a quarterly Post-Confirmation Operating Report which shall include, among other things, all payments made under the Plan and payments made in the ordinary course of business. Each Debtor or Reorganized Debtor, as applicable, shall remain obligated to pay quarterly fees to the Office of the U.S. Trustee until the earliest of that particular Debtor's or Reorganized Debtors', as applicable, case being closed pursuant to the terms of this Plan, dismissed or converted to a case under chapter 7 of the Bankruptcy Code.

N. Withholding from Distributions

Any federal, state or local withholding taxes or other amounts required to be withheld under applicable law shall be deducted from Distributions pursuant to the Plan. The Debtors or Reorganized Debtors, as applicable, may withhold from amounts distributable pursuant to the Plan to any Person or Entity any and all amounts, determined in the reasonable discretion of the Debtors or Reorganized Debtors, as applicable, required to be withheld by any law, regulation, rule, ruling, directive, or other governmental requirement.

O. Distributions in Satisfaction; Allocation

Except for the obligations expressly imposed by the Plan and the property and rights expressly retained under the Plan, if any, the Distributions and rights that are provided in the Plan shall be in complete satisfaction and release of all Claims against, liabilities in, Liens on, obligations of and Equity Interests in the Debtors and their Estates, whether known or unknown, that arose or existed prior to the Effective Date. Distributions received in respect of Allowed Claims will be allocated first to the principal amount of such Claims, with any excess allocated to unpaid accrued interest (if any).

P. No Distributions on Late-Filed Claims

Except as otherwise provided in a Final Order of the Bankruptcy Court, any Claim as to which a proof of Claim was required to be filed and was first filed after the applicable bar date in the Chapter 11 Cases, including, without limitation, the General Bar Date and any bar date established in the Plan or in the Confirmation Order, shall automatically be deemed a late-filed Claim that is disallowed in the Chapter 11 Cases, without the need for (a) any further action by the Debtors or (b) an order of the Bankruptcy Court. Nothing in this paragraph is intended to expand or modify the applicable bar dates or any orders of the Bankruptcy Court relating thereto.

ARTICLE VII.
DISPUTED CLAIMS

A. Disputed Claims Reserve

The Debtors or Reorganized Debtors, as applicable, will withhold from the property that would otherwise be distributed to holders of Claims within a given Class an amount sufficient to be distributed on account of Claims that are not Allowed Claims within that Class as of the Effective Date, and shall place such withheld property in a Disputed Claims Reserve, which thereafter will be retained and administered by the Debtors.

B. Resolution of Disputed Claims

The Debtors or Reorganized Debtors, as applicable, shall have the right to make and file objections to Claims in the Bankruptcy Court. Unless otherwise ordered by the Bankruptcy Court after notice and a hearing, all Disputed Claims shall be subject to the exclusive jurisdiction of the Bankruptcy Court.

C. Objection Deadline

All objections to Disputed Claims shall be filed no later than the Claims Objection Bar Date, unless otherwise ordered by the Bankruptcy Court after notice and a hearing, with notice only to those parties entitled to notice in the Chapter 11 Cases pursuant to Bankruptcy Rule 2002.

D. Estimation of Claims

At any time, the Debtors or Reorganized Debtors, as applicable, may request that the Bankruptcy Court estimate any contingent or unliquidated Claim to the extent permitted by section 502(c) of the Bankruptcy Code regardless of whether the Debtors or Reorganized Debtors, as applicable, have previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall have jurisdiction to estimate any Claim at any time during litigation concerning any objection to such Claim, including during the pendency of any appeal relating to any such objection. If the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount shall constitute either the Allowed amount of such Claim or a maximum limitation on the Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the Claim, the Debtors or Reorganized Debtors, as applicable, may elect to pursue supplemental proceedings to object to the ultimate allowance of the Claim. All of the aforementioned Claims objection, estimation and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court.

E. No Distributions Pending Allowance

Notwithstanding any other provision in the Plan, if any portion of a Claim is disputed, no payment or Distribution provided under the Plan shall be made on account of such Claim unless and until such Disputed Claim becomes an Allowed Claim.

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, Distributions (if any) shall be made to the holder of such Allowed Claim in accordance with the provisions of the Plan. Upon allowance, a holder of the Allowed Disputed Claim shall receive any Distributions that would have been made up to the date of allowance to such holder under the Plan had the Disputed Claim been allowed on the Effective Date.

F. Resolution of Claims

On and after the Effective Date, the Debtors shall have the authority to compromise, settle, otherwise resolve or withdraw any objections to Claims, and to compromise, settle, or otherwise resolve any Disputed Claims without approval of the Bankruptcy Court.

ARTICLE VIII.**TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES****A. General Treatment: Rejected if not Previously Assumed**

Pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, upon the Effective Date, all executory contracts and unexpired leases that exist between the Debtors and any Person or Entity shall be deemed rejected by the Debtors, except for any executory contract or unexpired lease (i) that has been assumed or rejected pursuant to an order of the Bankruptcy Court entered prior to the Effective Date, (ii) as to which a motion for approval of the assumption of such executory contract or unexpired lease has been filed and served prior to the Effective Date, or (iii) that is specifically designated as a contract to be assumed on the attached Schedule of

Assumed Executory Contracts and Unexpired Leases, which provided, however, that the Plan Proponents reserve the right, on or prior to the Confirmation Date, to amend the Schedule of Assumed Executory Contracts and Unexpired Leases to delete any executory contract therefrom, or add any executory contract, in which event such executory contract(s) shall be deemed to be, respectively, either rejected or assumed as of the Effective Date. Subject to the occurrence of the Effective Date, entry of the Confirmation Order shall constitute approval of such assumption or rejection pursuant to section 365(a) of the Bankruptcy Code and a finding by the Bankruptcy Court that each such assumption or rejection is in the best interests of the Debtors, the Reorganized Debtors, their Estates, and all parties in interest in the Chapter 11 Cases.

B. Bar to Claims Arising from Rejection, Termination or Expiration

Claims created by the rejection of executory contracts or unexpired leases (including, without limitation, the rejection provided in Article VIII.A herein (“General Treatment; Rejected if not Previously Assumed”) or the expiration or termination of any executory contract or unexpired lease prior to the Confirmation Date must be filed with the Bankruptcy Court and served on the Debtors or Reorganized Debtors, as applicable, no later than thirty (30) days after: (a) *the General Bar Date*, with respect to any executory contract or unexpired lease rejected prior to that date by the Debtors; (ii) *the date of the entry of any order of the Bankruptcy Court authorizing rejection*, with respect to any executory contract or unexpired lease rejected by the Debtors or otherwise pertaining to such order, or (c) *the Confirmation Date*, with respect to any executory contract or unexpired lease that is deemed rejected pursuant to VIII.A hereof (“General Treatment; Rejected if not Previously Assumed”). Any rejection claim for which a proof of claim is not filed and served within the time provided herein will be forever barred from assertion and shall not be enforceable against the Debtors, or their estates, assets, properties, or interests in property, or the Reorganized Debtors, or their estate, assets, properties, or interests in property. Unless otherwise ordered by the Bankruptcy Court, all such Claims that are timely filed as provided in this Article VIII.B shall be treated as a Claim under Class 3 (“General Unsecured Claims”) and shall be subject to the provisions of the treatment of Disputed Claims covered by Article VII hereof (“Disputed Claims”). Nothing contained herein shall be deemed an admission by the Debtors or any of them that such rejection gives rise to or results in a Claim or shall be deemed a waiver by the Debtors or the Reorganized Debtors of any objections to such Claim if asserted.

C. Assumption of Executory Contracts and Unexpired Leases

(1) Assumption of Executory Contracts and Unexpired Leases; Schedule of Assumed Executory Contracts and Unexpired Leases. On the Effective Date, the Debtors will assume all of the executory contracts and unexpired leases listed on the Schedule of Assumed Executory Contracts and Unexpired Leases attached as an Exhibit to the Disclosure Statement and/or the Plan Supplement. With respect to the executory contracts and unexpired leases listed on the Schedule of Assumed Executory Contracts and Unexpired Leases, the Debtors will designate a proposed Cure on the Schedule of Assumed Executory Contracts and Unexpired Leases. Unless subject to separate motion and order of the Bankruptcy Court, the Confirmation Order will constitute an order of the Bankruptcy Court approving assumption of all of the executory contracts and unexpired leases listed on the Schedule of Assumed Executory Contracts and Unexpired Leases

attached to the Plan Supplement pursuant to sections 365(a) and 1123 of the Bankruptcy Code and the listed amount of Cure Claims.

(2) Modifications, Amendments, Supplements, Restatements, or Other Agreements. Unless otherwise provided in the Plan, each executory contract or unexpired lease that is assumed pursuant to the Plan will include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such executory contract or unexpired lease, and all rights related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated, or is rejected or repudiated pursuant to the Plan or separate motion and Final Order of the Bankruptcy Court.

(3) Modification of the Schedule of Assumed Executory Contracts and Unexpired Leases. The Schedule of Assumed Executory Contracts and Unexpired Leases may be modified by either of the Plan Proponents to add or delete contracts and leases up to three (3) days prior to the scheduled Confirmation Hearing.

(4) Proof of Claim Based on Executory Contracts or Unexpired Leases that Have Been Assumed. Any and all proofs of claim relating to executory contracts or unexpired leases that have been assumed in the Chapter 11 Cases will be deemed amended and superseded by the amount of Cure Claim identified in the Plan, the Confirmation Order or other order of the Bankruptcy Court authorizing assumption of executory contracts to the Debtors or the Reorganized Debtors.

(5) Cure of Defaults for Assumed Executory Contracts and Unexpired Leases. With respect to each of the executory contracts or unexpired leases listed on the Schedule of Assumed Executory Contracts and Unexpired Leases, the Debtors will designate a proposed Cure and the assumption or assumption and assignment of such executory contract or unexpired lease will be conditioned on the disposition of all issues with respect to Cure. All Allowed Cure Claims will be satisfied by the Debtors by payment of the Cure in Cash to (i) holders of Allowed General Unsecured Claims ("Class 3") per the terms of such section of the Plan, or (ii) holders of other Claims, or on the Effective Date or as soon as reasonably practicable thereafter, or (iii) on such other terms as may be either ordered by the Bankruptcy Court or agreed by the Debtors and the applicable contract counter-party without any further notice to or action, order, or approval of the Bankruptcy Court. Any provisions or terms of the Debtors' executory contracts or unexpired leases to be assumed and assigned pursuant to the Plan that are, or may be, alleged to be in default, shall be satisfied solely by the Cure, or by an agreed-upon waiver of the Cure.

(6) Confirmation Order. Entry of the Confirmation Order will constitute a finding of adequate assurance of future performance by the Reorganized Debtors within the meaning of section 365 of the Bankruptcy Code. Any objections relating to adequate assurance of future performance, or any other matters relating to the assumption and assignment of executory contracts and unexpired leases (other than Cure Claim disputes) must be asserted as an objection to confirmation of the Plan. Assumption of any

executory contract or unexpired lease pursuant to the Confirmation Order or other order of the Bankruptcy Court will limit the Claims of any such contract counter-party to the (i) Allowed Cure Claim and (ii) Claims for ongoing performance under the unexpired lease or executory contract by Reorganized Debtor pursuant to section 365(k) of the Bankruptcy Code.

D. Indemnification and Reimbursement.

Subject to the occurrence of the Effective Date, all Allowed Claims against the Debtors for indemnification, defense, reimbursement, or limitation of liability of current or former directors, officers, or employees of the Debtors against any Claims, costs, liabilities or causes of action as provided in the Debtors' articles of organization, certificates of incorporation, bylaws, other organizational documents, or applicable law, shall, to the extent such indemnification, defense, reimbursement, or limitation is owed in connection with one or more events or omissions occurring before the Petition Date, be (i) paid only to the extent of any applicable insurance coverage, and (ii) to the extent a proof of Claim has been timely filed and is Allowed, be treated as Subordinated Claims to the extent such Claims are not covered by any applicable insurance, including deductibles. Nothing contained in the Plan shall affect the rights of directors, officers or employees under any insurance policy or coverage with respect to such Claims, costs, liabilities or Causes of Action or limit the rights of the Debtors or the Debtors' Estates to object to or otherwise contest or challenge Claims or rights asserted by any current or former officer, director or employee of the Debtors.

ARTICLE IX.

CONDITIONS PRECEDENT TO THE EFFECTIVE DATE

A. Conditions Precedent

The following are conditions precedent to the Effective Date that must be satisfied or waived:

1. The Court shall have entered the Confirmation Order in form and substance acceptable to each of the Plan Proponents confirming and approving the Plan in all respects, and the Confirmation Order shall have become a Final Order.

2. There shall be no stay or injunction in effect with respect to the Confirmation Order, which such Confirmation Order shall contain approval of the releases provided for herein.

3. The Plan Documents shall be in a form and substance reasonably acceptable to the Plan Proponents, and have been duly executed and delivered; provided, however, that no party to any such agreements and instruments may unreasonably withhold its execution and delivery of such documents to prevent this condition precedent from occurring.

B. Waiver

Notwithstanding the foregoing conditions in Article IX.A, the Plan Proponents reserve, in their sole discretion, the right to waive the occurrence of any condition precedent or to modify any of the foregoing conditions precedent. Any such written waiver of a condition precedent set

forth in this Article IX.B may be effected at any time, without notice, without leave or order of the Bankruptcy Court, and without any formal action other than proceeding to consummate the Plan. Any actions required to be taken on the Effective Date or Confirmation Date (as applicable) shall take place and shall be deemed to have occurred simultaneously, and no such action shall be deemed to have occurred prior to the taking of any other such action.

ARTICLE X.

EFFECT OF CONFIRMATION; INDEMNIFICATION, RELEASE, INJUNCTIVE AND RELATED PROVISIONS

A. Compromise and Settlement

Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the Distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims and Equity Interests. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all Claims and Equity Interests, as well as a finding by the Bankruptcy Court that such compromises or settlements are fair, equitable, reasonable and in the best interests of the Debtors, the Estates and holders of Claims and Equity Interests.

B. Vesting of Assets

Upon the Effective Date, pursuant to section 1141(b) and (c) of the Bankruptcy Code, all property of the Debtors shall vest in the Reorganized Debtors free and clear of all Claims, Liens, encumbrances, charges, and other interests, except as provided in the Plan or the Confirmation Order. From and after the Effective Date, the Reorganized Debtors may operate the Debtors' business and may use, acquire, and dispose of property free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules and in all respects as if there were no pending case under any chapter or provision of the Bankruptcy Code.

C. Title to Assets; Discharge of Liability

Except as otherwise provided in the Plan, on the Effective Date, title to all assets and properties and interests in property dealt with by the Plan shall vest in the Reorganized Debtors free and clear of all Claims, Equity Interests, Liens, encumbrances, charges, and other interests, and the Confirmation Order shall be a judicial determination of discharge of the liabilities of the Debtors arising prior to the Effective Date, except as may be otherwise provided in the Plan.

D. Binding Effect

Subject to the occurrence of the Effective Date, on and after the Confirmation Date, the provisions of the Plan shall bind the Debtors, the Reorganized Debtors, and any holder of a Claim against, or Equity Interest in, the Debtors and such holder's respective successors and assigns, whether or not the Claim or Equity Interest of such holder is Impaired under the Plan and whether or not such holder has accepted the Plan.

E. Discharge of Claims

Except as provided herein, the rights afforded in the Plan and the payments and Distributions to be made hereunder shall discharge all existing debts and Claims, of any kind, nature, or description whatsoever against or in the Debtors or any of their assets or properties to the fullest extent permitted by section 1141 of the Bankruptcy Code. Except as provided herein, upon the Effective Date, all existing Claims against the Debtors in the Debtors shall be, and shall be deemed to be, discharged and terminated, and all holders of Claims and Equity Interests shall be precluded and enjoined from asserting against the Reorganized Debtors, their respective successors or assignees, or any of their respective assets or properties, any other or further Claim or Equity Interest based upon any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date, whether or not such holder has filed a proof of claim or proof of equity interest, and whether or not the facts or legal bases therefore were known or existed prior to the Effective Date. Upon the Effective Date, all such persons shall be forever precluded and enjoined, pursuant to section 524 of the Bankruptcy Code, from prosecuting or asserting any such discharged Claim against or Equity Interest in the Debtors. Nothing in this Article X.E should be interpreted as a discharge of the Debtors' or Reorganized Debtors' rights or obligations under the Plan.

F. Discharge of the Debtors

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or in the Confirmation Order, the Distributions and rights that are provided in the Plan will be in complete satisfaction, discharge, and release, of any and all Claims, whether known or unknown, against the Debtors or Reorganized Debtors or any of their assets or properties, regardless of whether the property has been distributed or retained pursuant to the Plan. Without limiting the generality of the foregoing, the Debtors or Reorganized Debtors will be discharged from any and all Claims and debts of the kind specified in sections 502(g), 502(h) of 502(i) of the Bankruptcy Code, in each case whether or not (a) a proof of claim is filed or deemed filed under section 501 of the Bankruptcy Code, (b) a Claim is allowed under section 502 of the Bankruptcy Code, or (c) the holder of such a Claim accepted the Plan. Except as otherwise provided in the Plan, the Confirmation Order shall be a judicial determination of discharge of all liabilities of the Debtors arising before the Effective Date. Under section 524 of the Bankruptcy Code, the discharge granted under this section shall avoid any judgment against the Debtors at any time obtained (to the extent it relates to a discharged Claim), and operates as an injunction against the prosecution of any action against the Debtors or the Estates (to the extent such action relates to a discharged claim). Nothing in this Article X.F should be interpreted as a discharge of the Debtors' or Reorganized Debtors' rights or obligations under the Plan.

G. Releases

1. Releases by the Debtors and their Estates. Notwithstanding anything contained in the Plan to the contrary, as of the Effective Date, for the good and valuable consideration provided by each of the Released Parties, each of the Debtors and their current and former Affiliates and Representatives and the Estates shall be deemed to have provided a full, complete, unconditional and irrevocable release to the Released Parties

(and each such Released Party so released shall be deemed released by the Debtors and their current and former Affiliates and Representatives, the Estates and the Creditors' Committee and its members but solely in their capacity as members of the Creditors' Committee and not in their individual capacities), from any and all Causes of Action and any other debts, obligations, rights, suits, damages, actions, remedies and liabilities whatsoever, whether accrued or unaccrued, whether known or unknown, foreseen or unforeseen, existing before the Effective Date, as of the Effective Date or arising thereafter, in law, at equity, whether for tort, contract, violations of statutes (including but not limited to the federal or state securities laws), or otherwise, based in whole or in part upon any act or omission, transaction, or other occurrence or circumstances existing or taking place prior to or on the Effective Date arising from or related in any way to the Debtors, including, without limitation, those that any of the Debtors would have been legally entitled to assert or that any holder of a Claim or Equity Interest or other Entity would have been legally entitled to assert for or on behalf of any of the Debtors or the Estates, including those in any way related to the Chapter 11 Cases or the Plan; provided, however, that the foregoing release shall not prohibit the Debtors, the Reorganized Debtors or the Estates from asserting any and all defenses and counterclaims in respect of any Disputed Claim asserted by any Released Parties; provided further that nothing contained in the foregoing provision or elsewhere in the Plan or Confirmation Order shall be construed as a release of any claims against any Released Party resulting from an act or omission determined by a final order of a court of competent jurisdiction to have constituted willful misconduct or gross negligence, provided that each such Released Party shall be entitled to rely upon the advice of counsel concerning its duties pursuant to, or in connection with, its actions or inactions.

2. Releases by Holders of Claims. Except as otherwise provided in this Article X.G.2 of the Plan, as of the Effective Date, each Person, other than any of the Debtors, who votes to accept the Plan or accepts a Distribution under the Plan, or is deemed to accept the Plan, or abstains from voting on the Plan, shall be deemed to fully, completely, unconditionally, irrevocably, and forever release the Released Parties of and from any and all Claims and Causes of Action and any other debts, obligations, rights, suits, damages, actions, remedies and liabilities whatsoever, whether accrued or unaccrued, whether known or unknown, foreseen or unforeseen, existing before the Effective Date, as of the Effective Date or arising thereafter, in law, at equity, whether for tort, contract, violations of statutes (including but not limited to the federal or state securities laws), or otherwise, based in whole or in part upon any act or omission, transaction, or other occurrence or circumstances existing or taking place prior to or on the Effective Date arising from or related in any way to the Debtors and their current and former Affiliates and Representatives, whether direct, derivative, accrued or unaccrued, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, known or unknown, foreseen or unforeseen, in law, equity or otherwise; provided that nothing contained in the foregoing provision or elsewhere in the Plan or Confirmation Order shall be construed as a release of any claims against any Released Party resulting from an act or omission determined by a final order of a court of competent jurisdiction to have constituted willful misconduct or gross negligence, provided that each such Released Party shall be entitled to rely upon the advice of counsel concerning its duties pursuant to, or in

connection with, its actions or inactions; *provided, however* that such releases shall not affect any rights of any non-Debtor Person or Entity with respect to any written personal or cross-corporate guarantees of the Debtors' obligations executed by such non-Debtor Person or Entity to and in favor of any Party or Entity in connection with the Debtors' prepetition operations.

3. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the releases set forth in this Article X.G.3 pursuant to Bankruptcy Rule 9019 and its finding that they are: (a) in exchange for good and valuable consideration, representing a good faith settlement and compromise of the Claims and Causes of Action released by this Plan; (b) in the best interests of the Debtors and all holders of Claims; (c) fair, equitable and reasonable; (d) approved after due notice and opportunity for hearing; and (e) a bar to the assertion of any Claim or Cause of Action thereby released.

H. Exculpation

Notwithstanding anything contained herein the contrary, the Released Parties shall neither have nor incur any liability relating to these Chapter 11 Cases to any Entity for any and all Claims and Causes of Action arising after the Petition Date and through the Effective Date, including any act taken or omitted to be taken in connection with, or related to, formulating, negotiating, preparing, disseminating, implementing, administering, confirming or consummating the Plan or distributing property thereunder, the Disclosure Statement, or any other contract, instrument, release or other agreement or document created or entered into in connection with the Plan or any other postpetition act taken or omitted to be taken in connection with the Chapter 11 Cases; provided, however, that the foregoing provisions of this Article X.H shall have no effect on the liability of any Entity that results from any such act or omission that is determined in a Final Order to have constituted gross negligence or willful misconduct. Notwithstanding anything contained in this Article X.H to the contrary, nothing shall restrict the United States Securities and Exchange Commission from bringing any regulatory or enforcement action for violation of the federal securities laws respecting any parties otherwise protected thereunder.

I. Government Carve-Out

Except for the Claims described in Articles II and III or other Final Order of the Bankruptcy Court that are discharged and released under this Plan, nothing in the Plan or the Confirmation Order shall (i) effect a release of any other claim by the United States Government or any of its agencies or any state and local authority whatsoever against the Released Parties, including without limitation any claim arising under the Internal Revenue Code, securities laws, the environmental laws or any criminal laws of the United States or any state and local authority, (ii) enjoin the United States Government or any of its agencies or any state and local authority whatsoever from bringing any claim, suit, action or other proceedings against the Released Parties asserting any other liability, including without limitation any claim, suit or action arising under the Internal Revenue Code, securities laws, environmental laws or any criminal laws of the United States or any state or local authority, and (iii) exculpate any of the Released Parties from any other liability to the United States Government or any of its agencies or any state and local authority whatsoever, including any liabilities arising under the Internal Revenue Code,

securities laws, environmental laws or any criminal laws of the United States or any state and local authority.

J. Limitations on Exculpation and Releases

Nothing in Article X.G (“Releases”) or Article X.H (“Exculpation”) herein shall (i) be construed to release or exculpate any person from, or require indemnification of any Person against losses arising from, the fraud, malpractice, criminal conduct, intentional unauthorized misuse of confidential information that causes damages, or ultra vires acts of such Person, or (ii) limit the liability of the professionals of the Debtors or the Creditors’ Committee to their respective clients pursuant to Rule 4-1.8(h) of the Florida Rules of Professional Conduct (“Limiting Liability for Malpractice”).

K. Injunction

From and after the Effective Date, all Entities are permanently enjoined from commencing or continuing in any manner against the Debtors, the Reorganized Debtors, the Estates, the Creditors’ Committee, and their successors and assigns, and their assets and properties, as the case may be, any suit, action or other proceeding, on account of or respecting any Claim or Equity Interest, demand, liability, obligation, debt, right, Cause of Action, interest or remedy released or satisfied or to be released or satisfied pursuant to the Plan or the Confirmation Order.

Except as otherwise expressly provided for in the Plan or in obligations issued pursuant to the Plan, from and after the Effective Date, all Entities shall be precluded from asserting against the Debtors, the Reorganized Debtors, the Estates, the Creditors’ Committee, and their successors and assigns and their assets and properties, any other Claims or Equity Interests based upon any documents, instruments, or any act or omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date, solely to the extent that (a) such Claims or Equity Interests have been released or satisfied pursuant to the Plan or the Confirmation Order or (b) such Claims, Equity Interests, actions or assertions of Liens relate to property that will be distributed pursuant to the Plan or the Confirmation Order.

The rights afforded in the Plan and the treatment of all Claims and Equity Interests in the Plan shall be in exchange for and in complete satisfaction of Claims and Equity Interests against the Debtors or any of their assets or properties solely to the extent that (a) such Claims or Equity Interests have been released or satisfied pursuant to the Plan or the Confirmation Order or (b) such Claims, Equity Interests, actions or assertions of Liens relate to property that will be distributed pursuant to the Plan or the Confirmation Order. On the Effective Date, all such Claims against, and Equity Interests in, the Debtors shall be satisfied and released in full.

Except as otherwise expressly provided for in the Plan or in obligations issued pursuant to the Plan, all Persons and Entities are permanently enjoined, on and after the Effective Date, on account of any Claim or Equity Interest satisfied and released pursuant to the Plan or Confirmation Order, from:

- (a) commencing or continuing in any manner any action or other proceeding of any kind against any Debtor, any Reorganized Debtor, any Estate, the Creditors' Committee, and their successors and assigns and their assets and properties;
- (b) enforcing, attaching, collecting or recovering by any manner or means any judgment, award, decree or order against any Debtor, any Reorganized Debtor, any Estate, the Creditors' Committee, and their successors and assigns and their assets and properties;
- (c) creating, perfecting or enforcing any encumbrance of any kind against any Debtor, any Reorganized Debtor, any Estate, the Creditors' Committee, and their successors and assigns and their assets and properties; and
- (d) commencing or continuing in any manner any action or other proceeding of any kind in respect of any Claim or Equity Interest or Cause of Action released or settled hereunder).

L. Release of Liens

Except as otherwise provided herein or in any contract, instrument, release or other agreement or document created pursuant to the Plan, on the Effective Date, all mortgages, deeds of trust, Liens, pledges or other security interests against property of the Estates distributed under the Plan shall be fully released and discharged and all of the right, title and interest of any holder of such mortgages, deeds of trust, Liens, pledges or other security interest shall revert, as applicable, to the Debtors or Reorganized Debtors.

ARTICLE XI. RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall, after the Effective Date, retain such jurisdiction over the Chapter 11 Cases and all Entities with respect to all matters related to the Chapter 11 Cases, the Debtors, the Reorganized Debtors, and the Plan as is legally permissible, including, without limitation, jurisdiction to:

1. allow, disallow, determine, liquidate, classify, estimate or establish the priority or secured or unsecured status of any Claim against the Debtors, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the allowance or priority of Claims;
2. grant, deny or otherwise resolve any and all applications of Professionals or Persons retained in the Chapter 11 Cases by the Debtors or the Creditors' Committee for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or the Plan, for periods ending on or before the Effective Date;
3. resolve any matters related to the assumption, assignment or rejection of any executory contract or unexpired leases to which a Debtor is party or with respect to which a

Debtor may be liable and to hear, determine and, if necessary, liquidate, any Claims arising therefrom;

4. ensure that Distributions to holders of Allowed Claims are accomplished pursuant to the provisions of the Plan, including by resolving any disputes regarding, as applicable, the Debtors' or Reorganized Debtors' entitlement to recover assets held by third parties;

5. decide or resolve any motions, contested or litigated matters and any other matters and grant or deny any applications involving a Debtor that may be pending on the Effective Date or instituted by the Reorganized Debtors after the Effective Date;

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

7. resolve any cases, controversies, suits or disputes that may arise in connection with the Effective Date, interpretation or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;

8. issue injunctions, enforce them, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with the Effective Date or enforcement of the Plan, except as otherwise provided in the Plan;

9. enforce Articles within this Plan;

10. resolve any cases, controversies, suits or disputes with respect to the releases, injunction and other provisions contained in Article X, and enter such orders as may be necessary or appropriate to implement or enforce all such releases, injunctions and other provisions;

11. enter and implement such orders as necessary or appropriate if the Confirmation Order is modified, stayed, reversed, revoked or vacated;

12. resolve any other matters that may arise in connection with or related to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, indenture or other agreement or document adopted in connection with the Plan or the Disclosure Statement;

13. enter an order and a Final Decree closing the Chapter 11 Cases.

ARTICLE XII.

MISCELLANEOUS PROVISIONS

A. Modification of Plan

Subject to the limitations contained in the Plan, the Plan Proponents reserve the right in their sole discretion, in accordance with the Bankruptcy Code and the Bankruptcy Rules to

amend or modify the Plan prior to the entry of the Confirmation Order, including amendments or modifications to satisfy section 1129(b) of the Bankruptcy Code; provided, however, that any pre-Confirmation Date amendments shall not materially or adversely affect the interests, rights or treatment of any Allowed Claims or Equity Interests under the Plan; and (2) after the entry of the Confirmation Order, the Reorganized Debtors may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan.

B. Revocation of Plan

The Plan Proponents reserve the right in their sole discretion to revoke or withdraw the Plan prior to the entry of the Confirmation Order, and to file subsequent chapter 11 plans. If the Plan Proponents revoke or withdraw the Plan or if entry of the Confirmation Order or the Effective Date does not occur, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan, assumption or rejection of executory contracts effected by the Plan, and any document or agreement executed pursuant hereto shall be deemed null and void; and (3) nothing contained in the Plan shall: (a) constitute a waiver or release of any Claims by or against, or any Equity Interests in, such Debtor or any other Entity; (b) prejudice in any manner the rights of the Debtors or any other Entity; or (c) constitute an admission of any sort by the Debtors or any other Entity.

C. Binding Effect

On the Effective Date, the provisions herein shall bind any holder of a Claim against, or Equity Interest in, a Debtor and such holder's respective successors and assigns, whether or not the Claim or Equity Interest of such holder is Impaired under the Plan, whether or not such holder has accepted the Plan and whether or not such holder is entitled to a Distribution under the Plan.

D. Successors and Assigns

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

E. Governing Law

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

F. Reservation of Rights

The Plan shall have no force or effect unless and until the Effective Date occurs. Neither the filing of the Plan, any statement or provision contained herein, nor the taking of any action

by a Debtor, a Plan Proponent, or any Entity with respect to the Plan shall be or shall be deemed to be an admission or waiver of any rights of: (1) any Debtor with respect to the holders of Claims or Equity Interests or other parties-in-interest; or (2) any holder of a Claim or other party-in-interest prior to the Effective Date.

G. Section 1125(e) Good Faith Compliance

Confirmation of the Plan shall act as a finding by the Court that the Plan Proponents and each of their respective Representatives have acted in “good faith” under section 1125(e) of the Bankruptcy Code.

H. Further Assurances

The Plan Proponents, all holders of Claims receiving Distributions hereunder and all other parties in interest shall, from time to time, prepare, execute and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan or the Confirmation Order.

I. Service of Documents

Any pleading, notice or other document required herein to be served on or delivered to any of the Plan Proponents shall be sent by both email and first class, certified U.S. mail, postage prepaid as follows:

To the Debtors:

Goodman and Dominguez, Inc.
10701 Northwest 127th Street
Medley, Florida 33178
Attn: David Goodman
Email: goodman@trafficshoe.com

With a copy to (which shall not constitute notice)

Meland Russin & Budwick, P.A.
3200 Southeast Financial Center
200 South Biscayne Boulevard
Miami, Florida 33131
Attn: Joshua W. Dobin
Tel: 305.358.6363
Email: jdobin@melandrussin.com

To the Committee:

Berger Singerman LLP
1450 Brickell Avenue
Miami, Florida 33131
Attn: Christopher Andrew Jarvinen
Tel: 305.714.4363
Email: cjarvinen@bergersingerman.com

J. Filing of Additional Documents

On or before the Effective Date, the Plan Proponents may file with the Bankruptcy Court all agreements and other documents that may be necessary or appropriate to effectuate and further evidence the terms and conditions hereof.

K. No Stay of Confirmation Order

The Plan Proponents shall request that the Court waive stay of enforcement of the Confirmation Order otherwise applicable, including pursuant to Federal Rules of Bankruptcy Procedure 3020(e), 6004(h) and 7062.

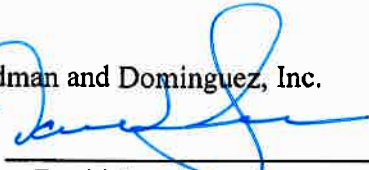
L. Bankruptcy Rule 9019 Request; Impact

The Plan, including the Plan Supplement or other Plan Document, may provide for one or more compromises or settlements. Pursuant to Bankruptcy Rule 9019, the Plan Proponents hereby request approval of all compromises and settlements included in the Plan, and entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of any such compromise or settlement.

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Dated: September 21, 2016
Miami, Florida

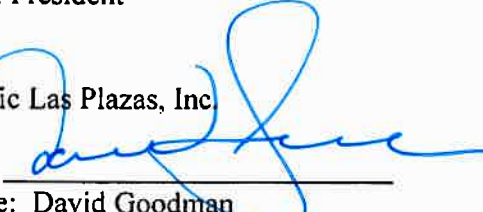
Goodman and Dominguez, Inc.

By: 
Name: David Goodman
Title: President

Traffic, Inc.

By: 
Name: David Goodman
Title: President

Traffic Las Plazas, Inc.

By: 
Name: David Goodman
Title: Sole Director

Traffic Plaza del Norte, Inc.

By: 
Name: David Goodman
Title: Sole Director

Official Committee of Unsecured Creditors of
Goodman and Dominguez, Inc., Traffic, Inc., Traffic
Las Plazas, Inc. and Traffic Plaza de Norte, Inc., d/b/a
Traffic Shoes

By: _____
Name: _____
Title: _____

EXHIBIT 2

Goodman and Dominguez, Inc., et al (d/b/a Traffic)
Case No. 16-10056 (Jointly Administered)
United States Bankruptcy Court
Southern District of Florida
Miami Division

Liquidation Analysis - Assumes Case Converted to Chapter 7 on Effective Date

		Estimated Proceeds Available for Distribution	
Category	Note	Low	High
Estimated proceeds from liquidation of assets			
Estimated cash as of Effective Date (assumed December 15, 2016)	1	\$ 1,267,811	\$ 1,267,811
Estimated proceeds from sale of inventory	2	1,050,000	1,400,000
Estimated proceeds from sale of furniture & fixtures	3	140,000	280,000
Preference recoveries	4	-	-
Estimated proceeds from liquidation of assets		2,457,811	2,947,811
Chapter 7 administrative expenses			
Chapter 7 trustee fees	5	73,734	88,434
Professional fees	6	450,000	300,000
Other administrative expenses	7	300,000	200,000
		823,734	588,434
Estimated cash remaining for payment of secured claims		1,634,077	2,359,377
Secured claims		109,473	109,473
Estimated cash before payment of Chapter 11 administrative claims		1,524,604	2,249,904
Chapter 11 administrative claims			
Professional fees holdback unpaid from Chapter 11 case		125,000	125,000
Admin 503(b)(9) claims estimate		337,339	337,339
Admin rent claims including estimated amounts due based on rent reductions that would not apply in the event of a Chapter 7 conversion		1,300,933	1,300,933
Total estimated chapter 11 administrative claims		1,763,271	1,763,271
Estimated cash after payment of chapter 11 administrative claims		-	486,633
Priority claims			
Priority 507(a)(2) rent claims		48,931	48,931
Priority 507(a)(8) tax claims as filed		296,923	296,923
		345,854	345,854
Estimated cash available for payment of general unsecured claims		-	140,779
General unsecured claims			
General unsecured claims estimated		4,652,371	4,652,371
Estimate for increase in lease rejection claims if conversion to Ch. 7		5,000,000	5,000,000
		9,652,371	9,652,371
Estimated distribution percentage to general unsecured creditors		0.00%	1.46%

See Significant Notes and Assumptions

**Goodman and Dominguez, Inc., et al (d/b/a Traffic)
Case No. 16-10056 (Jointly Administered)
United States Bankruptcy Court
Southern District of Florida
Miami Division**

Notes and Assumptions to Liquidation Analysis

- 1) The Debtors estimate cash as of Effective Date to be \$1,267,811.
- 2) Assumes that Debtors will liquidate inventory for 30% - 40% (low & high, respectively) of the cost of inventory currently estimated at \$3,500,000 based on information provided by the Debtors. The discount from full cost incorporates both a liquidation discount as well as losses attributable to shrinkage.
- 3) Estimated based on information provided by Debtors.
- 4) The Chapter 7 Trustee may choose to pursue potential preferences and avoidable transfers. The amount of such transfers cannot be predicted and has not been included.
- 5) Chapter 7 Trustee Fees are calculated to be 3% of the estimated proceeds from liquidation of assets.
- 6) Professional fees for the Chapter 7 Trustee is estimated to be \$450,000 - \$300,000 (low & high, respectively).
- 7) Amount represents additional costs that may be incurred in connection with the immediate wind down and securing of estate assets.

Goodman and Dominguez, Inc., et al (d/b/a Traffic)
Case No. 16-10056 (Jointly Administered)
United States Bankruptcy Court
Southern District of Florida
Miami Division

Annual Projections - Assumed Effective Date December 15, 2016

Source: Data provided by Debtor.

Category	Notes	Effective Date Payments	2017	2018	2019	Total
Revenue:						
Sales	2		\$ 24,072,448	\$ 22,989,145	\$ 22,300,898	\$ 69,362,491
Expenses:						
Banking Expense	3		433,304	413,805	401,416	1,248,525
Marketing Expense	4		181,110	181,760	181,760	544,629
Inventory Purchases	5		7,835,582	7,482,967	7,258,942	22,577,491
Operating lease	6		22,800	22,800	22,800	68,400
Transportation & Freight Out	7		868,545	881,138	881,138	2,630,820
Computer Expenses	8		31,352	31,352	31,352	94,056
Parking & Tolls	8		24,434	24,462	24,462	73,358
Equipment Rental	8		7,800	7,800	7,800	23,400
Insurance	8		767,677	767,677	767,677	2,303,030
License and Permits	8		11,700	11,700	11,700	35,100
Cash (under)/over	9		23,461	22,757	22,075	68,293
Payroll Expenses	10		6,018,112	5,724,297	5,552,924	17,295,333
Payroll Taxes	11		481,449	457,944	444,234	1,383,627
Postage and Delivery	8		30,000	30,000	30,000	90,000
Professional Fees	8		20,000	20,000	20,000	60,000
Services	8		213,901	213,901	213,901	641,704
Rent - Real-estate leases	12		4,953,902	5,020,515	5,095,119	15,069,536
Storage Expense	8		397,800	397,800	397,800	1,193,400
Repairs & Maintenance	8		203,400	203,400	203,400	610,200
Security Expense	8		19,572	19,572	19,572	58,716
Supplies Expense	8		135,600	135,600	135,600	406,800
U.S Trustee qtrly fees	13		12,025	5,850	975	18,850
Travel/Air	8		68,000	68,000	68,000	204,000
Utilities	8		449,220	449,220	449,220	1,347,660
Total Expenses			23,210,745	22,594,315	22,241,867	68,046,927
Net Income			\$ 861,703	\$ 394,830	\$ 59,031	\$ 1,315,564
Estimated beginning cash		\$ 1,267,811	\$ 280,950	\$ 246,797	\$ 218,753	\$ 1,267,811
Net Cash flow (outflow) from operations			861,703	394,830	59,031	1,315,564
Estimated Creditor Payments:						
Secured claim	14	(36,491)	(72,982)	-	-	(109,473)
Administrative 503(b)(9) claims	14	(45,844)	-	-	-	(45,844)
Administrative professional holdbacks	14	(125,000)	-	-	-	(125,000)
Administrative rent claims	14	(10,799)	-	-	-	(10,799)
Priority 507(a)(2) rent claims	14	(48,931)	-	-	-	(48,931)
Priority 507(a)(8) tax claims	14	(296,923)	-	-	-	(296,923)
Admin 503(b)(9)	15	(72,874)	(72,874)	(72,874)	(72,874)	(291,495)
General Unsecured Creditors	16	(350,000)	(350,000)	(350,000)	(200,000)	(1,250,000)
		(986,861)	(495,856)	(422,874)	(272,874)	(2,178,464)
Working capital reserve	17		(400,000)			(400,000)
Ending cash excluding working capital reserve	17	\$ 280,950	\$ 246,797	\$ 218,753	\$ 4,911	\$ 4,911

Goodman and Dominguez, Inc., et al (d/b/a Traffic)
Case No. 16-10056 (Jointly Administered)
United States Bankruptcy Court
Southern District of Florida
Miami Division

Annual Projections - Assumed Effective Date December 15, 2016

Source: Data provided by Debtor.

Estimated Distribution to Creditors (Note 1)					
Claim Category:			Claim Amount	Distribution Amount	% of Claim Paid
Secured			109,473	109,473	100.0%
Admin 503(b)(9)			337,339	337,339	100.0%
Admin – rent			10,799	10,799	100.0%
Admin - professional fee holdbacks			125,000	125,000	100.0%
Priority 507(a)(2) rent			48,931	48,931	100.0%
Priority 507(a)(8) tax			296,923	296,923	100.0%
Total Admin and Priority			928,464	928,464	100.0%
General Unsecured Claims			4,652,371	1,250,000	26.9%
Total			\$ 5,580,835	\$ 2,178,464	

See Significant Notes and Assumptions

Goodman and Dominguez, Inc., et al (d/b/a Traffic)
Case No. 16-10056 (Jointly Administered)
United States Bankruptcy Court
Southern District of Florida
Miami Division

Notes and Assumptions to Projections

- 1) These amounts are based on the Debtors' reasonable information and belief as to the ultimate amount of the allowed creditor claims.
- 2) Based on Management's experience with industry trends, projected revenues are expected to decline 1.9% from 2016 to 2017, 4.5% from 2017 to 2018 and 3% for 2018 to 2019.
- 3) Banking expense is estimated to be approximately 1.8% of sales based on historical trends.
- 4) Marketing expense is projected to remain static through 2019.
- 5) Inventory Purchases are projected to be 32.55% of sales based on historical trends. Inventory purchases have been reduced by \$350,000 in 2016 to account for inventory purchased in August and September, 2016 which will be sold during the holiday season.
- 6) Monthly operating lease is \$1,900 or \$22,800 annually.
- 7) Transportation and freight expense is expected to remain flat to account for increasing fuel costs.
- 8) Management anticipates these expenses will remain static through 2019.
- 9) The cash over and short account is used to record the difference between the expected cash balance and the actual cash balance in the imprest account. Amounts are derived from historical trends.
- 10) Management projects payroll expense to decline from 28.88% of sales in 2016 to 25.0% of sales in 2017 and to 24.9% of sales in 2018 and 2019.
- 11) Management projects payroll taxes to be 8% of payroll expense based on historical trends.
- 12) Rent amounts are pro-rated where applicable and derived from leases, amendments or schedules provided by the Debtors. It is assumed that when a lease terminates prior to 2019, the final annual rent amount was utilized for the subsequent years. CAM and other fees are assumed to increase by 3% annually.
- 13) The projections include an estimate for United States Trustee fees based on the statutory rates imposed on the amount of funds paid to the creditors.
- 14) Pursuant to the Chapter 11 Plan, it is anticipated that these payments will be made within thirty days of the Effective Date.
- 15) Certain 503(b)(9) claims in the amount of \$291,495 will be paid out over a period of four years.
- 16) Pursuant to the Chapter 11 Plan, the Debtors will make payments to the general unsecured creditors totaling \$1,250,000 of which \$350,000 will be paid within thirty days of the Effective Date, \$100,000 will be paid within sixty days of the Effective Date, \$250,000 will be distributed during 2017, \$350,000 will be distributed during 2018 and \$200,000 will be distributed during 2019.
- 17) The Debtors have reserved \$400,000 for working capital needs.

EXHIBIT “4”

SCHEDULE OF ASSUMED EXECUTORY CONTRACTS AND UNEXPIRED LEASES

[TO BE FILED WITH THE PLAN SUPPLEMENT]