



SO ORDERED.

SIGNED this 12 day of June, 2013.

A handwritten signature in black ink that reads "Randy D. Doub".

**Randy D. Doub
United States Bankruptcy Judge**

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

IN RE:

CHAPTER 11

LEE BRICK & TILE COMPANY,

CASE NO. 12-04463-8-RDD

Debtor.

ORDER CONFIRMING PLAN

The Amended and Restated Plan of Reorganization under Chapter 11 of the Bankruptcy Code filed by Lee Brick & Tile Company on April 10, 2013 (hereinafter, the "Plan"), having been transmitted to creditors and equity security holders of the above-referenced Debtor (hereinafter the "Debtor"); sufficient and proper notice having been given; and the Plan having come before the Court for hearing on confirmation on May 28, 2013; and it appearing to the Court and the Court finding that:

A. It has been determined that the Amended Disclosure Statement filed by the Debtor on April 16, 2013 contains adequate information as required by 11 U.S.C. § 1125 and the same has been conditionally approved pursuant to an Order of this Court dated April 24, 2013.

B. At the Confirmation Hearing held on May 28, 2013, Debtor announced in open Court the following Plan modifications (the "Announced Modifications"):

1. As more particularly set forth in the Conformed Modified Plan attached hereto as Exhibit A, the treatment of the Class 8 claim of First Bank is clarified and modified: (i) to confirm that interest shall be paid to First Bank from and after the Effective Date; (ii) that interest shall accrue for all periods prior to the Effective Date at the non-default contract rate of

5.0% per annum; and (iii) that interest shall accrue and be paid from and after the Effective Date of the agreed-upon rate of 5.25% per annum.

2. Section 10.3 of the Plan is hereby deleted in its entirety and replaced with the following:

“All notices, excepting notices of applications for allowance of professional fees pursuant to Section 330 for any period prior to the Confirmation Date, required to be served by Debtor on creditors shall be deemed properly served if mailed to the United States Bankruptcy Administrator and to counsel for the Class 4, 5, 6, 7, and 8 secured creditors, to allowed Class 9 unsecured creditors, and to Class 10 Shareholder Interests, if an entry of appearance was made by counsel in the case, and otherwise directly to the creditor.”

3. The first sentence of Section 10.4 of the Plan is hereby deleted in its entirety and replaced with the following:

“The notice period applicable to service of any notices on creditors otherwise applicable, pursuant to the provisions of the Code or this Plan, including plan modifications, are reduced to a fourteen (14) day period inclusive of the three (3) days for mailing pursuant to Rule 9006(f) of the Bankruptcy Rules; provided, however, that any notice on application or allowance of compensation of professionals for any period prior to the Confirmation Date pursuant to Section 330 of the Code shall be subject to the notice provisions of Bankruptcy Rule 2002.”

C. The Announced Modification as set out in Paragraph B above (hereinafter collectively referred to as the “Modifications”) do not adversely change the treatment of the claim of any creditor or the interest of any equity security holder who has previously accepted the Plan before the Modifications. (The Plan as modified by the Modifications is hereinafter referred to as the “Modified Plan”).

D. Under the attendant circumstances no notice of the Modifications to creditors or equity security holders is necessary or appropriate. Acceptance of the Debtor’s Amended and Restated Plan of Reorganization by all creditors who previously accepted the Plan, prior to the Modifications, shall be deemed to be acceptance of the Modified Plan.

E. Based on the Modifications, First Bank’s Objection to Confirmation of Amended Plan filed on May 24, 2013 was withdrawn.

F. Based on the Modifications, the issues raised by the Response to Confirmation of Plan and Approval of Disclosure Statement filed by the Bankruptcy Administrator’s Office on May 23, 2013 have been resolved with consent.

G. All impaired classes of creditors have accepted Debtor’s Modified Plan and voted in favor of its confirmation except for the Class 7 claim of BB&T Loan Services (“BB&T”) which did not object to the Plan or vote to reject the Plan, but simply did not respond to the Plan.

H. The Modified Plan does not discriminate unfairly and is fair and equitable to BB&T and its Class 7 claim.

I. Neither the Debtor nor the Reorganized Debtor, nor their officers, agents or representatives, are underwriters within the definition or purview of 11 U.S.C. Section 1145.

J. With consent of the parties, the determination of the class treatment of any claim of the North Carolina Department of Revenue ("NCDOR") shall be reserved pending either the agreement of the parties or the outcome of the claims objections process, with the Debtor being required to object to any claim of NCDOR within thirty (30) days of the entry of this Order Confirming Plan (the "NCDOR Resolution").

K. It having been determined after hearing on notice that, to the extent not resolved by the NCDOR Resolution, the Objection filed by the North Carolina Department of Revenue should be denied.

L. The requirements for confirmation set forth in 11 U.S.C. § 1129 (a) and § 1129 (b) have been satisfied.

IT IS ORDERED THAT:

1. The Amended Disclosure Statement filed by the Debtor contains adequate information about the Modified Plan within the purview of 11 U.S.C. § 1125, and is approved.

2. To the extent not resolved by the NCDOR Resolution, the Objection of the North Carolina Department of Revenue is denied.

3. The Modified Plan is CONFIRMED pursuant to 11 U.S.C. §1129(a) and §1129(b). A true and correct conformed copy of the Modified Plan is attached to this Order as Exhibit A.

4. The Special tax provisions of 11 U.S.C. §1146, shall apply to the transfer and/or sale of property under the Modified Plan or pursuant to the provisions of the Modified Plan, and any such transfer and/or sale shall not be subject to any transfer tax or revenue stamp tax.

5. Except as provided herein, the Debtor shall file Post-Confirmation Reports with the Clerk of the Bankruptcy Court with a copy served on the Bankruptcy Administrator pursuant to 11 U.S.C. § 1106(a)(7). The first Post-Confirmation Report shall be due for the period ending June 30, 2013. The Debtor shall file subsequent Reports for succeeding calendar quarters (September, December, March, June) until the Modified Plan is substantially consummated. Quarterly Post-Confirmation Reports shall reflect any progress made toward consummating the Modified Plan during the period covered by the Report and shall be prepared in a format prescribed by the Bankruptcy Administrator. The Post-Confirmation Report shall be accompanied by the applicable Quarterly Fee.

6. Except with respect to the claim of NCDOR as set forth above with respect to the NCDOR Resolution, the deadline for filing objections to claims is established as one hundred twenty (120) days after the occurrence of the Effective Date of the Modified Plan. The deadline for filing fee applications is established as ninety (90) days after the Effective Date, except that services rendered post-confirmation by professionals employed in the case, in furtherance or implementation of the Modified Plan, including counsel for Debtor, and accountants, shall not be

subject to the fee application process. Each of these deadlines may be extended by Court Order pursuant an ex parte motion for extension of time.

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

8. The Debtor shall pay to the Clerk, United States Bankruptcy Court, the sum of \$-0- for court costs.

9. The Debtor shall serve a copy of this Order on all creditors within five (5) days of the entry of this Order and promptly file a Certificate of Service with the Clerk.

10. To the extent consistent with the terms of 28 U.S.C. § 1334, this Court retains jurisdiction over this case with respect to the interpretation and implementation of the terms and conditions of this Order and the Modified Plan.

END OF DOCUMENT

Exhibit A

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
RALEIGH DIVISION

IN RE:

CHAPTER 11

LEE BRICK & TILE COMPANY,

CASE NO. 12-04463-8-RDD

Debtor.

CONFORMED COPY OF
DEBTOR'S AMENDED AND RESTATED PLAN OF REORGANIZATION

Lee Brick & Tile Company, Chapter 11 debtor-in-possession (“Debtor”), proposes the following Amended and Restated Plan of Reorganization:

ARTICLE I
Definitions

The following terms used in the Plan shall have the respective meanings as defined below:

1.1 “*Administrative Claim*” shall mean (a) the actual, necessary costs and expenses of preserving or liquidating the estate within the purview and context of this Plan; (b) any actual, necessary expenses of implementing and consummating the Plan, specifically including professional fees incurred after Plan confirmation (i) by the Disbursing Agent as defined herein, (ii) by current counsel for the Debtor, and (iii) by current accountants for the Debtor; (c) any allowances, costs or fees of Debtor, counsel for Debtor, Disbursing Agent, and/or of accountants employed by the Debtor: (i) as approved by the Bankruptcy Court in accordance with the Code as to costs incurred or services rendered through the Confirmation Date, or (ii) as provided in Paragraph 7.7 of this Plan for services rendered or costs incurred post-confirmation in furtherance or implementation of the confirmed Plan; and (d) the mandatory quarterly fee payable to the Clerk of the United States Bankruptcy Court in relation to disbursements made by the Debtor.

1.2 “*Allowed Claim*” shall mean a claim (a) which shall have been listed by the Debtor as undisputed, non-contingent and liquidated in its Schedules filed with the Court and for which no contrary proof of claim has been filed; (b) which shall have been properly filed as a Proof of Claim with the United States Bankruptcy Court prior to Confirmation, and to the extent that the underlying claim is based on a judgment, such judgment is a final judgment for which no appeal by the Debtor is pending in state or federal court, and to which Debtor does not file an objection with the United States Bankruptcy Court, or which is ultimately allowed by the Bankruptcy Court over such an objection; (c) which arose out of the rejection of an executory contract or unexpired lease as provided for by the terms of this Plan, and which shall have been properly filed as a Proof of Claim with the United States Bankruptcy Court on or before the expiration of twenty (20) days after the Confirmation Date, and to which Debtor does not file an objection or which is ultimately

allowed by the Bankruptcy Court over any such objection; or (d) any Claim compromised, settled or otherwise resolved pursuant to authority granted to the Debtor or Reorganized Debtor pursuant to a Final Order of the Bankruptcy Court. Where there is a difference between the amounts scheduled as undisputed by the Debtor in their Schedules and the amount set forth in the Proof of Claim filed by an affected creditor, the amount shown in the Proof of Claim shall govern for purposes of allowance unless objected to by the Debtor, in which case, the Claim shall be the amount allowed by the Bankruptcy Court.

1.3 “**Bankruptcy Causes of Action**” any claim or cause of action which may be asserted by a trustee or debtor-in-possession under Sections 510, 541, 542, 543, 544, 546, 547, 548, 549, 550, or 553, inclusive, of the Bankruptcy Code.

1.4 “**Bankruptcy Code or Code**” shall mean The Bankruptcy Reform Act of 1978, Pub. L. No. 95-5-98, as amended, 11 U.S.C. Sections 101-1326.

1.5 “**Bankruptcy Court**” shall mean the United States Bankruptcy Court for the Eastern District of North Carolina, including the United States Bankruptcy Judge presiding in this case.

1.6 “**Business Day**” shall mean any day on which banks are open to carry on their ordinary commercial banking business in the State of North Carolina.

1.7 “**Case**” shall mean the Chapter 11 case, number 12-04463-8-RDD, commenced under the provisions of Chapter 11 of the United States Bankruptcy Code on June 15, 2012, in the United States Bankruptcy Court for the Eastern District of North Carolina.

1.8 “**Chapter 11**” shall mean Chapter 11 of the Bankruptcy Code, 11 U.S.C. Section 1101 et seq.

1.9 “**Claim**” shall mean any right to payment, or any right to an equitable remedy for breach of performance if such breach gives rise to right to payment, whether or not such right to payment or right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

1.10 “**Confirmation**” shall mean the entry of an Order confirming the Plan in accordance with Chapter 11.

1.11 “**Confirmation Date**” shall mean the date upon which the Bankruptcy Court enters the Confirmation Order.

1.12 “**Confirmation Order**” means an order of the Bankruptcy Court confirming the Plan in accordance with the Section 1129 of the Bankruptcy Code.

1.13 “**Creditor(s)**” shall mean each and every creditor of the Debtor holding claims for

debts, liabilities, demands or obligations of any character whatsoever.

1.14 “**Debtor**” shall mean Lee Brick & Tile Company, a North Carolina corporation, Debtor in this case.

1.15 “**Designated Litigation**” shall mean all claims or causes of action of the Debtor arising on or before the Effective Date that have not been disposed of on or prior to the Effective Date by settlement, dismissal or judgment, including but not limited to any Bankruptcy Causes of Action as defined herein.

1.16 “**Disbursing Agent**” shall mean the Reorganized Debtor, or such other disbursing agent as may be appointed by the Court in the Confirmation Order.

1.17 “**Disclosure Statement**” means the written Amended and Restated Disclosure Statement concerning the Plan approved by the Bankruptcy Court pursuant to Section 1125(b) of the Bankruptcy Code.

1.18 “**Disputed Claim**” shall mean a Claim that is not an Allowed Claim and as to which there is no Final Order disallowing such Claim.

1.19 “**Effective Date**” shall mean the earliest date upon which (a) the date for appeal of Confirmation has expired, and (b) there is no appeal pending to the Order of Confirmation.

1.20 “**Final Order**” shall mean an order or judgment of the Bankruptcy Court or, where appropriate, the District Court (i) as to which the time to appeal has expired and no appeal was filed timely or (ii) from which any appeal has been finally determined or dismissed.

1.21 “**Interests**” shall mean collectively all ownership and equity interests in the Debtor, including member interests in the limited liability corporation.

1.22 “**Lien**” shall have the meaning set forth in Section 101(37) of the Bankruptcy Code and shall include, without limitation, all liens, replacement liens, adequate protection, carve out rights and other charges and interests created or imposed on property by any order of the Bankruptcy Code to the extent also allowed and recognized by the terms of this Plan.

1.23 “**LOC Reserve**” shall mean that Line of Credit in the amount of One Million Dollars (\$1,000,000.00) to be set up in favor of Debtor by all, or a portion of, the shareholders of Debtor within thirty (30) days of the Confirmation Date. The Line of Credit shall be established for the benefit of the Reorganized Debtor but shall not be supported by any credit exposure of the Reorganized Debtor or by the use or pledge of any of its assets. The Reorganized Debtor shall use such LOC Reserve, if and as needed, for the sole purpose of making payments to Capital Bank required under the provisions of Paragraph 6.1.

1.24 **"Margin Accounts"** shall mean those Securities Accounts in Debtor's name ending in xxxx9925 and xxxx3517 held by Wells Fargo Advisors.

1.25 **"Net Operating Income"** shall mean the difference between gross operating revenues of the Reorganized Debtor and all costs and expenses of its business operations calculated annually at the end of the Reorganized Debtor's fiscal year in accordance with GAAP. The calculation of Net Operating Income shall take into account, as an operating expense, debt service required under the Plan to Class 1, 2, 3, 4, 5, 6, 7, 8, and 9 claims.

1.26 **"Petition Date"** shall mean the date of filing of Debtor's petition initiating this Chapter 11 case, i.e. June 15, 2012.

1.27 **"Plan"** shall mean this Plan of Reorganization in its present form or as it may be further amended or supplemented.

1.28 **"Plant #4 Personal Property"** shall mean all personal property collateral of Capital Bank as more fully set out in UCC Financing Statement 20050093737H, filed in the office of the North Carolina Secretary of State on August 29, 2005.

1.29 **"Plant #4 Real Property"** shall mean that approximate 37.69 acre portion of easement and building (Plant #4 and Grinding Room), located at 3613 Hawkins Avenue, Sanford, Lee County, North Carolina, as more fully set forth in that Construction Deed of Trust Securing Future Advances recorded on September 23, 2005 in Book 993, Page 417, Lee County Registry.

1.30 **"Pro Rata"** shall mean proportionally, so that with respect to an Allowed Claim, the ratio of (a)(i) the amount of property distributed on account of a particular Allowed Claim to (ii) the amount of the Allowed Claim is equal to the ratio of (b)(i) the amount of property distributed on account of all Allowed Claims of the Class in which the particular Allowed Claim is included to (ii) the amount of all Claims in that Class (including Disputed Claims, until disallowed).

1.31 **"Reorganized Debtor"** shall mean Lee Brick & Tile Company, as reorganized under the terms of this Plan and revested with the property which was formerly property of the estate, as provided by 11 U.S.C. Section 1141(b).

1.32 **"Retained Assets"** shall mean the necessary rights to or interests in cash, real and personal property, statutory deposits, and accounts receivable held and retained by the Debtor on the Effective Date as provided by the terms of the Plan.

1.33 **"Schedules"** shall mean the Schedules of Assets and Liabilities, Statement of Affairs, and Statement of Executory Contracts, and the amendments thereto, filed by the Debtor with the Bankruptcy Court.

1.34 **"Secured Claim"** shall mean the portion of any Claim against the Debtor,

(a) determined in accordance with Section 506(a) of the Bankruptcy Code, as of the Confirmation Date, secured by a valid, perfected and unavoidable Lien, to the extent the value of the creditor's interest in the Debtor's interest in the subject Collateral **and** allowed and recognized by the terms of this Plan; or (b) subject to offset under Section 553 of the Bankruptcy Code, to the extent of the amount subject to offset **and** allowed and recognized by the terms of this Plan.

1.35 **“Substantial Consummation”** shall mean that definition set out in 11 U.S.C. '1101; provided that the marketing and sale of the real property to be sold under the Plan terms is not a transfer required to effectuate Substantial Consummation or the closing of the case by entry of a Final Decree.

1.36 **“Tax Claims”** shall mean all liquidated, unsecured tax claims of governmental units against the Debtor or its property, which claims are entitled to priority under Section 507(a)(8) of the Code.

1.37 **“Unsecured Creditor”** shall mean a holder of an Unsecured Claim.

ARTICLE 2 **Construction**

Where not inconsistent or in conflict with the provisions of the Plan, the words and phrases used herein shall have the meanings ascribed thereto in the Code and in the Bankruptcy Rules.

ARTICLE 3 **Nature of Plan**

This Plan of Reorganization provides for the continued operation of the Debtor's business operations, for the restructure of the debts of the Debtor, and for the treatment and payment in full of all secured claims.

ARTICLE 4 **Classification of Claims**

4.1 **Class 1 (Administrative Claims):** Costs and expenses of administration as defined in paragraph 1.1 above.

4.2 **Class 2 (Priority Claims):** Claims entitled to priority under Sections 507(a)(3), 507(a)(4), 507(a)(5) or 507(a)(6), if any.

4.3 **Class 3 (Tax Claims):** All liquidated unsecured tax claims of governmental units against the Debtor or its property entitled to priority under Section 507(a)(8) of the Code.

4.4 **Class 4 (Capital Bank Secured Claim):** The secured claim of Capital Bank in the agreed-upon amount of \$13,395,490.39, as evidenced by a Promissory Note dated September 22, 2005 in the original principal amount of \$20,000,000.00, together with a Change In Terms Agreement dated March 28, 2008 in the original principal amount of \$18,202,028.77 and a Change In Terms Agreement dated December 22, 2009 in the original principal amount of \$15,579,053.25, and presently secured by:

- (i) a first priority security interest in the 37.69 acre tract, easement and building known as Plant #4 and Grinding Room, which is a portion of Debtor's Real Property, as reflected by that Construction Deed of Trust Securing Future Advances executed by the Debtor in favor of Capital Bank dated September 23, 2005 and recorded on September 23, 2005 in Book 00993, Page 0417 of the Lee County Register of Deeds; and
- (ii) a UCC-1 Financing Statement No. 20050093737H filed August 29, 2005 (the "Financing Statement") with the North Carolina Secretary of State and recorded in Book 00993, Page 0430, Lee County Register of Deeds, with the collateral being "All plant equipment, fixtures, and inventory proceeds now owned or hereafter acquired all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles and other accounts proceeds) by Debtor for Plant #4 located at 37.69-acre portion of the larger 309.50 acre tract located on the west side of US Highway 15/501, approximately 1.50 miles north of its intersection with US Highway 1, Sanford, NC 27330."

4.5 **Class 5 (Wells Fargo Advisors 9925):** The secured claim of Wells Fargo Advisors, having an approximate balance at Petition Date totaling \$686,017.42, secured by a Securities Account ending in 9925 with a balance as of May 31, 2012 in the amount of \$1,335,406.55.

4.6 **Class 6 (Wells Fargo Advisors 3517):** The secured claim of Wells Fargo Advisors, having an approximate balance at Petition Date totaling \$303,491.05, secured by a Securities Account ending in 3517 with a balance as of May 31, 2012 in the amount of \$671,479.70.

4.7 **Class 7 (BB&T Loan Services):** The secured claim of Branch Banking & Trust Company ("BB&T"), having an approximate balance at Petition Date in the amount of \$23,245.64 (per Proof of Claim No. 3), as evidenced by a Retail Installment Sale Contract dated October 14, 2011 in the original principal amount of \$25,705.00, secured by a lien on the title to a 2009 Chevrolet Traverse, VIN #IGNER23D89S176826, owned by the Debtor.

4.8 **Class 8 (First Bank):** The secured claim of First Bank, having an approximate balance at Petition Date in the amount of \$21,937.11 (per Proof of Claim No. 4), as evidenced by a Promissory Note dated October 14, 2011 in the original principal amount of \$24,900.20, secured by a lien on the title to a 2012 Chevrolet Equinox, VIN #2GNALBEK0C1146352, owned by the Debtor.

4.9 **Class 9 (Unsecured Claims):** All general unsecured Allowed Claims of whatever nature and description against the Debtor.

4.10 **Class 10 (Shareholder Interests):** All ownership interests of the shareholders of the corporation.

ARTICLE 5

Treatment of Claims and Classes Not Impaired Under the Plan

5.1 **Class 1 (Administrative Claims):** Any administrative claim shall be paid in cash in full on the Effective Date or upon entry of an Order allowing such Administrative Claim, whichever is later, except that professional fees and expense reimbursements shall be paid in cash in full upon entry of an Order allowing the same, or pursuant to any agreement between the Debtor and the holder of a Class 1 Allowed Claim.

5.2 **Class 2 (Priority Claims):** Any Class 2 Priority Claim shall be paid in cash in full within twenty (20) days of the Effective Date.

5.3 **Class 3 (Tax Claims):** All tax claims entitled to priority under Section 507(a)(8) of the Code will be paid in full over a period ending not later than five (5) years after the Petition Date (which is the same date the order for relief was entered) in deferred cash payments having a value, as of the Effective Date, equal to the allowed amount of such respective claim(s).

ARTICLE 6

Treatment of Claims That Are Impaired Under the Plan

6.1 **Class 4 (Capital Bank):** The Class 4 claim of Capital Bank will be treated as follows:

(a) Capital Bank shall have an allowed secured claim as of the Effective Date in the amount of \$13,395,490.39 (the "Capital Bank Indebtedness").

(b) Capital Bank shall retain its liens in the Plant #4 Personal Property, as defined in paragraph 1.27, and in the Plant #4 Real Property, as defined in paragraph 1.28 (the "Existing Capital Bank Liens"). Capital Bank shall also be granted, as of the Effective Date, a continuing first-priority, perfected lien on all other real and personal property owned by the Debtor including five (5) International tractors and separate trailers and two (2) International ten-wheeler trucks (collectively, the "Brick Delivery Trucks"), but specifically excluding (i)

cash on hand; (ii) the Margin Accounts; and (iii) the LOC Reserve; and (iv) all motor vehicles and trailers with certificates of title except the Brick Delivery Trucks (collectively, the "New Capital Bank Liens"). The Debtor shall execute and deliver to Capital Bank any and all documents reasonably necessary to grant to Capital Bank the New Capital Bank Liens. Debtor shall, in its sole discretion, retain the absolute right to sell or trade in any of the Brick Delivery Trucks and Capital Bank shall immediately cancel its lien on the title to such vehicle(s) upon written notice of Debtor of its intent to sell or trade in such vehicle (the "Designated Vehicle"). Debtor shall have the right to retain and apply any sale proceeds from the sale of any Brick Delivery Truck to the lease or purchase of a new or replacement Brick Delivery Truck. If the new or replacement Brick Delivery Truck is not financed with a third party lender, then Debtor will provide a security interest in such purchased vehicle to Capital Bank. However, the Capital Bank immediate obligation to release its lien on a Designated Vehicle shall not be delayed by, or contingent upon, Capital Bank's receipt of a substitute lien in a purchased new or replacement Brick Delivery Truck. If Capital Bank does not immediately release and cancel its lien in the Designated Vehicle, then Capital Bank shall pay Debtor's actual reasonable attorneys' fees incurred by Debtor to compel Capital Bank's compliance for such release, including, without limitation, Debtor's reopening its Chapter 11 case for the specific, limited purpose of having the Court compel specific performance of these provisions by Capital Bank, its successors and assigns. In the event that Capital Bank sells or assigns its rights in the Capital Bank Indebtedness, Capital Bank's liens on the Brick Delivery Trucks shall be automatically cancelled and released, and Capital Bank shall undertake all necessary actions to accomplish the cancellation and release of such liens of record. By its consent to the confirmation of this Plan, Capital Bank (i) consents to such retained jurisdiction of the Bankruptcy Court; and (ii) agrees to pay such Debtor incurred reasonable actual attorneys' fees. In the event that the Debtor sells any Brick Delivery Truck and does not use the proceeds to lease or purchase a replacement Brick Delivery Truck, the Debtor shall pay to Capital Bank the proceeds of such sale, less (i) reasonable and customary closing costs associated with such sale, including attorneys' fees; (ii) any outstanding ad valorem taxes relating to such sale, which proceeds shall be applied to principal.

(c) The Capital Bank Indebtedness shall accrue no interest, attorneys' fees or other costs or charges from the Petition Date to the Effective Date;

(d) Capital Bank shall have no allowed unsecured claim or post-petition cost of administration claim of any kind;

(e) The outstanding balance of the Class 4 Capital Bank Indebtedness, shall be calculated on a non-default basis as of the Effective Date and shall be equal to \$13,395,490.39 (the "Capital Bank Aggregate Balance");

(f) The Capital Bank Aggregate Balance shall be amortized as of the Effective Date for a thirty (30) year period based on a 360-day year at the fixed simple interest rate of 4.5% per annum with payments made on a monthly basis in the amount of \$68,371.34 (the "Amortization Payment"). The first payment shall be payable on the 1st day of the month following the date when the Confirmation Order shall become a Final Order, and monthly

payments shall be delinquent if not paid by the 15th of each month. Only one time each calendar year, if the Debtor does not make a monthly payment by the 15th of the month, no payment default shall occur until (i) Capital Bank sends written notice to the Debtor of such non-payment, and (ii) Debtor fails to cure such non-payment within ten (10) days of receipt of Capital Bank's non-payment notice.

(g) Subject to the remaining provisions in this Section 6.1, until the earlier of (a) the end of the term of the Plan, or (b) such time as Capital Bank has been paid the Capital Bank Aggregate Balance in full: (i) the salary of any of the following current officers of the Debtor (which currently are Don Perry, Gil Perry, Rad Holton), shall remain at the same level as previously approved by the Bankruptcy Court subject to the provisions of (ii) below; (ii) in the event Debtor is in compliance with its payment obligations to Capital Bank on the third anniversary of the Effective Date, said officers' salaries may be increased in the discretion of the Debtor in an amount not to exceed 5% per year; (iii) no director fees shall be paid to any of the directors serving on Debtor's Board of Directors, provided, however, that in the Debtor's sole discretion, commencing in the fifth year from the Effective Date it may pay director's fees to its Board of Directors on a monthly basis in the amount of \$1,000.00 per director per month, subject to the provisions and conditions set out in (iv) and (v) below; (iv) any payment of director's fees as provided in (iii) above is conditioned upon the simultaneous payment to Capital Bank of a like amount of money in reduction of the outstanding principal of the Capital Bank Aggregate Balance (e.g., \$8,000.00 monthly payment to directors shall be subject to, and conditioned upon, a like \$8,000.00 payment to Capital Bank in addition to the regular monthly payments); (v) during the term of this Plan, the Debtor shall not be permitted to increase its number of directors on its Board of Directors from its current number of eight; and (vi) no dividends shall be paid to any shareholder other than the Tax Payment Dividends (defined in subparagraph (h) below). Notwithstanding anything herein to the contrary, on the Effective Date, the salaries of Tretta McNeill, Mike Lilly and Phil Lyles shall be reinstated to the salary levels in effect on the Petition Date for such individuals.

(h) The Debtor is taxable as a corporation under the Internal Revenue Code; however, the Debtor has made the appropriate election to be treated as an S Corporation under the Internal Revenue Code. Based on this, the Debtor shall be permitted to pay dividends or distributions to its shareholders in such amounts as are necessary to cover or address the taxable effects of the Debtor's taxable income (the "Tax Payment Dividends"). The Debtor's CPA shall sign a certification with each Annual Audited or Reviewed Financial Statement confirming any such distributions are in fact necessary based on the S Corporation election.

(i) The Debtor shall provide the following reports to Capital Bank, in form and manner approved in advance by Capital Bank:

- Quarterly financial performance reporting (to be received each month by the 30th day of the following month):
 - Internally generated Financial Statements which include Income Statement and Balance Sheet, in the same form and manner presently followed by the Debtor
 - Accounts Receivable Aging
 - Inventory Detail in the same manner and format presently followed by the Debtor
 - Accounts Payable Aging
- Annual financial performance reporting:
 - Year-end internally generated income statement and balance sheet (to be received within 60 days of fiscal year-end)
 - CPA Audited or Reviewed level financial statements (to be received within 90 days of fiscal year-end)

If the Debtor fails to provide the required reports to Capital Bank as required herein, Capital Bank shall be entitled to re-open the Chapter 11 bankruptcy case by motion for the specific, limited purpose of seeking specific performance of this subparagraph. Debtor shall reimburse Capital Bank for its reasonable actual attorneys' fees and legal expenses incurred in its efforts to compel compliance with this sub-paragraph.

(j) No pre-payment penalty shall apply to the repayment of the Capital Bank Aggregate Balance;

(k) The outstanding balance of the Capital Bank Aggregate Balance shall be due and payable five (5) years from the Effective Date (the "Capital Bank Maturity Date"); provided, however, the Capital Bank Maturity Date may be extended for an additional six (6) month period pursuant to provisions of (l) below;

(l) Debtor shall have the right to extend the Capital Bank Maturity from five (5) years from the Effective Date to five and one-half (5 ½) years from the Effective Date by payment to Capital Bank, prior to the Capital Bank Maturity Date, the amount of \$250,000.00 (the "Extension Payment"). The Extension Payment shall be applied by Capital Bank to the reduction of principal. During the extended six (6) month term, the Capital Bank Aggregate Balance shall accrue interest at the rate of 5.5% simple interest per annum.

(m) There shall be no covenant defaults applicable to the Capital Bank Indebtedness or Capital Bank Aggregate Balance. The only default applicable to the Debtor in connection with the Class 4 treatment of Capital Bank set out in this Paragraph 6.1 shall be a payment default, subject to the payment provisions herein;

(n) Subject to the provisions and limitations of subparagraph (m) above, the terms and provisions of the following pre-petition loan documents between the Debtor and Capital Bank and the documents executed and delivered in accordance with subparagraph (b) above (collectively, the "Loan Documents") shall remain in full force and effect; provided, however, that no default shall exist with respect to any Loan Document unless a payment default occurs with respect to the provisions of this Section 6.1 of the Plan: (i) Promissory Note Dated September 22, 2005 in the original principal amount of \$20,000,000.00; (ii) Change in Terms Agreement dated March 28, 2008 in the original principal amount of \$18,202,028.77; (iii) Construction Deed of Trust Securing Future Advances dated September 22, 2005 from Lee Brick and Tile Company to Scott Querin, Trustee and Capital Bank, recorded on September 23, 2005, at Book 993, Page 417, Lee County Registry; (iv) Commercial Security Agreement dated September 22, 2005 executed by Lee Brick & Tile Company in favor of Capital Bank; (v) UCC-1 Financing Statement No. 20050093737H Filed on September 29, 2005 at the North Carolina Secretary of State's Office; (vi) UCC-1 Financing Statement recorded on September 23, 2005 at Book 993, Page 430, Lee County Registry. It is the specific intent of Debtor and Capital Bank that the Debtor shall not be subject to any covenant defaults under any of the Loan Documents. Except for the Loan Documents, as restricted and limited by the provisions of subparagraph (m) above, this Plan and any Order of the Bankruptcy Court, no other documents shall govern or control the Class 4 treatment of the Capital Bank Indebtedness or Capital Bank Aggregate Balance. Notwithstanding any Loan Document or deed of trust term or provision to the contrary, the provisions of this Paragraph 6.1 shall govern, control, amend and supersede all provisions relating to the Capital Bank Class 4 secured claim, the Capital Bank Aggregate Balance, the Existing Capital Bank Liens, and the New Capital Bank Liens.

(o) Upon the occurrence of a payment default pursuant to the provisions of subparagraph (f) herein, Debtor, with the input of Capital Bank, will undertake the following:

1. Within 20 days after the default, Debtor's management team and Capital Bank shall meet to discuss company operations while conducting a sale of the entire business for the mutual benefit of Capital Bank and the Debtor's shareholders under the process and timeline outlined herein.

2. After default, Debtor shall allow a representative or representatives or agents of Capital Bank to be onsite with full access to all of the debtor's books, records, legal documents, equipment lists, agents (such as accountants, insurance broker, payroll provider, bank providing operating and accounts, etc.), physical access to the debtor's tangible and intangible assets and intellectual property, personnel, subject to reasonable safeguards for confidential or proprietary information.

3. To maximize the value of the Company for the benefit of both Lee Brick and Capital Bank, it is also agreed that Lee Brick should be operated in the ordinary course of business during this sale process as long as there is sufficient cash flow generated to fund operating requirements during the sale process. It is specifically understood between the parties that in order for the Debtor to control operations and the sale process,

the Debtor shall do the following or give up control:

a. Timely pay all ordinary course of business expenses aside from Capital Bank, including without limitation all utilities and taxes;

b. Maintain accounts receivable and inventory levels; and

c. Provide Capital Bank with weekly financial reports of the nature required quarterly in subparagraph (i), evidencing strict compliance with the requirements of this paragraph.

4. Within 30 days after default, the Debtor and Capital Bank shall jointly engage qualified appraiser(s) to appraise the business assets based on the current condition of the business and current market conditions.

5. Unless otherwise agreed by Capital Bank, within 45 days after default, the Debtor and Capital Bank shall engage a seller's agent to facilitate the sale of the company ("Broker").

6. Unless otherwise agreed by Capital Bank, within 50 days after default, Broker, Debtor and Capital Bank shall cooperate in the development of a descriptive memorandum to be used in the sale process.

7. Selected potential buyers will be identified and approached by the Broker to determine general level of interest and initial valuation parameters. Confidentiality agreements will be required before the disclosure of any financial or other proprietary information. Broker will coordinate distribution of supplemental data.

8. Within the time period recommended by the Broker, Broker shall solicit term sheets from potential buyers for general indications of value subject to due diligence.

9. Within the time period recommended by the Broker, Broker, Debtor and Capital Bank shall review term sheets and select the best potential buyers determined to be financially qualified to move forward with the process.

10. Within the time period recommended by the Broker, Broker, Debtor and Capital Bank shall meet with potential buyers and Debtor shall make presentations on the Debtor's operations.

11. Debtor shall provide and organize all data to potential purchasers necessary for due diligence within 5 business days after request is made.

12. Based on recommendations of the Broker, Broker, Debtor and Capital Bank shall select final purchaser and shall finalize a Letter of Intent for purchaser approval and signature.

14. Upon completion of due diligence, the parties shall execute a binding Definitive Sale Agreement.

15. Closing shall occur no later than 270 days following payment default. If Closing does not occur within said timeframe, the Debtor fails to continue to operate in strict accordance with Paragraph 3 herein, the Debtor obstructs this sale process in any way, or fails to timely meet the timeframes herein, then Capital Bank shall be entitled to immediately exercise any and all of its state law and contractual rights under the Loan Documents, including but not limited to appointment of a state court receiver, attachment, foreclosure, repossession, or collection.

17. Capital Bank shall have the right to credit bid an amount in excess of the final purchase offer, as long as any expenses incurred pursuant to numbered paragraphs 4 and 5 of this subparagraph (o) or otherwise approved in advance by Capital Bank (including appraisals, brokers or auctioneers) are actually paid by Capital Bank.

18. Debtor shall have the right to pay in full the Capital Bank Aggregate Balance, plus reasonable actual attorneys' fees and all expenses incurred by Capital Bank in connection with the orderly liquidation process, and thereby stop the sale process.

(p) The Debtor shall be permitted, at its election, to sell any of the following parcels of real estate owned by the Debtor during the term of the Plan upon commercially reasonable terms: (i) real property located in Carteret County, North Carolina; (ii) 51.7598 acre tract located in Lee County, North Carolina with Parcel ID No. 9645-24-1780-00; and (iii) 168.8538 acre tract located in Lee County, North Carolina with Parcel ID No. 9645-94-1807-00 (the "Sale Parcels"). Capital Bank shall be required to release any lien (and to execute any document reasonably necessary to evidence such release) on any such Sale Parcel provided that (1) the subject property is not essential to the continued business operations of the Debtor, and (2) Capital Bank receives the sale proceeds from such sale less (i) reasonable and customary closing costs associated with such sale, including attorneys' fees; (ii) any outstanding ad valorem taxes relating to such Sale Parcel; and (iii) any real estate broker commissions applicable to such transaction.

(q) In the event that Capital Bank does not comply with its obligations under the preceding subparagraph (p), the Debtor retains the right, at its election, to re-open this bankruptcy case for the specific, limited purpose of seeking authority to sell any of its collateral set forth in subparagraph (p) above. Any such sale shall be (i) arms-length in nature, (ii) for fair value, (iii) with all proceeds provided to Capital Bank as provided in subparagraph (p) above, and (iv) subject to Capital Bank's right to credit bid.

(r) If the Debtor fails to pay any ad valorem taxes, within thirty (30) days of the date when such taxes are due without penalty, Capital Bank shall be entitled to re-open the Chapter 11 bankruptcy case by motion for the specific, limited purpose of seeking specific performance of this subparagraph. Debtor shall reimburse Capital Bank for its reasonable actual attorneys' fees and legal expenses incurred in its efforts to compel compliance with this subparagraph.

6.2 **Class 5 (Claim of Wells Fargo Advisors 9925):** The Class 5 secured claim of Wells Fargo Advisors will be treated as follows:

(a) Wells Fargo Advisors shall retain its secured creditor rights in the Lee Brick & Tile FS-CG & I Account;

(b) Wells Fargo Advisors will continue to be paid in the same monthly manner, and consistent with the same interest rate provisions in effect on the Petition Date;

(c) The account agreements between Wells Fargo Advisors and the Debtor shall remain in full force and effect; however, Wells Fargo Advisors agrees that it will not (i) demand repayment of the Class 5 Claim solely because of the Debtor's bankruptcy proceeding, or (ii) otherwise declare a default under the account agreement based on any grounds related solely to the Debtor's bankruptcy proceeding. Such agreement by Wells Fargo Advisors shall not prohibit it from exercising its rights under the account agreement based on the future financial condition of the Debtor.

6.3 **Class 6 (Claim of Wells Fargo Advisors 3517):** The Class 6 secured claim of Wells Fargo Advisors will be treated as follows:

(a) Wells Fargo Advisors shall retain its secured creditor rights in the Lee Brick & Tile Self Directed Account;

(b) Wells Fargo Advisors will continue to be paid in the same monthly manner, and consistent with the same interest rate provisions in effect on the Petition Date;

(c) The account agreements between Wells Fargo Advisors and the Debtor shall remain in full force and effect; however, Wells Fargo Advisors agrees that it will not (i) demand repayment of the Class 5 Claim solely because of the Debtor's bankruptcy proceeding, or (ii) otherwise declare a default under the account agreement based on any grounds related solely to the Debtor's bankruptcy proceeding. Such agreement by Wells Fargo Advisors shall not prohibit it from exercising its rights under the account agreement based on the future financial condition of the Debtor.

6.4 **Class 7 (Claim of BB&T Loan Services):** The Class 7 secured claim of Branch Banking & Trust Company ("BB&T") will be treated as follows:

(a) BB&T shall retain its security interest as evidenced by its lien on the title on Debtor's 2009 Chevrolet Traverse;

(b) The BB&T loan shall be decelerated, as necessary, and treated as a current, non-default loan, with application of the contract, non-default, rate of interest through the Effective Date;

(c) The outstanding balance of the Class 7 BB&T claim shall be calculated on a non-default basis as of the Effective Date (the "BB&T Aggregate Balance");

(d) Debtor shall commence making payments on the Class 7 claim following the third full month after the Effective Date ("Payment Start Date"). The Promissory Note Maturity Date (the "Extended Maturity Date") shall be extended by twelve (12) months. The BB&T Aggregate Balance shall be reamortized on the Payment Start Date through the Extended Maturity Date in equal monthly payments (the "New Class 7 Monthly Payment"). Thereafter, Debtor shall make the New Class 7 Monthly Payments until the Extended Maturity Date. On the Extended Maturity

Date, any outstanding balance under BB&T Aggregate Balance shall be due and payable in full;

- (e) No pre-payment penalty shall apply to the repayment of the BB&T Class 7 Claim.

6.5 **Class 8 (Claim of First Bank)**: The Class 8 secured claim of First Bank will be treated as follows:

- (a) First Bank shall retain its security interest as evidenced by its lien on the title on Debtor's 2012 Chevrolet Equinox;

- (b) The First Bank loan shall be decelerated, as necessary, and treated as a current, non-default loan, with application of the contract, non-default, rate of interest through the Effective Date;

- (c) The outstanding balance of the Class 8 First Bank claim shall be calculated on a non-default basis as of the Effective Date (the "First Bank Aggregate Balance");

- (d) Debtor shall commence making payments on the Class 8 claim following the third full month after the Effective Date ("Payment Start Date"). The Promissory Note Maturity Date (the "Extended Maturity Date") shall be extended by twelve (12) months. The First Bank Aggregate Balance shall accrue interest from and after the Effective Date at the rate of 5.25% simple interest per annum. The First Bank Aggregate Balance shall be reamortized on the Payment Start Date through the Extended Maturity Date in equal monthly payments (the "New Class 8 Monthly Payment"). Thereafter, Debtor shall make the newly calculated Class 8 Monthly Payments until the Extended Maturity Date. On the Extended Maturity Date, any outstanding balance under First Bank Aggregate Balance shall be due and payable in full;

- (e) No pre-payment penalty shall apply to the repayment of the First Bank Class 8 Claim.

6.6 **Class 9 (Unsecured Claims)**: The Class 9 Unsecured Claims shall be paid on a 100% of allowed claims, from Net Operating Income in twelve (12) equal monthly installments, with the first installment being paid thirty (30) days from the Effective Date. The Class 10 unsecured claims shall accrue interest from the Effective Date at the federal judgment rate as provided in 28 U.S.C. §1961.

6.7 **Class 10 (Shareholder Interests)**: The Class 10 shareholder interests shall be retained and preserved, subject and subordinate to Debtor's compliance with the treatment provisions for Class 4, 5, 6, 7, 8, and 9 creditors. Subject to such subordination, the Reorganized Debtor reserves the right and authorization to issue any preferred stock or debt equity instrument in support or recognition of any stockholder contribution by way of the LOC Reserve defined in paragraph 1.23, or otherwise.

ARTICLE 7

Means for Execution of the Plan

7.1 **Source of Funding for Plan.** Payments provided under the terms of this Plan shall be made from those monies remaining after satisfaction of Class 1, Class 2, and Class 3, and after debt service payments as otherwise provided in the Plan, and after payment of normal operating expenses and retention of sufficient operating reserve of the Reorganized Debtor, derived from the following sources: (i) Debtor's Cash on Hand at Effective Date; (ii) net sale proceeds from any other Retained Assets designated or permitted for sale as provided in the terms of this Plan; (iii) revenues from the business operations of the Reorganized Debtor; (iv) net proceeds from Debtor's collection of accounts receivable and tax refunds, if any; (v) net proceeds from recoveries of Designated Litigation, if any, (vi) the LOC Reserve, subject to the limited purpose of that Reserve as described in Paragraph 1.23, and (vii) voluntary capital contributions from shareholders or loans from a shareholder(s) made on a basis subordinate to the interests of Class 4, 5, 6, 7, 8, and 9 allowed claims.

7.2 **Retention of Properties and Continuation of Business Operations.** The Reorganized Debtor shall retain all properties, both real and personal. The Reorganized Debtor shall continue its business operations in regular course of its business.

7.3 **Method of Distribution.** The Reorganized Debtor, as Disbursing Agent, shall make all disbursements to creditors under the Plan.

7.4 **Designated Litigation.** Debtor shall continue or commence any causes of action, any collection actions or Bankruptcy Causes of Action in the Bankruptcy Court, as practicable and in its sole discretion, necessary in furtherance of its Plan implementation and Means of Execution provisions. Litigation costs, fees and expenses incurred pursuant to these Designated Litigation provisions, shall be treated as, and be deemed to be, a Class 1 Cost of Administration Expense and paid from funds on hand retained by the Reorganized Debtor, or from available Net Operating Income or litigation recoveries.

7.5 **Procedure for Payment of Professional Fees and Expense Reimbursement.** Current counsel for the Debtor and Reorganized Debtor, and the current Court approved financial advisor and accountant for the Debtor and Reorganized Debtor shall not be subject to the fee application process for services rendered post-confirmation in furtherance or implementation of the confirmed Plan.

7.6 **Exemption from Transfer Taxes.** Pursuant to section 1146(c) of the Bankruptcy Code, the issuance, transfer or exchange of notes or equity securities under the Plan, the creation of any mortgage, or other security interest, the making or assignment of any lease or sublease, or the making or delivery of any instrument of transfer under, in furtherance of, or in connection with the Plan, including, without limitation, deeds, bills of sale or assignments of personal property executed in connection with any of the transactions and transfers contemplated under the Plan, will not be subject to any stamp, real estate transfer, mortgage recording, sales, use or other similar tax. All sale transactions and transfers of property approved by the

Bankruptcy Court and consummated by the Debtor on or after the Petition Date, including, without limitation, the sale or transfer by the Debtor of owned property pursuant to section 363(b), 363(f), 363(k) of the Bankruptcy Code or otherwise, and the assumption, assignment and sale by the Debtor of unexpired leases of non-residential real property pursuant to section 365(a) of the Bankruptcy Code, will be deemed to have been made under, in furtherance of, or in connection with the Plan and, thus, will not be subject to any stamp, real estate transfer, mortgage recording or other similar tax. In addition, each of the relevant state or local governmental officials or agents will forego the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment consistent with the applicable provisions of this Plan.

7.7 **Right to Reopen Case after Entry of Final Decree.** The Reorganized Debtor shall have the right to reopen the Case after the entry of a Final Decree, automatically without cost, upon the filing of a Motion to Reopen, in its discretion, for the purpose of (i) having the Court interpret or enforce the provisions of the Plan or Order Confirming Plan, including the provisions of Paragraph 6.1(q), (ii) requiring performance of any act contemplated by the provisions of the Plan, or (iii) entry of any order in aid of consummation of the Plan. In addition, Capital Bank shall have the right, in its discretion, to reopen the case after the entry of a Final Decree, automatically without cost, upon the filing of a Motion to Reopen, for the limited and specific purposes set forth in Paragraph 6.1(i) and (r) above.

7.8 **No Representations or Warranties Concerning Tax Attributes/Consequences.** Neither Debtor nor the Reorganized Debtor make any representations or warranties to any creditor of the Debtor concerning the tax consequence of confirmation of this Plan of Reorganization, the effect of this Chapter 11 case, or as to the status of tax attributes of the Debtor or Reorganized Debtor.

ARTICLE 8 **Assumption of Executory Contracts and Unexpired Leases**

Except as provided in this Article, Debtor accepts and assumes all unexpired leases and executory contracts unless specifically rejected by separate Court order or by the provisions of this Plan.

ARTICLE 9 **Modification of Plan**

9.1 **Modification Prior to Confirmation.** Modifications to the Plan may be proposed in writing by the Debtor, at any time before the Confirmation Date, provided that such plan, as modified meets the requirements of Sections 1122 and 1123 of the Code, and the Debtor shall have complied with Section 1125 of the Code.

9.2 **Modification After Confirmation.** The Plan may be modified at any time after the Confirmation Date and before its Substantial Consummation, if such Plan, as modified, meets

the requirements of Sections 1122 and 1123 of the Code, and the Bankruptcy Court, after notice and hearing, confirms such Plan, as modified, under Section 1129 of the Code and the circumstances warrant such modification.

9.3 **Deemed Acceptance or Rejection of Modification.** A holder of a claim or interest that has accepted or rejected the Plan shall be deemed to have accepted or rejected, as the case may be, the Plan as modified, unless such holder files a notice to the contrary, within the time period for such notice fixed by the Court.

ARTICLE 10 **General Provisions**

10.1 **Extension of Payment Dates.** If any payment under the Plan falls due on a Saturday, Sunday or other day which is not a Business Day, then such due date shall be extended to the next following Business Day.

10.2 **Notices.** Any notice hereunder to the Debtor shall be in writing, and if by facsimile, shall be deemed to have been given when sent and, if mailed, shall be deemed to have been given three days after the date when sent by registered or certified mail, postage pre-paid, and addressed as follows:

Gregory B. Crampton
Attorney for Debtor
Post Office Box 18237
Raleigh, NC 27619

Kevin L. Sink
Attorney for Debtor
Post Office Box 18237
Raleigh, NC 27619

10.3 **Notices to Creditors.** All notices, excepting notices of applications for allowance of professional fees pursuant to Section 330 for any period prior to the Confirmation Date, required to be served by Debtor on creditors shall be deemed properly served if mailed to the United States Bankruptcy Administrator and to counsel for the Class 4, 5, 6, 7, and 8 secured creditors, to allowed Class 9 unsecured creditors, and to Class 10 Shareholder Interests, if an entry of appearance was made by counsel in the case, and otherwise directly to the creditor.

10.4 **Reduction of Notice Periods.** The notice period applicable to service of any notices on creditors otherwise applicable, pursuant to the provisions of the Code or this Plan, including plan modifications, are reduced to a fourteen (14) day period inclusive of the three (3) days for mailing pursuant to Rule 9006(f) of the Bankruptcy Rules; provided, however, that any notice on application or allowance of compensation of professionals for any period prior to the Confirmation Date pursuant to Section 330 of the Code shall be subject to the notice provisions of Bankruptcy Rule 2002. If no objections are filed in writing with the Court within said fourteen (14) day notice period, any said motion may be allowed by the Court without the necessity of further notice or hearing.

10.5 **Transfer of Claims.** Claims may be transferred and will be honored only in

accordance with Bankruptcy Rule 3001.

ARTICLE 11
Retention of Jurisdiction

The Bankruptcy Court shall, after Confirmation, retain jurisdiction of this case to hear and determine the allowance of claims and all claims against the Debtor pursuant to Section 502 of the Code; to determine the allowance of timely filed claims resulting from the rejection of executory contracts; to determine any issues in Designated Litigation, if any, in pending adversary proceedings, and in adversary proceedings commenced post-confirmation, including, but not limited to, avoidance or turnover actions; to determine any dispute as to the classification or allowance of claims; to fix and determine all pre-confirmation professional fees and other costs of administration; to interpret or enforce the provisions of the Plan; to require the performance of any act contemplated by the provisions of this Plan, including without limitation, those acts necessary for the consummation of the Plan; to resolve all the matters as may be set forth in the Order of Confirmation. After the entry of a Final Decree, the Court shall expressly retain the right to reopen the Case for the limited purposes set out in Paragraph 7.7. In the event an appeal is perfected from the Order confirming the Plan, the Bankruptcy Court shall also retain jurisdiction to enter such Orders regarding the disbursement of funds under the Plan or the consummation thereof as may be necessary to protect the interest of the Debtor, its creditors and parties in interest.