


June 30, 2014

Clerk, U.S. Bankruptcy Court

Below is an Order of the Court.



FRANK R. ALLEY
U.S. Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT

DISTRICT OF OREGON

In re

C & K Market, Inc.,

Debtor.

Case No. 13-64561-fra11

**ORDER CONFIRMING DEBTOR'S
SECOND AMENDED PLAN OF
REORGANIZATION (MAY 9, 2014)**

Debtor's Second Amended Plan of Reorganization (May 9, 2014) (the "Plan") came on for hearing on June 25, 2014. Buckmaster Coffee, Co. ("Buckmaster") filed the only objection to confirmation. Prior to the hearing, Buckmaster withdrew its objection. The Court has heard and considered the evidence introduced at the hearing, the arguments of counsel, and the records in this case; now, therefore,

IT HEREBY FINDS AND CONCLUDES that:

A. This Court has jurisdiction over this case pursuant to 28 U.S.C. §§ 157 and 1334. Confirmation of the Plan is a core proceeding under 28 U.S.C. § 157(b)(2). Venue is properly before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

B. Notice of the confirmation hearing was provided to creditors and other parties in interest pursuant to Bankruptcy Rules 2002, 3017 and 3020, and such notice was reasonable, adequate, and sufficient in all respects.

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REORGANIZATION (MAY 9, 2014)**

C. The disclosure statement and ballots were transmitted and served in compliance with the Bankruptcy Code and the Bankruptcy Rules. Votes for acceptance of the Plan were solicited in good faith and in compliance with Sections 1125 and 1126 of the Bankruptcy Code and Rules 3017 and 3018 of the Bankruptcy Code.

D. The Plan complies with the applicable provisions of the Bankruptcy Code and satisfies Section 1129(a)(1) of the Bankruptcy Code. The Plan complies with the classification and other requirements of 11 U.S.C. §§ 1122 and 1123.

E. Debtor has complied with all applicable provisions of the Bankruptcy Code, Bankruptcy Rules, and Local Bankruptcy Rules, and has satisfied Section 1129(a)(2) of the Bankruptcy Code.

F. The Plan was proposed in good faith and not by any means forbidden by law, and Section 1129(a)(3) of the Bankruptcy Code has been satisfied.

G. Any payments made or to be made by Debtor, or by any person issuing securities or acquiring property under the Plan, for services or costs and expenses in, or in connection with, this Case, or in connection with the Plan and incident to this Case, have been approved by, or are subject to the approval of, the Court as reasonable. Therefore, Section 1129(a)(4) has been satisfied.

H. Debtor has disclosed the identity and affiliation of any individual proposed to serve, after confirmation of the Plan, as a director or officer of Debtor, and the appointment to, or continuance in, such office of such individual is consistent with the interests of creditors and equity security holders and with public policy. Debtor has disclosed the identity of any insider that will be employed or retained by Reorganized Debtor and the nature of any compensation for such insider. Therefore, Section 1129(a)(5) has been satisfied.

I. Section 1129(a)(6) is not applicable because no governmental regulatory commission has jurisdiction over the rates of Debtor.

J. Section 1129(a)(7) has been satisfied because each holder of a Claim in an impaired class of claims has accepted the Plan or will receive or retain under the Plan on account of such Claim property of a value as of the Effective Date of the Plan that is not less than the amount such holder would receive or retain if Debtor was liquidated under Chapter 7.

K. Although all impaired classes of claims accepted the Plan, Section 1129(a)(8) has not been satisfied because Class 14 (Equity Security Holders) is impaired under the Plan and, pursuant to Section 1126(g) of the Bankruptcy Code, is deemed to have rejected the Plan. Nonetheless, the Plan meets the requirements of Bankruptcy Code Section 1129(b) because it does not discriminate unfairly, and is fair and equitable, with respect to Class 14. Class 5 (Allowed Secured Claim, if any, of Komlofske Corp.) was created as a precautionary class in the event Komlofske Corp. asserted a secured claim. Komlofske Corp. has not asserted, and does not assert, a secured claim, and accordingly there are no Class 5 claims.

L. Section 1129(a)(9) is satisfied because the Plan provides for payment in full of all priority claims in a manner and within the timeframes specified by Section 1129(a)(9).

M. At least one class of impaired claims has accepted the Plan and Section 1129(a)(10) is satisfied.

N. Section 1129(a)(11) is satisfied because the evidence introduced in support of the Plan demonstrates that the Plan is feasible and that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of Debtor.

O. All fees payable under 28 U.S.C. § 1930 have been paid or the Plan provides for the payment of all such fees on the Effective Date of the Plan. The Plan, therefore, satisfies 11 U.S.C. § 1129(a)(12).

P. Sections 1129(a)(13) – (16) do not apply to the Plan.

Now, therefore,

IT IS HEREBY ORDERED that:

1. The Plan is confirmed in all respects pursuant to 11 U.S.C. § 1129.

Capitalized terms used but not defined in this Order shall have the meaning assigned to them in the Plan. A copy of the Plan is attached hereto as Exhibit 1.

2. Article 8.3 of the Plan does not modify any right that a creditor may have to setoff or recoupment under 11 USC § 553 or other applicable law.

3. No provision in the Plan or this Order relieves Reorganization Debtor from its obligations to comply with the Communications Act of 1934, as amended, and the rules, regulations and orders promulgated thereunder by the Federal Communications Commission ("FCC"). No transfer of control to Reorganization Debtor of any federal license or authorization issued by the FCC shall take place prior to the issuance of FCC regulatory approval for such transfer or control pursuant to applicable FCC regulations. The FCC's rights and powers to take any action pursuant to its regulatory authority over the transfer of control to Reorganization Debtor, including, but not limited to, imposing any regulatory conditions on such transfer, are fully preserved, and nothing herein shall proscribe or constrain the FCC's exercise of such power or authority.

4. Except as otherwise expressly provided in the Plan or this Order, upon the Effective Date all property and assets of the estate of Debtor shall revert in Reorganized Debtor free and clear of all Claims, liens, encumbrances, charges, and other interests arising on or before the Effective Date, except (for the avoidance of doubt) any Claims, liens, encumbrances, charges, and other interests created by or related to the Exit Financing in favor of one or more lenders under the Exit Financing and/or their agents (collectively, the "Exit Lenders").

5. All actions contemplated by the Plan are authorized and approved in all respects (subject to the provisions of the Plan), including, without limitation, the adoption and filing of the Restated Articles of Incorporation, approval of the Restated Bylaws, approval of the Employee Stock Incentive Plan, the election or appointment, as applicable, of directors and

officers for Reorganized Debtor, the termination of all Employee Equity Security Plans, and the issuance of the Common Stock and the Series A Preferred Stock and the entry in the Exit Financing Documents and the granting of the liens and security interests thereunder.

Reorganized Debtor, and its agents and officers, are hereby authorized and directed to take all actions, and enter into and execute all documents, reasonably necessary or appropriate to effectuate the Plan and to consummate the transactions contemplated by the Plan.

6. Pursuant to Section 1141 of the Bankruptcy Code, except as otherwise specifically provided in the Plan or this Order, the distributions and rights provided in the Plan and this Order shall be in complete satisfaction, discharge, and release of all liens, security interests, encumbrances and Claims, whether known or unknown, against Debtor that arose prior to the Effective Date.

7. All executory contracts that are assumed pursuant to the Plan, or pursuant to an Order previously entered in this Case, shall be deemed assigned to Reorganized Debtor on the Effective Date and no assignment documentation shall be necessary to effectuate such assignment. Such assumed executory contracts shall remain in full force and effect for the benefit of Reorganized Debtor notwithstanding any provision in any such contract or lease or in applicable law (including those described in Sections 365(b)(2) and (f) of the Bankruptcy Code) that prohibits, restricts, or conditions such transfer or that enables or requires termination or modification of such contract or lease.

8. The issuance and distribution of all the shares of Common Stock and Series A Preferred Stock under the Plan shall be exempt, pursuant to Section 1145 of the Bankruptcy Code, from registration under (a) the Securities Act of 1933, as amended, and all rules and regulations promulgated thereunder; and (b) any state or local law requiring registration of the offer, issuance, or distribution of securities.

9. Pursuant to Section 1146(c) of the Bankruptcy Code, the issuance, transfer, or exchange of any security under the Plan, or the execution, delivery, or recording of

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

10. This Order shall be deemed to be in recordable form, and shall be accepted by any recording officer for filing and recording purposes without further or additional orders, certifications or other supporting documents.

11. If there is any conflict between the Plan and this Order, the terms of this Order shall control.

12. This Order is a Final Order. There shall be no stay of this Order under Bankruptcy Rule 3020(e) and the period in which an appeal must be filed shall commence immediately upon the entry hereof in accordance with Bankruptcy Rule 3020(e).

13. From and after the Effective Date, the Court does not have or retain jurisdiction over the Exit Financing or any disputes that may arise among the parties thereto.

14. To the extent any provision designated herein as a finding of fact is more properly characterized to be a conclusion of law, it shall be so deemed, and vice versa.

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I certify that I have complied with the requirements of LBR 9021-1(a)(2)(A).

Presented by:

TONKON TORP LLP

By /s/ Michael W. Fletcher

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UNITED STATES BANKRUPTCY COURT

DISTRICT OF OREGON

In re

C & K Market, Inc.,

Debtor.

Case No. 13-64561-fra11

**DEBTOR'S SECOND AMENDED PLAN
OF REORGANIZATION (MAY 9, 2014)**

DEBTOR'S SECOND AMENDED PLAN OF REORGANIZATION (MAY 9, 2014)

Tonkon Torp LLP

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1 C & K Market, Inc., an Oregon corporation ("C & K" or "Debtor") as Debtor and
2 debtor-in-possession, proposes the following Plan of Reorganization pursuant to
3 Section 1129(a) of Title 11 of the United States Code.

4 The Plan provides for the terms upon which C & K will restructure and provide
5 payments to its creditors. In general, the Plan provides for (a) payment in full to Secured
6 Creditors of the Allowed Amount of their Secured Claims; (b) issuance of Common Stock
7 and Series A Preferred Stock in Reorganized Debtor in exchange for Allowed Unsecured
8 Claims; (c) payment in an amount equal to 80% of the Allowed Claims of Small Unsecured
9 Creditors within 90 days after the Effective Date; and (d) cancellation of all existing Equity
10 Securities.

11 The Disclosure Statement is attached hereto to assist you in understanding this Plan
12 and making an informed judgment concerning its terms.

13 ARTICLE 1

14 DEFINITIONS

15 Definitions of certain terms used in this Plan are set forth below. Other terms are
16 defined in the text of this Plan or the text of the Disclosure Statement. In either case, when a
17 defined term is used, the first letter of each word in the defined term is capitalized. Terms
18 used and not defined in this Plan or the Disclosure Statement shall have the meanings given
19 in the Bankruptcy Code or Bankruptcy Rules, or otherwise as the context requires. The
20 meanings of all terms shall be equally applicable to both the singular and plural, and
21 masculine and feminine, forms of the terms defined. The words "herein," "hereof," "hereto,"
22 "hereunder," and others of similar import, refer to the Plan as a whole and not to any
23 particular section, subsection, or clause contained in the Plan. Captions and headings to
24 articles, sections, and exhibits are inserted for convenience of reference only and are not
25 intended to be part of or to affect the interpretation of the Plan. The rules of construction set
26 forth in Section 102 of the Bankruptcy Code shall apply. In computing any period of time

1 prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

2 Any capitalized term that is not defined herein but is defined in the Bankruptcy Code shall
3 have the meaning ascribed to such term in the Bankruptcy Code.

4 1.1. "Administrative Expense Claim" means any Claim entitled to the priority
5 afforded by Sections 503(b) and 507(a)(2) of the Bankruptcy Code.

6 1.2. "Allowed" means, with respect to any Claim, proof of which has been
7 properly Filed or, if no Proof of Claim was so Filed, which was or hereafter is listed on the
8 Schedules as liquidated in amount and not disputed or contingent, and, in either case, a Claim
9 as to which no objection to the allowance thereof, or motion to estimate for purposes of
10 allowance, shall have been Filed on or before any applicable period of limitation that may be
11 fixed by the Bankruptcy Code, the Bankruptcy Rules, and/or the Bankruptcy Court, or as to
12 which any objection, or any motion to estimate for purposes of allowance, shall have been so
13 Filed, to the extent allowed by a Final Order.

14 1.3. "Allowed Secured Claim" means an Allowed Claim that is secured by a lien,
15 security interest, or other charge against or interest in property in which Debtor has an
16 interest or that is subject to setoff under Section 553 of the Bankruptcy Code, to the extent of
17 the value (as set forth in the Plan or, if no value is specified, as determined in accordance
18 with Section 506(a) of the Bankruptcy Code or, if applicable, Section 1111(b) of the
19 Bankruptcy Code) of the interest of the holder of such Claim in Debtor's interest in such
20 property or to the extent of the amount subject to setoff, as the case may be.

21 1.4. "Allowed Unsecured Claim" means an Allowed Claim that is not an Allowed
22 Secured Claim or an Allowed Administrative Expense Claim.

23 1.5. "Avoidance Actions" means all claims and causes of action of the Debtor or
24 its estate arising under Chapter 5 of the Bankruptcy Code.

25 1.6. "Backstop Commitment" means the agreement by the Backstop Party, if any,
26 pursuant to the Backstop Rights Purchase Agreement, to purchase all of the Rights Offering

1 Shares that are not purchased by the Rights Offering Participants as part of the Rights
2 Offering.

3 1.7. "Backstop Party" means Endeavour and/or THL and/or their affiliates, or such
4 other Creditor as selected by Debtor, if any.

5 1.8. "Backstop Rights Purchase Agreement" means the agreement between the
6 Backstop Party and Debtor which sets forth the Backstop Commitment and the terms and
7 conditions thereof. If the Backstop Party and Debtor decide to proceed with the Rights
8 Offering with a Backstop Party, a form of the Backstop Rights Purchase Agreement will be
9 filed with the Court not less than 10 days prior to the hearing on confirmation of the Plan.

10 1.9. "Bank" or "U.S. Bank" means U.S. Bank National Association, acting in its
11 own capacity and not in any fiduciary or other capacity.

12 1.10. "Bankruptcy Case" means the case under Chapter 11 of the Bankruptcy Code
13 with respect to Debtor, pending in the District of Oregon, administered as *In re C & K*
14 *Market, Inc.*, Case No. 13-64561-rld11.

15 1.11. "Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as amended
16 from time to time, set forth in Sections 101 et seq. of Title 11 of the United States Code.

17 1.12. "Bankruptcy Court" means the United States Bankruptcy Court for the District
18 of Oregon, or such other court that exercises jurisdiction over the Bankruptcy Case or any
19 proceeding therein, including the United States District Court for the District of Oregon, to
20 the extent the reference to the Bankruptcy Court or any proceeding therein is withdrawn.

21 1.13. "Bankruptcy Rules" means, collectively, the Federal Rules of Bankruptcy
22 Procedure, as amended and promulgated under Section 2075, Title 28, of the United States
23 Code, and the local rules and standing orders of the Bankruptcy Court.

24 1.14. "Business Day" means a day other than a Saturday, Sunday, any legal holiday
25 as defined in Bankruptcy Rule 9006(a), or other day on which banks in Portland, Oregon are
26 authorized or required by law to be closed.

1 1.15. "Cash" means lawful currency of the United States of America and
2 equivalents, including, without limitation, checks, wire transfers and drafts.

3 1.16. "Claim" means (a) any right to payment from Debtor arising before the
4 Effective Date, whether or not such right is reduced to judgment, liquidated, unliquidated,
5 fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or
6 unsecured; or (b) any right to an equitable remedy against Debtor arising before the Effective
7 Date for breach of performance if such breach gives rise to a right of payment from Debtor,
8 whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent,
9 matured, unmatured, disputed, undisputed, secured, or unsecured.

10 1.17. "Class" means one of the classes of Claims defined in Article 3 hereof.

11 1.18. "Collateral" means any property in which Debtor has an interest that is subject
12 to a lien or security interest securing the payment of an Allowed Secured Claim.

13 1.19. "Committee" means the Official Unsecured Creditors' Committee appointed in
14 this Bankruptcy Case by the United States Trustee pursuant to Section 1102 of the
15 Bankruptcy Code, as reconstituted by the addition or removal of members from time to time.

16 1.20. "Common Stock" means the authorized common stock, no par value, of
17 Reorganized Debtor.

18 1.21. "Confirmation Date" means the date on which the Confirmation Order is
19 entered on the docket by the Clerk of the Bankruptcy Court.

20 1.22. "Confirmation Order" means the order of the Bankruptcy Court confirming
21 the Plan in accordance with the provisions of Chapter 11 of the Bankruptcy Code.

22 1.23. "Creditor" means any entity holding a Claim against Debtor.

23 1.24. "Debtor" means C & K Market, Inc. as Debtor and debtor-in-possession in the
24 Bankruptcy Case.

25 1.25. "Deficiency Claim" means the portion of a Secured Claim that is unsecured.
26

1 1.26. "Disclosure Statement" means Debtor's First Amended Disclosure Statement
2 as amended, modified, restated, or supplemented from time to time, pertaining to the Plan.

3 1.27. "Disputed Claim" means a Claim with respect to which a Proof of Claim has
4 been timely Filed or deemed timely Filed under applicable law, and as to which an objection,
5 timely Filed, has not been withdrawn on or before the Effective Date or any date fixed for
6 filing such objections by order of the Bankruptcy Court, and has not been denied by a Final
7 Order.

8 1.28. "DOL Consent Judgment and Order" means that certain Consent Judgment
9 and Order filed on or about November 2, 2012 in Case No. 6:10-CV-06360-AA in the United
10 States District Court, District of Oregon, Eugene Division.

11 1.29. "Effective Date" means July 13, 2014, provided that by such date the
12 conditions precedent to the Effective Date have been waived or satisfied. If the conditions
13 precedent to the Effective Date have not been waived or satisfied by July 13, 2014, but are
14 satisfied or waived on or before August 10, 2014, then the Effective Date shall be August 10,
15 2014.

16 1.30. "Employee Equity Security Plan" means any plan, fund, agreement, contract
17 or program established or entered into by Debtor prior to the Petition Date with respect to
18 any Equity Security granted to or held by, or to be granted to or held by, any employee,
19 director, contractor or agent of Debtor or any of its subsidiaries.

20 1.31. "Employee Stock Incentive Plan" means that certain 2014 Stock Incentive
21 Plan substantially in the form attached hereto as **Exhibit 1**, which shall be effective with
22 respect to Reorganized Debtor as of the Effective Date.

23 1.32. "Endeavour" means Endeavour Structured Equity and Mezzanine Fund, L.P.

24 1.33. "Entity" shall have the meaning ascribed to it by Section 101(15) of the
25 Bankruptcy Code.
26

1 1.34. "Equity Security" shall have the meaning ascribed to it in Section 101(16) of
2 the Bankruptcy Code with respect to any Equity Security Holder of Debtor.

3 1.35. "Equity Security Holder" means a holder of an Equity Security of Debtor.

4 1.36. "Exit Financing" means one or more credit facilities to be entered into by
5 Reorganized Debtor effective as of the Effective Date, which may be secured by a first
6 priority lien in all or substantially all of Reorganized Debtor's property, subject only to the
7 liens being retained by Secured Creditors under this Plan to secure the payment of Allowed
8 Secured Claims.

9 1.37. "Filed" means filed with the Bankruptcy Court in the Bankruptcy Case.

10 1.38. "Final Order" means an order or judgment entered on the docket by the Clerk
11 of the Bankruptcy Court or any other court exercising jurisdiction over the subject matter and
12 the parties that has not been reversed, stayed, modified, or amended and as to which the time
13 for filing a notice of appeal, or petition for certiorari or request for certiorari, or request for
14 rehearing, shall have expired and is no longer subject to remand, retrial, modification or
15 further proceedings of any kind or nature.

16 1.39. "General Unsecured Claim" means an Unsecured Claim that is not a Small
17 Unsecured Claim.

18 1.40. "Green & Frahm" means, collectively, the following: Gale E. & Trinidad
19 Gloria Green Revocable Trust dated 5-2-1996; Garry L. Frahm individually; Garry L. Frahm
20 Trust dated 12-18-2000; Colene T. Frahm, fka Twila C. Frahm individually; and Colene T.
21 Frahm Trust dated 12-18-2000, and any other interest holders in that certain \$1,000,000
22 July 28, 2000 promissory note payable to the order of Gale E. Green and Trinidad Gloria
23 Green, Trustees, or successor Trustee, of the Gale E. Green and Trinidad Gloria Green
24 Revocable Trust dated May 2, 1996 as to an undivided one-half interest; and to Garry L.
25 Frahm and Twila C. Frahm as to an undivided one-half interest, as tenants in common.
26

1 1.41. "Insider" shall have the meaning ascribed to it by Section 101(31) of the
2 Bankruptcy Code.

3 1.42. "Other Priority Claim" means any Claim for an amount entitled to priority in
4 right of payment under Sections 507(a)(3), (4), (5), (6) or (7) of the Bankruptcy Code.

5 1.43. "Petition Date" means November 19, 2013, the date on which the petition
6 commencing the Bankruptcy Case was Filed.

7 1.44. "Plan" means this First Amended Plan of Reorganization, as amended,
8 modified, restated, or supplemented from time to time.

9 1.45. "Primary Offering Subscription" has the meaning ascribed to it in Section 6.2.

10 1.46. "Priority Tax Claim" means a Claim of a governmental unit of the kind
11 entitled to priority under Section 507(a)(8) of the Bankruptcy Code or that would otherwise
12 be entitled to priority but for the secured status of the Claim.

13 1.47. "Pro Rata Share of the Rights Offering Shares" means, with respect to an
14 applicable Rights Offering Participant, the proportion that (a) the amount of the Class 12
15 Claims that are held by such Rights Offering Participant bears to (b) the aggregate amount of
16 Class 12 Claims that are held by all Rights Offering Participants.

17 1.48. "Protective Life" means LaSalle National Bank, as trustee for the registered
18 holders of Protective Commercial Mortgage FASIT Master Trust, Commercial Mortgage
19 FASIT Certificates, Series I, as successor-in-interest to Protective Life Insurance Company,
20 and any other interest holders in that certain \$2,550,000 March 28, 1995 promissory note
21 payable to the order of Protective Life Insurance Company.

22 1.49. "Rejection Claim" means a Claim entitled to be filed as a result of Debtor
23 rejecting an executory contract in this Bankruptcy Case.

24 1.50. "Remaining Rights Offering Shares" means those Rights Offering Shares, if
25 any, that are not subscribed for pursuant to the Primary Offering Subscriptions submitted by
26 the Rights Offering Participants prior to the expiration of the Subscription Deadline.

1.51. "Reorganized Debtor" means Debtor from and after the Effective Date.

1.52. "Restated Articles of Incorporation" means the Second Amended and Restated Articles of Incorporation of Debtor, substantially in the form attached hereto as **Exhibit 2**, which shall modify and amend Debtor's prior Amended and Restated Articles of Incorporation and govern Reorganized Debtor from and after the Effective Date.

1.53. "Restated Bylaws" means the Second Amended and Restated Bylaws of Debtor, substantially in the form attached hereto as **Exhibit 3**, which shall modify and amend Debtor's prior Amended and Restated Bylaws and govern Reorganized Debtor from and after the Effective Date.

1.54. "Rights Offering" means that certain rights offering of Common Stock and Series A Preferred Stock in an amount of up to the Rights Offering Amount to be offered to the Rights Offering Participants, the terms of which are set forth in Article 6.

1.55. "Rights Offering Amount" means up to \$10,000,000.

1.56. "Rights Offering Participant" means each holder of a Class 12 Claim.

1.57. "Rights Offering Purchaser" means a Rights Offering Participant who timely and properly executes and delivers a Subscription to Debtor or other entity specified in the Subscription prior to the expiration of the Subscription Deadline.

1.58. "Rights Offering Record Date" means the date for determining which holders of Class 12 Claims are eligible to participate in the Rights Offering, and shall be the voting record date applicable to such Claims, or such other date as designated in an Order of the Bankruptcy Court.

1.59. "Rights Offering Shares" means the whole shares of Common Stock and Series A Preferred Stock to be issued and sold through the Rights Offering (including, if there is a Backstop Party, the Remaining Rights Offering Shares to be issued pursuant to the Backstop Rights Purchase Agreement). No fractional shares will be issued.

1.60. "Scheduled Amounts" means the Claim amounts as set forth in Debtor's Schedules.

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

1.62. "Secured Claim" means any Claim against Debtor held by any entity, including, without limitation, an affiliate or judgment creditor of Debtor, to the extent such Claim constitutes a secured Claim under Sections 506(a) or 1111(b) of the Bankruptcy Code. The unsecured portion, if any, of such Claim shall be treated as an Unsecured Claim.

1.63. "Senior Lender" means THL or Endeavour, or any other "Senior Lender," in their capacity as a senior lender under any Subordination Agreement.

1.64. "Series A Preferred Stock" means the authorized Series A Preferred Stock, no par value, of Reorganized Debtor.

1.65. "Small Unsecured Claims" means Unsecured Claims that are equal to or less than \$10,000 or that have been reduced to \$10,000 by the election of the Creditor holding such Unsecured Claim.

1.66. "Subordination Agreement" means any agreement between a Creditor and a Senior Lender pursuant to which a Creditor has subordinated its right to receive payments or distributions on its Claim from Debtor or Reorganized Debtor.

1.67. "Subscription" means a subscription to be distributed to Rights Offering Participants, substantially in the form attached hereto as **Exhibit 4**, pursuant to which such Rights Offering Participants may exercise their Subscription Rights.

1.68. "Subscription Commencement Date" means the date on which the Subscription Period commences, which shall be the earliest date reasonably practicable occurring after the Rights Offering Record Date.

1 1.69. "Subscription Deadline" means the date on which the Rights Offering shall
2 expire as set forth in the Subscription, which date shall precede the Effective Date.

3 1.70. "Subscription Notification Date" means a date that is not later than seven days
4 following the Subscription Deadline.

5 1.71. "Subscription Payment Amount" means, with respect to a particular Rights
6 Offering Purchaser, an amount of Cash equal to the amount of the Rights Offering Amount
7 subscribed for by a Rights Offering Purchaser up to such Rights Offering Purchaser's
8 Pro Rata Share of the Rights Offering Shares, multiplied by the Subscription Price, and
9 rounded to the nearest whole dollar as necessary to prevent the need to issue fractional shares
10 of Common Stock or Series A Preferred Stock.

11 1.72. "Subscription Period" means the time period during which the Rights Offering
12 Participants may subscribe to purchase the Rights Offering Shares, which period shall
13 commence on the Subscription Commencement Date and expire on the Subscription
14 Deadline.

15 1.73. "Subscription Price" means an amount determined by Debtor and the
16 Backstop Party (if any) as the per-share purchase price for the Rights Offering Shares, but
17 shall not be less than \$8 for the combination of one share of Common Stock and one share of
18 Series A Preferred Stock.

19 1.74. "Subscription Right" means the right to participate in the Rights Offering
20 pursuant to Article 6, which right shall be non-transferable and non-certificated.

21 1.75. "THL" means THL Credit, Inc.

22 1.76. "Unsecured Claim" means a Claim that is not an Administrative Claim, a
23 Secured Claim, a Priority Tax Claim, or an Other Priority Claim.

24 1.77. "Unsecured Creditor" means a holder of an Allowed Unsecured Claim.

25 1.78. "Utility Deposits" means deposits with utilities made by Debtor after the
26 Petition Date pursuant to Section 366(b) of the Bankruptcy Code.

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ARTICLE 2**UNCLASSIFIED CLAIMS**

2.1. Administrative Expense Claims. Each holder of an Allowed Administrative Expense Claim shall be paid the full amount of its Allowed Administrative Expense Claim in Cash on the later of (a) the Effective Date; or (b) the date on which such Claim becomes Allowed, unless such holder shall agree to a different treatment of such Claim (including, without limitation, any different treatment that may be provided for in any documentation, statute, or regulation governing such Claim); provided, however, that Administrative Expense Claims representing obligations incurred in the ordinary course of business by Debtor during the Bankruptcy Case shall be paid by Debtor or Reorganized Debtor in the ordinary course of business and in accordance with any terms and conditions of the particular transaction, and any agreements relating thereto.

2.2. Priority Tax Claims. Each holder of an Allowed Priority Tax Claim will be paid by Reorganized Debtor the full amount of its Allowed Priority Tax Claim in Cash on the later of (a) the Effective Date, (b) the date on which such Claim becomes Allowed, or (c) the date it is due.

2.3. Bankruptcy Fees. Fees payable by Debtor under 28 U.S.C. § 1930, or to the Clerk of the Bankruptcy Court, will be paid in full in Cash on the Effective Date. After confirmation, Reorganized Debtor shall continue to pay quarterly fees of the Office of the United States Trustee and to file quarterly reports with the Office of the United States Trustee until the Bankruptcy Case is closed by the Court, dismissed, or converted, except as otherwise ordered by the Court. This requirement is subject to any amendments to 28 U.S.C. § 1930(a)(6) that Congress makes retroactively applicable to confirmed Chapter 11 cases. After Confirmation, Reorganized Debtor shall file with the Court a monthly financial report for each month, or portion thereof, that the Bankruptcy Case remains open. The monthly

1 financial report shall include a statement of all disbursements made during the course of the
2 month, whether or not pursuant to the Plan.

3 ARTICLE 3

4 CLASSIFICATION

5 For purposes of this Plan, Claims (except those treated under Article 2) are classified
6 as provided below. A Claim is classified in a particular Class only to the extent such Claim
7 qualifies within the description of such Class, and is classified in a different Class to the
8 extent such Claim qualifies within the description of such different Class.

9 3.1. Class 1 (Other Priority Claims). Class 1 consists of all Allowed Other Priority
10 Claims.

11 3.2. Class 2 (C & K Market, Inc. 401(k) Plan; United States Department of Labor).
12 Class 2 consists of the Claims of the C & K Market, Inc. 401(k) Plan and the United States
13 Department of Labor arising under or related to the DOL Consent Judgment and Order.

14 3.3. Class 3 (Banc of America Leasing & Capital, LLC). Class 3 consists of the
15 Allowed Secured Claim of Banc of America Leasing & Capital, LLC.

16 3.4. Class 4 (Dell Financial Services, LLC). Class 4 consists of the Allowed
17 Secured Claim of Dell Financial Services, LLC.

18 3.5. Class 5 (Komlofske Corporation). Class 5 consists of the Allowed Secured
19 Claim, if any, of Komlofske Corporation.

20 3.6. Class 6 (James D. and Debra A. Gillespie). Class 6 consists of the Allowed
21 Secured Claim of James D. and Debra A. Gillespie.

22 3.7. Class 7 (Greatway Properties, LLC). Class 7 consists of the Allowed Secured
23 Claim of Greatway Properties, LLC.

24 3.8. Class 8 (Green & Frahm). Class 8 consists of the Allowed Secured Claim of
25 Green & Frahm.

1 4.2. Class 2 (C & K Market, Inc. 401(k) Plan; United States Department of Labor).
2 Class 2 is unimpaired. The DOL Consent Judgment and Order shall remain in full force and
3 effect, and is not in any way modified, altered or affected by this Plan. Without limiting the
4 preceding, Reorganized Debtor shall continue to timely and fully perform and pay all of its
5 obligations under the DOL Consent Judgment and Order.

6 4.3. Class 3 (Allowed Secured Claim of Banc of America Leasing & Capital,
7 LLC). Class 3 is impaired. Banc of America Leasing & Capital, LLC ("BALC") shall have
8 an Allowed Secured Claim in the amount of \$325,000.

9 BALC's Class 3 Claim shall be satisfied by delivery of a promissory note to BALC
10 (the "BALC Note") in the principal amount of its Allowed Secured Claim, less the amount of
11 all adequate protection payments made by Debtor to BALC. The BALC Note will bear
12 interest from the Effective Date at a fixed per annum rate of 6%, and will be payable by
13 Reorganized Debtor as follows:

14 Commencing on the first day of the first month following the Effective Date and
15 continuing on the first day of each month thereafter until the BALC Note has been paid in
16 full, Reorganized Debtor will make equal monthly amortizing payments of principal and
17 interest on the BALC Note based on a 48-month amortization schedule, with final payment
18 due 48 months after the Effective Date.

19 The Class 3 Claim may be prepaid in full or in part at any time without any
20 prepayment penalty or premium.

21 As security for the Class 3 Claim, BALC will retain its security interests in and liens
22 on its Collateral with the same priority and to the same extent such security had as of the
23 Petition Date. Reorganized Debtor will maintain the BALC Collateral in good repair, will
24 insure the BALC Collateral to its full useable value, and will pay any property taxes with
25 respect to such Collateral when due. At any sale of its Collateral, BALC will have the right
26 to bid at such sale and, if BALC is the successful bidder, BALC may offset all or any portion

1 of its then unpaid Allowed Secured Claim. Reorganized Debtor will provide BALC with at
2 least 45 days' notice prior to any proposed sale of its Collateral.

3 BALC's Claim is not fully secured and, accordingly, BALC will have an Allowed
4 Unsecured Claim in the amount of \$22,508.42 in addition to its Class 3 Claim.

5 4.4. Class 4 (Allowed Secured Claim of Dell Financial Services, LLC). Class 4 is
6 impaired. Dell Financial Services, LLC ("Dell") shall have an Allowed Secured Claim in the
7 amount of \$250,000.

8 Dell's Class 4 Claim shall be satisfied by delivery of a promissory note to Dell (the
9 "Dell Note") in the principal amount of its Allowed Secured Claim. The Dell Note will bear
10 interest from the Effective Date at a fixed per annum rate of 6%, and will be payable by
11 Reorganized Debtor as follows:

12 Commencing on the first day of the first month following the Effective Date and
13 continuing on the first day of each month thereafter until the Dell Note has been paid in full,
14 Reorganized Debtor will make equal monthly amortizing payments of principal and interest
15 on the Dell Note based on a 48-month amortization schedule, with a final payment due
16 48 months after the Effective Date.

17 The Class 4 Claim may be prepaid in full or in part at any time without any
18 prepayment penalty or premium.

19 As security for the Class 4 Claim, Dell will retain its security interests in and liens on
20 its Collateral with the same priority and to the same extent such security had as of the
21 Petition Date. Reorganized Debtor will maintain the Dell Collateral in good repair, will
22 insure the Dell Collateral to its full useable value, and will pay any property taxes with
23 respect to such Collateral when due. At any sale of its Collateral, Dell will have the right to
24 bid at such sale and, if Dell is the successful bidder, Dell may offset all or any portion of its
25 then unpaid Allowed Secured Claim.
26

1 Reorganized Debtor will provide Dell with at least 45 days' notice prior to any
2 proposed sale of its Collateral.

3 Dell's Claim is not fully secured, and accordingly Dell will have an Allowed
4 Unsecured Claim in the amount of \$59,059 in addition to its Class 4 Claim.

5 4.5. Class 5 (Allowed Secured Claim, if any, of Komlofske Corporation.). Class 5
6 is impaired. The amount of Komlofske Corporation's ("Komlofske") Allowed Secured
7 Claim, if any, will be determined by agreement of Debtor and Komlofske, or, absent
8 agreement, in such amount as is determined and Allowed by the Bankruptcy Court.

9 If Komlofske has an Allowed Secured Claim, then Komlofske's Class 5 Claim shall
10 be satisfied by delivery of a promissory note to Komlofske (the "Komlofske Note") in the
11 principal amount of its Allowed Secured Claim, if any. The Komlofske Note will bear
12 interest from the Effective Date at a fixed per annum rate of 6%, and will be payable by
13 Reorganized Debtor as follows:

14 Commencing on the first day of the first month following the Effective Date and
15 continuing on the first day of each month thereafter until the Komlofske Note has been paid
16 in full, Reorganized Debtor will make equal monthly amortizing payments of principal and
17 interest on the Komlofske Note based on a five-year amortization schedule, with a final
18 payment due five years after the Effective Date.

19 The Class 5 Claim may be prepaid in full or in part at any time without any
20 prepayment penalty or premium.

21 As security for the Class 5 Claim, Komlofske will retain its security interests in and
22 liens on its Collateral (if any, and to the extent not avoided) with the same priority and to the
23 same extent such security had as of the Petition Date. Reorganized Debtor will maintain the
24 Komlofske Collateral in good repair, will insure the Komlofske Collateral to its full useable
25 value, and will pay any property taxes with respect to such Collateral when due. At any sale
26 of its Collateral, Komlofske will have the right to bid at such sale and, if Komlofske is the

1 successful bidder, Komlofske may offset all or any portion of its then unpaid Allowed
2 Secured Claim.

3 Debtor believes that Komlofske has no Secured Claim. In such event, there will be
4 no Class 5.

5 4.6. Class 6 (Allowed Secured Claim of James D. and Debra A. Gillespie).

6 Class 6 is impaired. The amount of James D. and Debra A. Gillespie's ("Gillespie") Allowed
7 Secured Claim will be determined by agreement of Debtor and Gillespie, or, absent
8 agreement, in such amount as is determined and Allowed by the Bankruptcy Court.

9 Gillespie's Class 6 Claim shall be satisfied by delivery of a promissory note to
10 Gillespie (the "Gillespie Note") in the principal amount of Gillespie's Allowed Secured
11 Claim. The Gillespie Note will bear interest from the Effective Date at a fixed per annum
12 rate of 6%, and will be payable by Reorganized Debtor as follows:

13 Commencing on the first day of the first month following the Effective Date and
14 continuing on the first day of each month thereafter until the Gillespie Note has been paid in
15 full, Reorganized Debtor will make equal monthly amortizing payments of principal and
16 interest on the Gillespie Note based on a 25-year amortization schedule, with a balloon
17 payment due seven years after the Effective Date.

18 The Class 6 Claim may be prepaid in full or in part at any time without any
19 prepayment penalty or premium.

20 As security for the Class 6 Claim, Gillespie will retain its security interests in and
21 liens on its Collateral with the same priority and to the same extent such security had as of
22 the Petition Date. Reorganized Debtor will maintain the Gillespie Collateral in good repair,
23 will insure the Gillespie Collateral to its full useable value, and will pay any property taxes
24 with respect to such Collateral when due. At any sale of its Collateral, Gillespie will have
25 the right to bid at such sale and, if Gillespie is the successful bidder, Gillespie may offset all
26 or any portion of its then unpaid Allowed Secured Claim.

1 The Class 6 Claim is fully secured, and Gillespie will not have any Deficiency Claim
2 with respect to the Class 6 Claim.

3 4.7. Class 7 (Greatway Properties, LLC). Class 7 is impaired. The amount of
4 Greatway Properties, LLC's ("Greatway") Allowed Secured Claim will be determined by
5 agreement of Debtor and Greatway or, absent agreement, in such amount as is determined
6 and Allowed by the Bankruptcy Court.

7 Greatway's Class 7 Claim shall be satisfied by delivery of a promissory note to
8 Greatway (the "Greatway Note") in the principal amount of its Allowed Secured Claim. The
9 Greatway Note will bear interest from the Effective Date at a fixed per annum rate of 6%,
10 and will be payable by Reorganized Debtor as follows:

11 Commencing on the first day of the first month following the Effective Date and
12 continuing on the first day of each month thereafter until the Greatway Note has been paid in
13 full, Reorganized Debtor will make equal monthly amortizing payments of principal and
14 interest on the Greatway Note based on a 25-year amortization schedule, with a balloon
15 payment due seven years after the Effective Date.

16 The Class 7 Claim may be prepaid in full or in part at any time without any
17 prepayment penalty or premium.

18 As security for the Class 7 Claim, Greatway will retain its security interests in and
19 liens on its Collateral with the same priority and to the same extent such security had as of
20 the Petition Date. Reorganized Debtor will maintain the Greatway Collateral in good repair,
21 will insure the Greatway Collateral to its full useable value, and will pay any property taxes
22 with respect to such Collateral when due. At any sale of its Collateral, Greatway will have
23 the right to bid at such sale and, if Greatway is the successful bidder, Greatway may offset all
24 or any portion of its then unpaid Allowed Secured Claim.

25 The Class 7 Claim is fully secured, and Greatway will not have any Deficiency Claim
26 with respect to the Class 7 Claim.

1 4.8. Class 8 (Green & Frahm). Class 8 is impaired. The amount of Green &
2 Frahm's Allowed Secured Claim will be determined by agreement of Debtor and Green or,
3 absent agreement, in such amount as is determined and Allowed by the Bankruptcy Court.

4 Green & Frahm's Class 8 Claim shall be satisfied by delivery of a promissory note to
5 Green & Frahm (the "Green & Frahm Note") in the principal amount of its Allowed Secured
6 Claim. The Green & Frahm Note will bear interest from the Effective Date at a fixed
7 per annum rate of 6%, and will be payable by Reorganized Debtor as follows:

8 Commencing on the first day of the first month following the Effective Date and
9 continuing on the first day of each month thereafter until the Green & Frahm Note has been
10 paid in full, Reorganized Debtor will make equal monthly amortizing payments of principal
11 and interest on the Green & Frahm Note based on a 25-year amortization schedule, with a
12 balloon payment due seven years after the Effective Date.

13 The Class 8 Claim may be prepaid in full or in part at any time without any
14 prepayment penalty or premium.

15 As security for the Class 8 Claim, Green & Frahm will retain its security interests in
16 and liens on its Collateral with the same priority and to the same extent such security had as
17 of the Petition Date. Reorganized Debtor will maintain the Green & Frahm Collateral in
18 good repair, will insure the Green & Frahm Collateral to its full useable value, and will pay
19 any property taxes with respect to such Collateral when due. At any sale of its Collateral,
20 Green & Frahm will have the right to bid at such sale and, if Green & Frahm is the successful
21 bidder, Green & Frahm may offset all or any portion of its then unpaid Allowed Secured
22 Claim.

23 The Class 8 Claim is fully secured, and Green & Frahm will not have any Deficiency
24 Claim with respect to the Class 8 Claim.

25 4.9. Class 9 (Kenneth and Lynda Martin). Class 9 is impaired. The amount of
26 Kenneth and Lynda Martin's ("Martin") Allowed Secured Claim will be determined by

1 agreement of Debtor and Martin, or, absent agreement, in such amount as is determined and
2 Allowed by the Bankruptcy Court.

3 Martin's Class 9 Claim shall be satisfied by delivery of a promissory note to Martin
4 (the "Martin Note") in the principal amount of its Allowed Secured Claim. The Martin Note
5 will bear interest from the Effective Date at a fixed per annum rate of 6%, and will be
6 payable by Reorganized Debtor as follows:

7 Commencing on the first day of the first month following the Effective Date and
8 continuing on the first day of each month thereafter until the Martin Note has been paid in
9 full, Reorganized Debtor will make equal monthly amortizing payments of principal and
10 interest on the Martin Note based on a 25-year amortization schedule, with a balloon
11 payment due seven years after the Effective Date.

12 The Class 9 Claim may be prepaid in full or in part at any time without any
13 prepayment penalty or premium.

14 As security for the Class 9 Claim, Martin will retain its security interests in and liens
15 on its Collateral with the same priority and to the same extent such security had as of the
16 Petition Date. Reorganized Debtor will maintain the Martin Collateral in good repair, will
17 insure the Martin Collateral to its full useable value, and will pay any property taxes with
18 respect to such Collateral when due. At any sale of its Collateral, Martin will have the right
19 to bid at such sale and, if Martin is the successful bidder, Martin may offset all or any portion
20 of its then unpaid Allowed Secured Claim.

21 The Class 9 Claim is fully secured, and Martin will not have any Deficiency Claim
22 with respect to the Class 9 Claim.

23 4.10. Class 10 (Protective Life). Class 10 is impaired. The amount of Protective
24 Life's Allowed Secured Claim will be determined by agreement of Debtor and Protective
25 Life or, absent agreement, in such amount as is determined and Allowed by the Bankruptcy
26 Court.

1 Protective Life's Class 10 Claim shall be satisfied by delivery of a promissory note to
2 Protective Life (the "Protective Life Note") in the principal amount of its Allowed Secured
3 Claim. The Protective Life Note will bear interest from the Effective Date at a fixed
4 per annum rate of 6%, and will be payable by Reorganized Debtor as follows:

5 Commencing on the first day of the first month following the Effective Date and
6 continuing on the first day of each month thereafter until the Protective Life Note has been
7 paid in full, Reorganized Debtor will make equal monthly amortizing payments of principal
8 and interest on the Protective Life Note based on a 25-year amortization schedule, with a
9 balloon payment due seven years after the Effective Date.

10 The Class 10 Claim may be prepaid in full or in part at any time without any
11 prepayment penalty or premium.

12 As security for the Class 10 Claim, Protective Life will retain its security interests in
13 and liens on its Collateral with the same priority and to the same extent such security had as
14 of the Petition Date. Reorganized Debtor will maintain the Protective Life Collateral in good
15 repair, will insure the Protective Life Collateral to its full useable value, and will pay any
16 property taxes with respect to such Collateral when due. At any sale of its Collateral,
17 Protective Life will have the right to bid at such sale and, if Protective Life is the successful
18 bidder, Protective Life may offset all or any portion of its then unpaid Allowed Secured
19 Claim.

20 The Class 10 Claim is fully secured, and Protective Life will not have any Deficiency
21 Claim with respect to the Class 10 Claim.

22 4.11. Class 11 (U.S. Bank, National Association). Class 11 is unimpaired. On the
23 Effective Date, Debtor shall pay the Class 11 Claim in full, less the undetermined 506(b)
24 Amount, and will pay into an escrow account mutually agreed to by Debtor and U.S. Bank an
25 amount equal to 115% of the Bank's estimated 506(b) Amount (the "Escrow Amount").
26 Upon the payment of the Class 11 Claim, less the 506(b) Amount, and the funding of the

1 Escrow Amount, the Class 11 Claim shall be deemed to have been paid in full and the Bank
2 will release any and all liens and security interests it has in any assets of Debtor, other than
3 its lien in the Escrow Amount, which shall continue until the 506(b) Amount has been paid in
4 full. Any provisions of U.S. Bank's agreements with Debtor that by their terms survive
5 payment in full shall survive payment in full of the Class 11 Claim. Once the 506(b) Amount
6 has been determined and Allowed, the 506(b) Amount will be paid and satisfied from the
7 Escrow Amount, with any surplus being returned to Reorganized Debtor.

8 4.12. Class 12 (General Unsecured Claims). Class 12 is impaired. Each holder of
9 an Allowed General Unsecured Claim will receive the combination of one share of Common
10 Stock and one share of Series A Preferred Stock of Reorganized Debtor in exchange for each
11 \$10 of its Allowed General Unsecured Claim on the later of the Effective Date or the date its
12 Claim becomes an Allowed Claim, rounded up to the nearest \$10. Fractional shares will not
13 be issued. In addition, each holder of an Allowed General Unsecured Claim shall have a
14 Subscription Right.

15 4.13. Class 13 (Small Unsecured Claims). Class 13 is impaired. Each holder of a
16 Class 13 Claim will be paid by Reorganized Debtor in cash an amount equal to 80% of its
17 Allowed Claim on or before 90 days after the Effective Date or the date its Claim becomes
18 an Allowed Claim, whichever is later. General Unsecured Creditors may elect to reduce their
19 Allowed Claims in order to be treated as Class 13 Claimants provided the election is made at
20 the time ballots are due for voting on the Plan or such later date as provided in Section 8.3. of
21 this Plan.

22 4.14. Class 14 (Equity Security Holders). Class 14 is impaired. All Equity
23 Securities and Employee Equity Security Plans of Debtor will be cancelled as of the
24 Effective Date, and Equity Security Holders will not receive or retain any property under the
25 Plan on account of their Equity Securities or any Employee Equity Security Plan.
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1 **ARTICLE 5**

2 **DISPUTED CLAIMS; OBJECTIONS TO CLAIMS; SETTLEMENT**

3 5.1. Disputed Claims; Objections to Claims. Only Claims that are Allowed shall
4 be entitled to distributions under the Plan. Except as otherwise provided in Section 5.2
5 below, Debtor reserves the right to contest and object to any Claims and previously
6 Scheduled Amounts, including, without limitation, those Claims and Scheduled Amounts
7 that are specifically referenced herein; are not listed in the Schedules; are listed therein as
8 disputed, contingent and/or unliquidated in amount; or are listed therein at a different amount
9 than Debtor currently believes is validly due and owing. Unless extended by an Order of the
10 Bankruptcy Court, all objections to Claims and Scheduled Amounts (other than
11 Administrative Expense Claims) shall be Filed and served upon counsel for Debtor and the
12 holder of the Claim objected to on or before the later of (a) 60 days after the Effective Date
13 or (b) 60 days after the date (if any) on which a Proof of Claim is Filed in respect of a
14 Rejection Claim or Deficiency Claim. The last day for filing objections to Administrative
15 Expense Claims shall be set pursuant to a further order of the Bankruptcy Court. All
16 Disputed Claims shall be resolved by the Bankruptcy Court, except to the extent that
17 (a) Debtor may otherwise elect consistent with the Plan and the Bankruptcy Code or (b) the
18 Bankruptcy Court may otherwise order.

19 5.2. Subsequent Allowance of Disputed Claims. The holder of a Disputed Claim
20 that becomes Allowed in full or in part subsequent to the Effective Date shall receive the
21 distribution it would have received after the Effective Date had the Claim been Allowed at
22 that time. Until a Disputed Claim is Allowed or disallowed, Reorganized Debtor shall hold
23 any distribution that would have been due to the holder in respect of such Disputed Claim.
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1 **ARTICLE 6**

2 **RIGHTS OFFERING**

3 6.1. Introduction. Debtor shall have the right to consummate the Rights Offering
4 on or before the Effective Date if it determines, in its sole discretion, that it is desirable and
5 feasible to do so. If Debtor decides to consummate the Rights Offering, it may do so with or
6 without a Backstop Party. Proceeds from the Rights Offering will be deposited in a separate
7 account through the Effective Date, after which such proceeds may be released to
8 Reorganized Debtor.

9 6.2. Issuance of Rights. Each Rights Offering Participant will receive
10 Subscription Rights to subscribe for up to its Pro Rata Share of the Rights Offering Shares
11 (each such subscription a "Primary Offering Subscription"), for an aggregate purchase price
12 equal to the applicable Subscription Payment Amount. The Rights Offering Shares will be
13 issued to the Rights Offering Purchasers at a price for the combination of one share of
14 Common Stock and one share of Series A Preferred Stock equal to the Subscription Price.

15 6.3. Subscription Period. The Rights Offering shall commence on the
16 Subscription Commencement Date and shall expire on the Subscription Deadline. Each
17 Rights Offering Participant that intends or desires to participate in the Rights Offering must
18 affirmatively elect to exercise its Subscription Rights and provide written notice thereof to
19 the parties specified in the Subscription, on or prior to the Subscription Deadline in
20 accordance with the terms of the Plan and the Subscription. On the Subscription Deadline, if
21 there is a Backstop Party, the Remaining Rights Offering Shares shall be allocated to, and
22 may be purchased by, the Backstop Party.

23 6.4. Exercise of Subscription Rights and Payment of Subscription Payment
24 Amount. If Debtor elects to proceed with the Rights Offering, then Debtor will determine a
25 Subscription Commencement Date and a Subscription Deadline. On the Subscription
26 Commencement Date, Debtor will mail the Subscription to each Rights Offering Participant

1 known as of the Rights Offering Record Date, together with appropriate instructions for the
2 proper completion, due execution, and timely delivery of the Subscription, as well as
3 instructions for the payment of the Subscription Payment Amount for that portion of the
4 Subscription Rights sought to be exercised by such Entity. Debtor may adopt such additional
5 detailed procedures consistent with the provisions of the Plan to more efficiently administer
6 the exercise of the Subscription Rights. In order to exercise the Subscription Rights, each
7 Rights Offering Participant must return a duly completed Subscription (making a binding and
8 irrevocable commitment to participate in the Rights Offering) to Debtor or other party
9 specified in the Subscription so that such Subscription and the Subscription Payment Amount
10 is actually received by Debtor or such other party on or before the Subscription Deadline. In
11 order to exercise its Subscription Rights, a Rights Offering Participant may subscribe for its
12 entire Pro Rata Share of the Rights Offering Shares or only a part of its Pro Rata Share of the
13 Rights Offering Shares. If Debtor or such other party for any reason does not receive from a
14 given holder of Subscription Rights a duly completed Subscription and the related
15 Subscription Payment Amount on or prior to the Subscription Deadline, then such holder
16 shall be deemed to have forever and irrevocably relinquished and waived its right to
17 participate in the Rights Offering.

18 On the Subscription Notification Date, Debtor will notify each Rights Offering
19 Purchaser of its respective allocated portion of Rights Offering Shares, and if there is a
20 Backstop Party, Debtor will notify the Backstop Party after the Subscription Deadline of its
21 portion of the Remaining Rights Offering Shares that the Backstop Party may purchase
22 pursuant to the Backstop Rights Purchase Agreement. Each Rights Offering Purchaser (other
23 than the Backstop Party, if applicable) must tender its Subscription Payment Amount to
24 Debtor so that it is actually received on or prior to the Subscription Deadline. Any Rights
25 Offering Purchaser who fails to tender its Subscription Payment Amount so that it is received
26 on or prior to the Subscription Deadline shall be deemed to have forever and irrevocably

1 relinquished and waived its right to participate in the Rights Offering. Debtor shall hold the
2 payments it receives for the exercise of Subscription Rights in a separate account. In the
3 event the conditions to the Effective Date are not met or waived, or Debtor decides not to
4 consummate the Rights Offering, such payments shall be returned, without accrual or
5 payment of any interest thereon, to the applicable Rights Offering Purchasers, without
6 reduction, offset or counterclaim.

7 6.5. Rights Offering Backstop. If there is a Backstop Party for the Rights
8 Offering, Debtor and the Backstop Party will enter into the Backstop Rights Purchase
9 Agreement. In accordance with the Backstop Rights Purchase Agreement, the Backstop
10 Party will be entitled to purchase all or some lesser amount of the Remaining Rights Offering
11 Shares for a per-share price equal to the Subscription Price. As part of the Backstop Rights
12 Purchase Agreement, Debtor may grant certain rights and protections to the Backstop Party
13 that are not granted to other Rights Offering Participants.

14 6.6. Number of Rights Offering Shares. The maximum number of Rights Offering
15 Shares to be sold pursuant to the Rights Offering shall be determined by dividing the Rights
16 Offering Amount by the Subscription Price. An equal number of shares of Common Stock
17 and Series A Preferred Stock will be issued to each person or entity acquiring Rights
18 Offering Shares in the Rights Offering.

19 6.7. No Transfer; Detachment Restrictions; No Revocation. The Subscription
20 Rights are not transferable or detachable. Any such transfer or detachment, or attempted
21 transfer or detachment, will be null and void and Debtor will not treat any purported
22 transferee of the Subscription Rights separate from the associated Class 12 Claims as the
23 holder of any Subscription Rights. Once a Rights Offering Participant has exercised any of
24 its Subscription Rights by properly executing and delivering a Subscription and the related
25 Subscription Payment Amount to Debtor or other Entity specified in the Subscription, such
26 exercise may only be revoked, rescinded or annulled in the sole discretion of Debtor or

1 Reorganized Debtor. On the Effective Date, or as soon as reasonably practicable thereafter,
2 Reorganized Debtor or other applicable disbursing agent shall distribute the Rights Offering
3 Shares purchased by each Rights Offering Purchaser.

4 6.8. Validity of Exercise of Subscription Rights. All questions concerning the
5 timeliness, validity, form, and eligibility of any exercise, or purported exercise, of
6 Subscription Rights shall be determined by Debtor or Reorganized Debtor. Debtor or
7 Reorganized Debtor, in its discretion, reasonably exercised in good faith, may waive any
8 defect or irregularity, or permit a defect or irregularity to be corrected within such times as
9 they may determine, or reject the purported exercise of any Subscription Rights.
10 Subscriptions shall be deemed not to have been received or accepted until all irregularities
11 have been waived or cured within such time as Debtor or Reorganized Debtor determines in
12 its discretion reasonably exercised in good faith.

13 Debtor or Reorganized Debtor will use commercially reasonable efforts to give
14 written notice to any Rights Offering Participant regarding any defect or irregularity in
15 connection with any purported exercise of Subscription Rights by such Entity and may
16 permit such defect or irregularity to be cured within such time as they may determine in good
17 faith to be appropriate; provided, however, that neither Debtor or Reorganized Debtor, nor
18 any of their predecessors, successors, assigns, present and former affiliates and subsidiaries,
19 or any of their respective current and former officers, directors, principals, employees,
20 shareholders, partners, agents, financial advisors, attorneys, accountants, investment bankers,
21 investment advisors, consultants, representatives, and other professionals, in each case acting
22 in such capacity on or any time after the Petition Date, and any Entity claiming by or through
23 any of them, shall incur any liability for giving, or failing to give, such notification and
24 opportunity to cure. Once a Rights Offering Participant has timely and validly exercised its
25 Subscription Rights, subject to the occurrence or satisfaction of all conditions precedent to
26 the Rights Offering and to the Rights Offering Participants' participation in same, and

1 notwithstanding the subsequent disallowance of any or all of its underlying Claim, such
2 Rights Offering Participant's right to participate in the Rights Offering will be irreversible
3 and shall not be subject to dissolution, avoidance or disgorgement, and shall not be withheld
4 from such Rights Offering Participant on account of such disallowance.

5 6.9. Rights Offering Proceeds. The proceeds of the Rights Offering will be used to
6 fund Cash payments contemplated by the Plan and for Reorganized Debtor's operating
7 needs.

8 **ARTICLE 7**

9 **MEANS FOR EXECUTION OF PLAN**

10 7.1. Continued Corporate Existence. Debtor, as Reorganized Debtor, shall
11 continue to exist after the Effective Date, with all the powers of a corporation under
12 applicable law.

13 7.2. Restated Articles of Incorporation and Bylaws. Reorganized Debtor shall be
14 deemed to have adopted the Restated Articles of Incorporation and Restated Bylaws on the
15 Effective Date, and shall promptly thereafter cause the Restated Articles of Incorporation to
16 be filed with the Secretary of State of the State of Oregon. After the Effective
17 Date, Reorganized Debtor may amend the Restated Articles of Incorporation and may amend
18 its Restated Bylaws in accordance with the Restated Articles of Incorporation, Restated
19 Bylaws, and applicable state law.

20 7.3. Cancellation of Existing Equity Securities and Employee Equity Security
21 Plans. As of the Effective Date, all outstanding shares of stock (whether common or
22 preferred), and all awards of any kind consisting of shares of stock of Debtor and all
23 Employee Equity Security Plans, that have been or may be existing, granted, held, awarded,
24 outstanding, payable, or reserved for issuance, and all other Equity Securities, shall, without
25 any further corporate action, be cancelled and retired and shall cease to exist. This
26 cancellation does not apply with respect to any Common Stock, Series A Preferred Stock, or

1 any other equity securities or rights to acquire or receive equity securities or any other
2 awards of any kind that are issued in accordance with or pursuant to the Plan.

3 7.4. Issuance of New Common Stock and Series A Preferred Stock. As set forth in
4 Section 4.12 above, each holder of an Allowed Class 12 Claim (General Unsecured Claim)
5 shall be issued the combination of one share of Common Stock and one share of Series A
6 Preferred Stock (sometimes hereinafter referred to together as "Stock") in exchange for each
7 \$10 of such holder's Allowed Class 12 Claim, rounded up to the nearest \$10, for a total
8 issuance of approximately 6,000,000 shares of Common Stock and 6,000,000 shares of
9 Series A Preferred Stock. No fractional shares will be issued. If the Allowed amount of a
10 Class 12 Claim is not determined or is subject to dispute, then the Stock will be issued to the
11 holder of that Claim when the Claim is Allowed. Sufficient shares of Stock will be reserved
12 for issuance to Class 12 claimants when their Claims are Allowed. Reorganized Debtor will
13 also reserve approximately 800,000 to 900,000 shares of Common Stock for issuance in
14 accordance with Reorganized Debtor's Employee Stock Incentive Plan for services rendered
15 after the Effective Date, with the final number to be determined upon completion of the
16 Rights Offering to represent approximately 12% of all shares of Common Stock issued and
17 reserved for issuance immediately following the Effective Date. These shares of Common
18 Stock reserved for issuance under the Employee Stock Incentive Plan will be issued, if at all,
19 only with the approval of the Board of Directors of Reorganized Debtor following the
20 Effective Date.

21 7.5. Exit Financing. Debtor will negotiate and obtain, and enter into agreements
22 with respect to, Exit Financing, which Exit Financing will, among other things, be utilized to
23 pay U.S. Bank's Class 11 Claim in full (including funding the Escrow Amount) and to
24 provide working capital for Reorganized Debtor. Debtor may enter into such agreements and
25 execute such documents with respect to the Exit Financing without the necessity of obtaining
26 additional Bankruptcy Court approval.

1 7.6. Subordination Agreements. In connection with any distributions (of Cash,
2 stock, or otherwise) to be made under this Plan, Reorganized Debtor will comply with all
3 Subordination Agreements, and all distributions to Creditors under this Plan shall remain
4 subject to such Subordination Agreements. Notwithstanding anything in this Plan to the
5 contrary, if a Senior Lender notifies Debtor or Reorganized Debtor in writing that a Claim is
6 subject to a Subordination Agreement (the "Subordinated Claim"), then Reorganized Debtor
7 will not issue any stock on account of, or make any distribution with respect to, the
8 Subordinated Claim unless and until the first to occur of (a) receipt by Debtor or Reorganized
9 Debtor of joint instructions from the Senior Lender and the holder of the Subordinated Claim
10 with respect to such Subordinated Claim, or (b) the Bankruptcy Court enters a Final Order
11 declaring the relative rights of the Senior Lender and the holder of the Subordinated Claim
12 with respect to the Subordinated Claim. The Bankruptcy Court shall have and retain full and
13 exclusive jurisdiction to resolve all disputes arising out of or relating to any Subordination
14 Agreement or Subordinated Claim, including who may vote a Subordinated Claim. Absent
15 receipt by Reorganized Debtor of written notification from a Senior Lender that a Claim is
16 subject to a Subordination Agreement, Reorganized Debtor will make distributions on
17 Claims as provided in this Plan and Reorganized Debtor will have no obligation to inquire or
18 otherwise investigate or determine the existence or validity of any Subordination Agreement.
19 Promptly upon receipt of such a written notice, Reorganized Debtor will serve a copy of the
20 notice on the holder of the Subordinated Claim.

21 7.7. Board of Directors. The initial Board of Directors of Reorganized Debtor
22 shall be composed of (a) Douglas Nidiffer, (b) William Kaye, the director designated by the
23 Committee (the "Committee Board Member"), and (c) the following three directors
24 designated by Endeavour and THL: Steven R. Wilkins, W. Hunter Stropp, and Iain G.
25 Douglas. Thereafter, the Board of Directors of Reorganized Debtor shall be elected by the
26 shareholders of Reorganized Debtor in accordance with the Restated Bylaws and applicable

1 state law. The Committee Board Member shall have the right, acting alone and without a
2 vote of the Board of Reorganized Debtor, but not the obligation, to: (i) other than with
3 respect to any claim by an Insider, Endeavor, THL, or any member of the Committee,
4 designate which Claims shall be the subject of an objection and direct counsel for
5 Reorganized Debtor to object to such Claims; (ii) approve the settlement or other resolution
6 of any Disputed Claim by which such Claim shall be allowed in the amount of \$250,000 or
7 less; and (iii) approve the expenditure of up to \$20,000 in legal fees and costs in connection
8 with the objection to a Claim. If there is no Committee Board Member, or if the Committee
9 Board Member elects not to exercise any or all of the rights provided herein, all unexercised
10 rights, power and authority concerning Disputed Claims vested above to the Committee
11 Board Member shall remain with Reorganized Debtor. Further, the rights granted to the
12 Committee Board Member, even if exercised, shall not diminish in any respect the rights,
13 power, and authority of the Board of Directors of Reorganized Debtor and, in the event of a
14 dispute between the Committee Board Member and the Board of Directors of Reorganized
15 Debtor, the decision of the Board of Directors of Reorganized Debtor shall control.

16 7.8. Corporate Action. Upon entry of the Confirmation Order, all actions
17 contemplated by the Plan shall be authorized and approved in all respects (subject to the
18 provisions of the Plan), including, without limitation, the adoption and filing of the Restated
19 Articles of Incorporation, approval of the Restated Bylaws, approval of the Employee Stock
20 Incentive Plan, the election or appointment, as applicable, of directors and officers for
21 Reorganized Debtor, the termination of all Employee Equity Security Plans, and the issuance
22 of the Common Stock and the Series A Preferred Stock. The appropriate officers of
23 Reorganized Debtor are authorized and directed to execute and deliver the agreements,
24 documents, and instruments contemplated by the Plan and the Disclosure Statement in the
25 name of and on behalf of Reorganized Debtor.

1 7.9. Employee Stock Incentive Plan. On the Effective Date, the Employee Stock
2 Incentive Plan shall become effective immediately without any further corporate or other
3 action.

4 7.10. Setoffs. Debtor may, but shall not be required to, set off against any Claim
5 and the distributions to be made pursuant to the Plan in respect of such Claim, any claims of
6 any nature whatsoever that Debtor may have against the holder of such Claim, but neither the
7 failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release
8 of any such claim Debtor may have against such holder.

9 7.11. Utility Deposits. All utilities holding a Utility Deposit shall immediately after
10 the Effective Date return or refund such Utility Deposit to Reorganized Debtor.

11 Notwithstanding, to the extent a utility continues to provide service to the Reorganized
12 Debtor post-Effective Date, failure to return or refund a Utility Deposit to Reorganized
13 Debtor shall not constitute a breach by the utility of the confirmed Plan or a violation of any
14 order confirming the Plan or any other order entered by the court. At the sole option of
15 Reorganized Debtor, Reorganized Debtor may apply any Utility Deposit that has not been
16 refunded to Reorganized Debtor in satisfaction of any payments due for charges incurred
17 during the post-petition period, or, in the event all charges incurred during the post-petition
18 period have been paid, become due from Reorganized Debtor to a utility holding such a
19 Utility Deposit. Nothing in the Plan, or in any order confirming the Plan, shall limit or affect
20 a utility's right to seek additional security from the Reorganized Debtor in accordance with
21 applicable non-bankruptcy law.

22 7.12. Event of Default; Remedy. Any material failure by Reorganized Debtor to
23 perform any term of this Plan, which failure continues for a period of 10 Business Days
24 following receipt by Reorganized Debtor of written notice of such default from the holder of
25 an Allowed Claim to whom performance is due, shall constitute an Event of Default. Upon
26 the occurrence of an Event of Default, the holder of an Allowed Claim to whom performance

1 is due shall have all rights and remedies granted by law, this Plan, or any agreement between
2 the holder of such Claim and Debtor or Reorganized Debtor. An Event of Default with
3 respect to one Claim shall not be an Event of Default with respect to any other Claim.

4 7.13. Conditions Precedent to Effectiveness of Plan. Unless waived by Debtor, the
5 following conditions must occur and be satisfied for the Plan to become effective, and are
6 conditions precedent to the Effective Date:

7 (a) The Bankruptcy Court shall have entered the Confirmation Order, in form and
8 substance reasonably satisfactory to Debtor, which shall, among other things, provide that
9 any and all executory contracts and unexpired leases assumed pursuant to the Plan shall
10 remain in full force and effect for the benefit of Reorganized Debtor notwithstanding any
11 provision in any such contract or lease or in applicable law (including those described in
12 Sections 365(b)(2) and (f) of the Bankruptcy Code) that prohibits, restricts, or conditions
13 such transfer or that enables or requires termination or modification of such contract or lease;

14 (b) All documents, instruments, and agreements, each in form and substance
15 satisfactory to Reorganized Debtor, provided for or necessary to implement this Plan shall
16 have been executed and delivered by the parties thereto, unless such execution or delivery
17 has been waived by the party to be benefitted thereby;

18 (c) The Exit Financing shall have closed, the Bank's Class 11 Claim shall have
19 been paid in full (including the funding of the Escrow Amount), and all conditions to funding
20 shall have been satisfied or waived; and

21 (d) In the event Debtor decides to consummate the Rights Offering, the proceeds
22 thereof shall have been deposited in a separate account as provided in Section 6.1.

23 **ARTICLE 8**

24 **EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

25 8.1. Assumption and Rejection. Except as may otherwise be provided, all
26 executory contracts of Debtor that are not otherwise subject to a prior Bankruptcy Court

1 order or pending motion before the Bankruptcy Court will be deemed assumed by Debtor as
2 of the Effective Date and will be enforceable by the parties thereto in accordance with their
3 terms; provided, however, that no provision relating to default by reason of insolvency or the
4 filing of the Bankruptcy Case shall be enforceable against Reorganized Debtor or its
5 successors or assigns. The Confirmation Order shall constitute an order authorizing the
6 assumption and assignment of all executory contracts that are subject to a pending motion to
7 assume or a pending motion to assume and assign. Reorganized Debtor shall promptly after
8 the Effective Date pay all amounts required under Section 365 of the Bankruptcy Code to
9 cure any defaults for executory contracts and unexpired leases being assumed and shall
10 perform its obligations from and after the Effective Date in the ordinary course of business.

11 8.2. Assignment. Except as may be otherwise provided in this Plan, the
12 Confirmation Order, or other Order of the Bankruptcy Court, all executory contracts shall be
13 deemed assigned to Reorganized Debtor as of the Effective Date. The Confirmation Order
14 shall constitute an order authorizing such assignment of assumed executory contracts, and no
15 further assignment documentation shall be necessary to effectuate such assignment.

16 8.3. Rejection Claims. Rejection Claims must be Filed on the later of April 9,
17 2014 (the Claims Bar Date) or 30 days after the entry of the order rejecting the executory
18 contract or unexpired lease. Any Rejection Claim not Filed within such time shall be forever
19 barred from asserting such Claim against Debtor or Reorganized Debtor, their property,
20 estate, and any guarantors of such obligations. Each Rejection Claim resulting from such
21 rejection shall constitute a Small or General Unsecured Claim, as applicable. Any election to
22 be treated as a Small Unsecured Claim by the holder of a Rejection Claim arising from an
23 order entered on or after the time ballots are due for voting on the Plan shall be made on the
24 date the Rejection Claim is Filed.

1 **ARTICLE 9**

2 **EFFECT OF CONFIRMATION**

3 9.1. Debtor's Injunction. The effect of confirmation shall be as set forth in
4 Section 1141 of the Bankruptcy Code. Except as otherwise provided in the Plan or in the
5 Confirmation Order, confirmation of the Plan shall act as a permanent injunction applicable
6 to entities against (a) the commencement or continuation, including the issuance or
7 employment of process, of a judicial, administrative, or other action or proceeding against
8 Debtor or Reorganized Debtor that was or could have been commenced before the entry of
9 the Confirmation Order; (b) the enforcement against Reorganized Debtor or its assets of a
10 judgment obtained before the Petition Date; and (c) any act to obtain possession of or to
11 exercise control over, or to create, perfect, or enforce a lien upon, all or any part of the assets
12 of Reorganized Debtor.

13 9.2. Discharge. Except as otherwise expressly provided herein or in the
14 Confirmation Order, the confirmation of the Plan shall, provided that the Effective Date shall
15 have occurred, discharge all Claims to the fullest extent authorized or provided for by the
16 Bankruptcy Code, including, without limitation, to the extent authorized or provided for by
17 Sections 524 and 1141 thereof

18 **ARTICLE 10**

19 **RETENTION OF JURISDICTION**

20 10.1. Notwithstanding the entry of the Confirmation Order, the Bankruptcy Court
21 shall retain jurisdiction of this Chapter 11 Case pursuant to and for the purposes set forth in
22 Section 1127(b) of the Bankruptcy Code to:

23 (a) classify the Claim or interest of any Creditor or stockholder,
24 reexamine Claims or Interests that have been owed for voting purposes, and determine any
25 objections that may be Filed to Claims or Interests;
26

- 1 (b) determine requests for payment of Claims entitled to priority under
2 Section 507(a) of the Bankruptcy Code, including compensation and reimbursement of
3 expenses in favor of professionals employed at the expense of the bankruptcy estate;
- 4 (c) avoid transfers or obligations to subordinate Claims under Chapter 5 of
5 the Bankruptcy Code;
- 6 (d) approve the assumption, assignment, or rejection of an executory
7 contract or an unexpired lease pursuant to this Plan and resolve any related matters;
- 8 (e) resolve controversies and disputes regarding the interpretation of this
9 Plan;
- 10 (f) implement the provisions of this Plan and enter orders in aid of
11 confirmation;
- 12 (g) determine the validity, priority or extent of any Claim or Claim of lien,
13 and resolve any Disputed Claims;
- 14 (h) adjudicate adversary proceedings and contested matters pending or
15 hereafter commenced in this Bankruptcy Case;
- 16 (i) order and implement such orders as may be appropriate in the event
17 the Confirmation Order is for any reason stayed, revoked, modified, or vacated;
- 18 (j) hear and determine any proceeding that involves applications to
19 modify the Plan, to cure any defect or omission, or to reconcile any inconsistency that may
20 arise in connection with the Plan or related documents or in any order of the Bankruptcy
21 Court, including the Confirmation Order;
- 22 (k) determine any other matters that may arise in connection with or are
23 related to this Plan; the Disclosure Statement; the Confirmation Order or any contract,
24 instrument, release or other agreement or document created in connection with this Plan or
25 the Disclosure Statement;
- 26

- 1 (l) ensure that distributions to holders of Allowed Claims are
2 accomplished as provided herein;
- 3 (m) to the extent Bankruptcy Court approval is required, to consider and
4 act on the compromise and settlement of any Claim or cause of action by or against Debtor's
5 estate;
- 6 (n) determine the scope of any discharge of Debtor under this Plan or the
7 Bankruptcy Code;
- 8 (o) recover all assets of the Debtor and property of Debtor's estate,
9 wherever located;
- 10 (p) determine any and all motions, adversary proceedings, applications,
11 and contested or litigated matters that may be pending on the Effective Date or that, pursuant
12 to this Plan, may be instituted by Reorganized Debtor after the Effective Date;
- 13 (q) hear and determine applications for allowances of compensation and
14 reimbursement of expenses of professionals under Sections 330 and 331 of the Bankruptcy
15 Code and any other fees and expenses authorized to be paid or reimbursed under this Plan;
- 16 (r) hear and determine all matters arising out of or related to
17 Subordination Agreements and Subordinated Claims, including the voting of Subordinated
18 Claims and distributions to be made under this Plan on account of Subordinated Claims;
- 19 (s) hear and determine any other matters related hereto and not
20 inconsistent with Chapter 11 of the Bankruptcy Code; and
- 21 (t) enter a final decree closing this Bankruptcy Case.

22 In the event the Bankruptcy Court is not permitted under applicable law to preside
23 over any of the foregoing matters, the reference to the Bankruptcy Court in this Article 9
24 shall be deemed to be replaced by the United States District Court for the District of Oregon
25 having jurisdiction over this Chapter 11 case. Nothing in this Article 9 shall expand the
26 exclusive jurisdiction of the Bankruptcy Court beyond that provided by applicable law, or

1 remove any jurisdiction of the United States District Court for the District of Oregon, Eugene
2 Division, with respect to the DOL Consent Judgment and Order.

3 **ARTICLE 11**

4 **ADMINISTRATIVE PROVISIONS**

5 11.1. Dissolution of the Committee. The Committee shall continue in existence
6 until the Effective Date to exercise those powers and perform those duties specified in
7 Section 1103 of the Bankruptcy Code. On the later of: (a) the Effective Date; or (2) the
8 conclusion of any appeals or other challenges or matters with respect to the Confirmation
9 Order, the Committee shall be dissolved and its members shall be deemed released of all
10 their duties, responsibilities and obligations in connection with the Bankruptcy Case or this
11 Plan and its implementation, except with respect to the review of and right to be heard in
12 connection with all professionals' claims for compensation for services rendered or
13 reimbursement for expenses incurred; and the retention or employment of the Committee's
14 attorneys, financial advisors, and other agents shall terminate as of the Effective Date;
15 provided, however, that such attorneys and financial advisors shall be entitled to pursue their
16 own claims for compensation for services rendered or reimbursement for expenses incurred,
17 and represent the Committee in connection with the review of and the right to be heard in
18 connection with all professionals' claims for compensation for services rendered or
19 reimbursement for expenses incurred. Following the Confirmation Date, in accordance with
20 the foregoing, the attorneys and financial advisors to the Committee shall be entitled to
21 request any reasonable claims for compensation for services rendered or reimbursement for
22 expenses incurred after the Confirmation Date through and including the dissolution of the
23 Committee in connection with services to the Committee. Reorganized Debtor shall pay,
24 within 10 Business Days after submission of a detailed invoice to Reorganized Debtor, such
25 reasonable claims for compensation or reimbursement of expenses incurred by the
26 professionals of the Committee. If Reorganized Debtor disputes the reasonableness of any

1 such invoice, Reorganized Debtor or the affected professional may submit such dispute to the
2 Bankruptcy Court for a determination of the reasonableness of any such invoice, and the
3 disputed portion of such invoice shall not be paid until the dispute is resolved. The
4 undisputed portion of such reasonable fees and expenses shall be paid as provided herein.

5 11.2. Final Fee Applications. Professionals shall file their final fee applications
6 under Section 330 of the Bankruptcy Code no later than 20 days after the Effective Date.

7 11.3. Modification or Withdrawal of the Plan. Debtor may alter, amend, or modify
8 the Plan pursuant to Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 at any
9 time prior to the time the Bankruptcy Court has signed the Confirmation Order. After such
10 time, and prior to the substantial consummation of the Plan, Reorganized Debtor may, so
11 long as the treatment of holders of Claims and Interests under the Plan is not adversely
12 affected, institute proceedings in Bankruptcy Court to remedy any defect or omission or to
13 reconcile any inconsistencies in the Plan, Disclosure Statement, or Confirmation Order, and
14 any other matters as may be necessary to carry out the purposes and effects of the Plan;
15 provided, however, that prior notice of such proceedings shall be served in accordance with
16 Bankruptcy Rule 2002.

17 11.4. Revocation or Withdrawal of Plan

18 11.4.1. Right to Revoke. Debtor, in consultation with the Committee,
19 reserves the right to revoke or withdraw the Plan at any time prior to the Effective Date.

20 11.4.2. Effect of Withdrawal or Revocation. If Debtor revokes or withdraws
21 the Plan prior to the Effective Date, then the Plan shall be deemed null and void. In such
22 event, nothing contained herein shall be deemed to constitute a waiver or release of any
23 claims by or against Debtor or any other Entity, or to prejudice in any manner the rights of
24 Debtor or any Entity in any further proceeding involving Debtor.

25 11.5. Nonconsensual Confirmation. Debtor shall request that the Bankruptcy Court
26 confirm the Plan pursuant to Section 1129(b) of the Bankruptcy Code if the requirements of

1 all provisions of Section 1129(a) of the Bankruptcy Code, except Subsection 1129(a)(8), are
2 met.

3 ARTICLE 12

4 MISCELLANEOUS PROVISIONS

5 12.1. Revesting. Except as otherwise expressly provided herein or in the
6 Confirmation Order, on the Effective Date all property and assets of the estate of Debtor shall
7 revest in Reorganized Debtor free and clear of all Claims, liens, encumbrances, charges, and
8 other interests arising on or before the Effective Date, and Reorganized Debtor may operate,
9 from and after the Effective Date, free of any restrictions imposed by the Bankruptcy Code or
10 the Bankruptcy Court.

11 12.2. Cancellation of Documents Evidencing Claims. As of the Effective Date, and
12 except as expressly provided in this Plan or the Confirmation Order (subject to resolution of
13 any objection to the Claim if a Disputed Claim), any note, agreement, instrument, judgment,
14 or other document evidencing a Claim in any impaired Class shall be deemed cancelled, null,
15 and void, except for the right, if any, to receive distributions under this Plan; provided,
16 however, that nothing herein shall affect the liability of any entity other than Debtor on, or
17 the property of any entity other than Debtor for, such Claim.

18 12.3. Rights of Action. Except as otherwise expressly provided herein, any claims,
19 rights, interests, causes of action, defenses, counterclaims, crossclaims, third-party claims, or
20 rights of offset, recoupment, subrogation, or subordination, including, without limitation,
21 claims under Section 550(a) of the Bankruptcy Code or any of the sections referenced therein
22 (including, without limitation, any and all Avoidance Actions) accruing to Debtor shall
23 remain assets of Reorganized Debtor, which shall have the sole right to enforce its rights.
24 Reorganized Debtor may pursue such rights of action, as appropriate, in accordance with its
25 sole best interests and for its sole benefit. Notwithstanding anything to the contrary in this
26 Section, any beneficiary to a Subordination Agreement may seek to enforce such

1 Subordination Agreement. In addition, on the Effective Date all Avoidance Actions against
2 entities that are not Secured Creditors shall be deemed waived and forever barred. Without
3 limiting the preceding, the forgoing shall not bar any Avoidance Action against Komlowski.

4 12.4. Governing Law. Except to the extent the Bankruptcy Code, the Bankruptcy
5 Rules, or other federal laws apply, the laws of the State of Oregon shall govern the
6 construction and implementation of the Plan, and all rights and obligations arising under the
7 Plan.

8 12.5. Withholding and Reporting Requirements. In connection with the Plan and
9 all instruments issued in connection therewith and distributions thereon, Debtor and
10 Reorganized Debtor shall comply with all withholding, reporting, certification, and
11 information requirements imposed by any federal, state, local, or foreign taxing authorities
12 and all distributions hereunder shall, to the extent applicable, be subject to any such
13 withholding, reporting, certification, and information requirements. Entities entitled to
14 receive distributions hereunder shall, as a condition to receiving such distributions, provide
15 such information and take such steps as Reorganized Debtor may reasonably require to
16 ensure compliance with such withholding and reporting requirements, and to enable
17 Reorganized Debtor to obtain the certifications and information as may be necessary or
18 appropriate to satisfy the provisions of any tax law.

19 12.6. Time. Unless otherwise specified herein, in computing any period of time
20 prescribed or allowed by the Plan, the day of the act or event from which the designated
21 period begins to run shall not be included. The last day of the period so computed shall be
22 included, unless it is not a Business Day, in which event the period runs until the end of the
23 next succeeding day that is a Business Day.

24 12.7. Section 1145 Exemption. The issuance and distribution of all the shares of
25 Common Stock and Series A Preferred Stock hereunder shall be exempt, pursuant to
26 Section 1145 of the Bankruptcy Code, from registration under (a) the Securities Act of 1933,

1 as amended, and all rules and regulations promulgated thereunder; and (b) any state or local
2 law requiring registration of the offer, issuance, or distribution of securities.

3 12.8. Section 1146(c) Exemption. Pursuant to Section 1146(c) of the Bankruptcy
4 Code, the issuance, transfer, or exchange of any security under the Plan, or the execution,
5 delivery, or recording of an instrument of transfer pursuant to, in implementation of, or as
6 contemplated by the Plan, or the revesting, transfer, or sale of any real property of Debtor or
7 Reorganized Debtor pursuant to, in implementation of, or as contemplated by the Plan, shall
8 not be taxed under any state or local law imposing a stamp tax, transfer tax, or similar tax or
9 fee. Consistent with the foregoing, each recorder of deeds or similar official for any city,
10 county or governmental unit in which any instrument hereunder is to be recorded shall,
11 pursuant to the Confirmation Order, be ordered and directed to accept such instrument
12 without requiring the payment of any documentary stamp tax, deed stamps, transfer tax,
13 intangible tax, or similar tax.

14 12.9. Severability. In the event any provision of the Plan is determined to be
15 unenforceable, such determination shall not limit or affect the enforceability and operative
16 effect of any other provisions of the Plan. To the extent any provision of the Plan would, by
17 its inclusion in the Plan, prevent or preclude the Bankruptcy Court from entering the
18 Confirmation Order, the Bankruptcy Court, on the request of Debtor, may modify or amend
19 such provision, in whole or in part, as necessary to cure any defect or remove any
20 impediment to the confirmation of the Plan existing by reason of such provision.

21 12.10. Binding Effect. The provisions of the Plan shall bind Debtor and Reorganized
22 Debtor, and all Creditors and Equity Security Holders, and their respective successors, heirs,
23 and assigns.

24 12.11. Retiree Benefits. On or after the Effective Date, to the extent required by
25 Section 1129(a)(13) of the Bankruptcy Code, Reorganized Debtor shall continue to pay all
26 retiree benefits (if any) as that term is defined in Section 1114 of the Bankruptcy Code,

1 maintained or established by Debtor prior to the Effective Date, without prejudice to
2 Reorganized Debtor's rights under applicable non-bankruptcy law to modify, amend or
3 terminate the foregoing arrangements.

4 12.12. Recordable Order. The Confirmation Order shall be deemed to be in
5 recordable form, and shall be accepted by any recording officer for filing and recording
6 purposes without further or additional orders, certifications or other supporting documents.

7 12.13. Plan Controls. In the event and to the extent that any provision of the Plan is
8 inconsistent with the provisions of the Disclosure Statement, or any other instrument or
9 agreement contemplated to be executed pursuant to the Plan, the provisions of the Plan shall
10 control and take precedence.

11 12.14. Effectuating Documents and Further Transactions. Debtor and Reorganized
12 Debtor are authorized to execute, deliver, file, or record such contracts, instruments,
13 assignments, and other agreements or documents, and take or direct such actions as may be
14 necessary or appropriate to effectuate and further evidence the terms and conditions of this
15 Plan.

16 12.15. Timing of Actions. Notwithstanding anything to the contrary herein, any
17 action required by the Plan to be taken on the Effective Date shall be made or taken on the
18 Effective Date or as soon as practical thereafter, but in any event within 20 days of the
19 Effective Date. The preceding shall not apply with respect to the payment of the Bank's
20 Class 11 Claim (including the funding of the Escrow Amount) on the Effective Date.

21 12.16. Courts of Competent Jurisdiction. If the Bankruptcy Court abstains from
22 exercising, or declines to exercise, jurisdiction, or is otherwise without jurisdiction over any
23 matter arising out of this Plan, such abstention, refusal, or failure of jurisdiction shall have no
24 effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other
25 court having competent jurisdiction with respect to such matter.

1 12.17. Exhibits and Schedules. Any exhibits or schedules to this Plan are
2 incorporated into, and are part of, the Plan as if set forth herein.

3 DATED this 9th day of May, 2014.

4 C & K MARKET, INC.

5
6 By /s/ Edward C. Hostmann
Edward C. Hostmann
7 Chief Restructuring Officer

8 Presented by:

9 TONKON TORP LLP

10 By /s/ Albert N. Kennedy

11 Albert N. Kennedy, OSB No. 821429
12 Timothy J. Conway, OSB No. 851752
13 Michael W. Fletcher, OSB No. 010448
Ava L. Schoen, OSB No. 044072
Of Attorneys for Debtor

**EXHIBIT 1 TO
SECOND AMENDED
PLAN OF
REORGANIZATION
EMPLOYEE STOCK INCENTIVE PLAN**

**C & K MARKET, INC.
2014 STOCK INCENTIVE PLAN**

Section 1. Establishment and Purpose.

(a) The purpose of the Plan is to offer selected individuals an opportunity to acquire a proprietary interest in the success of C & K Market, Inc., an Oregon corporation (the "**Corporation**"), or to increase such interest, by purchasing Shares of the Corporation's Stock. The Plan provides both for the direct award or sale of Shares and for the grant of Options to purchase Shares. Options granted under the Plan may include Nonstatutory Options as well as ISOs intended to qualify under Section 422 of the Code.

(b) Capitalized terms are defined in Section 13.

Section 2. Administration.

(a) **Committees of the Board.** The Plan may be administered by one or more Committees. Each Committee shall consist of two or more members of the Board (the "**Board**") who have been appointed by the Board. Each Committee shall have such authority and be responsible for such functions as the Board has assigned to it. If no Committee has been appointed, the entire Board shall administer the Plan. Any reference to the Board shall be construed as a reference to the Committee (if any) to whom the Board has assigned a particular function.

(b) **Authority of the Board.** Subject to the provisions of the Plan, the Board shall have full authority and discretion to take any actions it deems necessary or advisable for the administration of the Plan. All decisions, interpretations and other actions of the Board shall be final and binding on all Grantees, all Optionees and all persons deriving their rights from a Grantee or Optionee.

Section 3. Eligibility.

(a) **General Rule.** Only Employees and Outside Directors shall be eligible for the grant of Options or the direct award or sale of Shares. Only Employees shall be eligible for the grant of ISOs.

(b) **Ten-Percent Shareholders.** An individual who owns more than 10% of the total combined voting power of all classes of outstanding stock of the Corporation, its Parent or any of its Subsidiaries shall not be eligible for the grant of an ISO unless (i) the Exercise Price is at least 110% of the Fair Market Value of a Share on the date of grant and (ii) such ISO by its terms is not exercisable after the expiration of five years from the date of grant. For purposes of this Section 3(b), in determining stock ownership, the attribution rules of Section 424(d) of the Code shall be applied.

Section 4. Stock Subject to Plan.

(a) **Basic Limitation.** Shares offered under the Plan shall be authorized but unissued Shares. The aggregate number of Shares that may be issued under the Plan (upon exercise of Options or other rights to acquire Shares) shall not exceed _____ Shares, subject to adjustment pursuant to Section 9. The number of Shares that are subject to Options or other rights outstanding at any time under the Plan shall not exceed the number of Shares that then remain available for issuance under the Plan. The Corporation, during the term of the Plan, shall at all times reserve and keep available sufficient Shares to satisfy the requirements of the Plan.

(b) **Additional Shares.** In the event that any outstanding Option or other right for any reason expires or is canceled or otherwise terminated, the Shares allocable to the unexercised portion of such Option or other right shall again be available for the purposes of the Plan. In the event that Shares issued under the Plan are reacquired by the Corporation pursuant to any forfeiture provision, right of repurchase or right of first refusal, such Shares shall again be available for the purposes of the Plan, except that the aggregate number of Shares which may be issued upon the exercise of ISOs shall in no event exceed _____ Shares (subject to adjustment pursuant to Section 9).

Section 5. Terms and Conditions of Awards or Sales.

(a) **Restricted Stock Agreement.** Each award or sale of Shares under the Plan (other than upon exercise of an Option) shall be evidenced by a Restricted Stock Agreement between the Grantee and the Corporation. Such award or sale shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Board deems appropriate for inclusion in a Restricted Stock Agreement. The provisions of the various Restricted Stock Agreements entered into under the Plan need not be identical.

(b) **Nontransferability of Rights.** Any right to acquire Shares under the Plan (other than an Option) shall not be transferable and shall be exercisable only by the Grantee to whom such right was granted.

(c) **Purchase Price.** The Purchase Price of Shares to be offered under the Plan shall be determined by the Board in its sole discretion. The Purchase Price shall be payable in a form described in Section 7.

(d) **Withholding Taxes.** As a condition to the purchase of Shares, the Grantee shall make such arrangements as the Board may require for the satisfaction of any federal, state, local or foreign withholding tax obligations that may arise in connection with such purchase.

(e) **Restrictions on Transfer of Shares.** Any Shares awarded or sold under the Plan shall be subject to such special forfeiture conditions, rights of repurchase, rights of first refusal and other transfer restrictions as the Board may determine. Such restrictions shall be set forth in the applicable Restricted Stock Agreement and shall apply in addition to any restrictions that may apply to holders of Shares generally.

(f) **Forfeiture.** Shares shall be forfeited and returned to the Corporation, subject to Section 4(b), and all rights of the Grantee with respect to the Shares shall terminate unless the Grantee continues in the service of the Corporation or one of its affiliates until the expiration of the forfeiture period for the Shares and the Grantee satisfies any and all other conditions set forth in the Restricted Stock Agreement. The Board shall determine the forfeiture period (which may, but need not, lapse in installments) and any other terms and conditions applicable to any Award.

(g) **Change in Control.** With respect to each Award of Shares, the Board shall determine whether and to what extent such Shares shall become vested and whether and to what extent any right to repurchase a Grantee's Shares at the original Purchase Price (if any) shall lapse if the Corporation is subject to a Change in Control.

(h) **Death or Disability.** A Restricted Stock Agreement may provide for accelerated vesting in the event of the Optionee's death or disability.

Section 6. Terms and Conditions of Options.

(a) **Stock Option Agreement.** Each grant of an Option under the Plan shall be evidenced by a Stock Option Agreement between the Optionee and the Corporation. Such Option shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Board deems appropriate for inclusion in a Stock Option Agreement. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical.

(b) **Number of Shares.** Each Stock Option Agreement shall specify the number of Shares that are subject to the Option and shall provide for the adjustment of such number in accordance with Section 9. The Stock Option Agreement shall also specify whether the Option is an ISO or a Nonstatutory Option.

(c) **Exercise Price.** Each Stock Option Agreement shall specify the Exercise Price. The Exercise Price of an Option shall not be less than 100% of the Fair Market Value of a Share on the date of grant, and a higher percentage may be required by Section 3(b). Subject to the preceding sentence, the Exercise Price under an Option shall be determined by the Board in its sole discretion. The Exercise Price shall be payable in a form described in Section 7.

(d) **Withholding Taxes.** As a condition to the exercise of an Option, the Optionee shall make such arrangements as the Board may require for the satisfaction of any federal, state, local or foreign withholding tax obligations that may arise in connection with such exercise. The Optionee shall also make such arrangements as the Board may require for the satisfaction of any federal, state, local or foreign withholding tax obligations that may arise in connection with the disposition of Shares acquired by exercising an Option.

(e) **Exercisability.** Each Stock Option Agreement shall specify the date or event upon which all or any portion of the Option is to become exercisable. The exercisability provisions of a Stock Option Agreement shall be determined by the Board in its sole discretion. Each Option may, but need not, vest and therefore become exercisable in periodic installments that may, but need not, be equal. The Option may be subject to such other terms and conditions on the time or times when it may be exercised (which may be based on performance or other

criteria) as the Board may deem appropriate. The vesting provisions of individual Options may vary. The Board may, but shall not be required to, provide for an acceleration of vesting and exercisability of any Stock Option Agreement upon the occurrence of a specified event.

(f) **Exercisability Following Termination of Continuous Service.** In the event an Optionee's Continuous Service terminates, the Optionee may exercise his or her Option (to the extent that the Optionee was entitled to exercise such Option as of the date of termination) but only within such period of time ending on the earlier of (i) the date three months following the termination of the Optionee's Continuous Service or (ii) the expiration of the term of the Option as set forth in the Stock Option Agreement. Notwithstanding the foregoing, if the termination of Continuous Service is by the Corporation for Cause, all outstanding Options (whether or not vested) shall immediately terminate and cease to be exercisable. Further, if an Optionee's employment or service relationship with the Corporation is suspended pending an investigation of whether the Optionee shall be terminated for Cause, the right of the Optionee to exercise any vested Options shall be suspended during the period of investigation. If any facts that would constitute termination for Cause are discovered after the termination of Continuous Service of the Optionee, the right of the Optionee to exercise any vested Options shall be immediately terminated.

(g) **Basic Term.** The Stock Option Agreement shall specify the term of the Option. The term shall not exceed 10 years from the date of grant, and in the case of an ISO a shorter term may be required by Section 3(b). Subject to the preceding sentence, the Board in its sole discretion shall determine when an Option is to expire. A Stock Option Agreement may provide for expiration prior to the end of its term in the event of the termination of the Optionee's Service.

(h) **Nontransferability.** No Option or interest therein may be transferred, assigned, pledged or hypothecated by the Optionee, whether by operation of law or otherwise, or be made subject to execution, attachment or similar process.

(i) **No Rights as a Shareholder.** An Optionee shall have no rights as a shareholder with respect to any Shares covered by the Optionee's Option until such person becomes entitled to receive such Shares by filing a notice of exercise and paying the Exercise Price pursuant to the terms of such Option.

(j) **Modification, Extension and Assumption of Options.** Within the limitations of the Plan and Code section 409A, the Board may modify, extend or approve the assumption or cancellation of outstanding Options (whether granted by the Corporation or another issuer) in return for the grant of new Options for the same or a different number of Shares and at the same or a different Exercise Price. The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, impair the Optionee's rights or increase the Optionee's obligations under such Option or subject the Option to the requirements of Code Section 409A.

(k) **Restrictions on Transfer of Shares.** Any Shares issued upon exercise of an Option shall be subject to such special forfeiture conditions, rights of repurchase, rights of first refusal and other transfer restrictions as the Board may determine. Such restrictions shall be set

forth in the applicable Stock Option Agreement and shall apply in addition to any restrictions that may apply to holders of Shares generally under the Corporation's Bylaws or otherwise.

Section 7. Payment for Shares.

(a) **General Rule.** The entire Purchase Price or Exercise Price of Shares issued under the Plan shall be payable in cash or cash equivalents at the time such Shares are purchased, except as otherwise provided in this Section 7.

(b) **Surrender of Stock.** To the extent that a Stock Option Agreement so provides, all or any part of the Exercise Price may be paid by surrendering, or attesting to the ownership of, Shares that are already owned by the Optionee. Such Shares shall be surrendered to the Corporation in good form for transfer and shall be valued at their Fair Market Value on the date the Option is exercised. The Optionee shall not surrender, or attest to the ownership of, Shares in payment of the Exercise Price if such action would cause the Corporation to recognize compensation expense (or additional compensation expense) with respect to the Option for financial reporting purposes.

(c) **Services Rendered.** At the discretion of the Board, Shares may be awarded under the Plan in consideration of services rendered to the Corporation, a Parent or a Subsidiary prior to the award. At the discretion of the Board, Shares may also be awarded under the Plan in consideration of services to be rendered to the Corporation, a Parent or a Subsidiary after the award.

(d) **Promissory Note.** To the extent that a Stock Option Agreement or Restricted Stock Agreement so provides, all or a portion of the Exercise Price or Purchase Price (as the case may be) of Shares issued under the Plan may be paid with a full-recourse promissory note. The Shares shall be pledged as security for payment of the principal amount of the promissory note and interest thereon. The interest rate payable under the terms of the promissory note shall not be less than the minimum rate (if any) required to avoid the imputation of additional interest under the Code. Subject to the foregoing, the Board (in its sole discretion) shall specify the term, interest rate, amortization requirements (if any) and other provisions of such note.

(e) **Exercise/Sale.** To the extent that a Stock Option Agreement so provides, and if Stock is publicly traded, payment may be made all or in part by the delivery (on a form prescribed by the Corporation) of an irrevocable direction to a securities broker approved by the Corporation to sell Shares and to deliver all or part of the sales proceeds to the Corporation in payment of all or part of the Exercise Price and any withholding taxes.

(f) **Exercise/Pledge.** To the extent that a Stock Option Agreement so provides, and if Stock is publicly traded, payment may be made all or in part by the delivery (on a form prescribed by the Corporation) of an irrevocable direction to pledge Shares to a securities broker or lender approved by the Corporation, as security for a loan, and to deliver all or part of the loan proceeds to the Corporation in payment of all or part of the Exercise Price and any withholding taxes.

(g) **Net Exercise.** To the extent that a Stock Option Agreement so provides, payment may be made all or in part by the withholding by the Corporation as payment of the Exercise

Price of the number of Shares otherwise issuable upon exercise of the Option that have a current Fair Market Value equal to the aggregate Exercise Price of the Option (or portion thereof) being exercised.

Section 8. Change in Control. The Board may, in its discretion, provide for any one or more of the following in connection with a Change in Control:

(a) **Accelerated Vesting.** The Board may, in its discretion, take such actions as it deems appropriate to provide for the acceleration of the exercisability, vesting and/or settlement in connection with such Change in Control of each or any outstanding Award or portion thereof and Shares acquired pursuant thereto.

(b) **Assumption, Continuation or Substitution.** The surviving, continuing, successor, or purchasing corporation or other business entity or parent thereof, as the case may be (the "**Acquiror**"), may, without the consent of any Grantee or Optionee, either assume or continue the Corporation's rights and obligations under each or any Award or portion thereof outstanding immediately prior to the Change in Control or substitute for each or any such outstanding Award or portion thereof a substantially equivalent award with respect to the Acquiror's stock, as applicable.

(c) **Cash-Out of Awards.** The Board may, in its discretion and without the consent of any Grantee or Optionee, determine that, upon the occurrence of a Change in Control, each or any Award or a portion thereof outstanding immediately prior to the Change in Control and not previously exercised or settled shall be canceled in exchange for a payment with respect to each vested Share (and each unvested Share, if so determined by the Board) of Stock subject to such canceled Award in (i) cash, (ii) stock of the Corporation or of a corporation or other business entity a party to the Change in Control, or (iii) other property which, in any such case, shall be in an amount having a Fair Market Value equal to the Fair Market Value of the consideration to be paid per share of Stock in the Change in Control, reduced by the exercise or purchase price per share, if any, under such Award. If any portion of such consideration may be received by holders of Stock pursuant to the Change in Control on a contingent or delayed basis, the Board may, in its sole discretion, determine such Fair Market Value per share as of the time of the Change in Control on the basis of the Board's good faith estimate of the present value of the probable future payment of such consideration. In the event such determination is made by the Board, the amount of such payment (reduced by applicable withholding taxes, if any) shall be paid to Optionees in respect of the vested portions of their canceled Awards as soon as practicable following the date of the Change in Control and in respect of the unvested portions of their canceled Awards in accordance with the vesting schedules applicable to such Awards.

Section 9. Adjustment of Shares.

(a) **General.** In the event of a subdivision of the outstanding Stock, a declaration of a dividend payable in Shares, a declaration of an extraordinary dividend payable in a form other than Shares in an amount that has a material effect on the Fair Market Value of the Stock, a combination or consolidation of the outstanding Stock into a lesser number of Shares, a recapitalization, a spin-off, a reclassification or a similar occurrence, the Board shall make appropriate adjustments in one or more of: (i) the number of Shares available for future grants

under Section 4; (ii) the number of Shares covered by each outstanding Option; and (iii) the Exercise Price under each outstanding Option.

(b) **Reservation of Rights.** Except as provided in this Section 9, an Optionee or Grantee shall have no rights by reason of: (i) any subdivision or consolidation of shares of stock of any class; (ii) the payment of any dividend; or (iii) any other increase or decrease in the number of shares of stock of any class. Any issuance by the Corporation of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number or Exercise Price of Shares subject to an Option. The grant of an Option pursuant to the Plan shall not affect in any way the right or power of the Corporation to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, to merge or consolidate or to dissolve, liquidate, sell or transfer all or any part of its business or assets.

Section 10. Securities Law Requirements.

Shares shall not be issued under the Plan unless the issuance and delivery of such Shares comply with (or are exempt from) all applicable requirements of law, including (without limitation) the Securities Act of 1933, as amended, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Corporation's securities may then be traded.

Section 11. No Retention Rights.

Nothing in the Plan or in any right or Option granted under the Plan shall confer on the Grantee or Optionee any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Corporation (or any Parent or Subsidiary employing or retaining the Grantee or Optionee) or of the Grantee or Optionee, which rights are hereby expressly reserved by each, to terminate the Grantee's or the Optionee's Service at any time and for any reason, with or without cause.

Section 12. Duration and Amendments.

(a) **Term of the Plan.** The Plan, as set forth herein, shall become effective as set forth in Section 14. In the event that the shareholders fail to approve the Plan within 12 months after its effective date, any grants of ISOs that have already occurred shall be rescinded, and no additional grants of ISOs shall be made thereafter under the Plan. The Plan shall terminate automatically 10 years after the effective date of this Plan and may be terminated on any earlier date pursuant to Section 12(b).

(b) **Right to Amend or Terminate the Plan.** The Board may amend, suspend or terminate the Plan at any time and for any reason; provided, however, that any amendment of the Plan which increases the number of Shares available for issuance under the Plan (except as provided in Section 9), or which materially changes the class of persons who are eligible for the grant of ISOs, shall be subject to the approval of the Corporation's shareholders. Shareholder approval shall not be required for any other amendment of the Plan.

(c) **Effect of Amendment or Termination.** No Shares shall be issued or sold under the Plan after the termination thereof, except upon exercise of an Option granted prior to such termination. The termination of the Plan, or any amendment thereof, shall not affect any Share previously issued or any Option previously granted under the Plan.

Section 13. Definitions.

(a) **"Award"** means any right granted under the Plan, including an Option or award of Shares.

(b) **"Affiliate"** means any entity in which, directly or indirectly through one or more intermediaries, the Corporation has a controlling interest or is controlled by; provided, however, for purposes of any grant of an Incentive Stock Option, **"Affiliate"** means a corporation which, for purposes of Section 424 of the Code, is a parent or subsidiary of the Corporation, directly or indirectly.

(c) **"Board"** shall mean the Board of Directors of the Corporation, as constituted from time to time.

(d) **"Cause"** shall mean:

(i) With respect to any Employee or Consultant: (1) the unauthorized use or disclosure of the confidential information or trade secrets of the Corporation or an Affiliate; (2) indictment of, conviction of, or plea of guilty or no contest to, a felony, under the laws of the United States or any state thereof; (3) gross negligence; (4) conduct that results in or is reasonably likely to result in harm to the reputation or business of the Corporation or any of its Affiliates; or (5) continued failure to perform assigned duties after receiving written notification from the Corporation.

(ii) With respect to any Outside Director, a determination by a majority of the disinterested Board members that the Outside Director has engaged in any of the following: (1) malfeasance in office; (2) gross misconduct or neglect; (3) false or fraudulent misrepresentation inducing the Outside Director's appointment; (4) wilful conversion of corporate funds; or (5) repeated failure to participate in Board meetings on a regular basis despite having received proper notice of the meetings in advance.

The Board, in its absolute discretion, shall determine the effect of all matters and questions relating to whether a party has been discharged for Cause.

(e) **"Change in Control"** shall mean:

(i) The consummation of a merger or consolidation of the Corporation with or into another entity or any other corporate reorganization, if more than 50% of the combined voting power of the continuing or surviving entity's securities outstanding immediately after such merger, consolidation or other reorganization is owned by persons who were not shareholders of the Corporation immediately prior to such merger, consolidation or other reorganization; or

(ii) The sale, transfer or other disposition of all or substantially all of the Corporation's assets.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Corporation's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Corporation's securities immediately before such transaction.

(f) "**Code**" shall mean the Internal Revenue Code of 1986, as amended.

(g) "**Committee**" shall mean a committee of the Board, as described in Section 2(a).

(h) "**Continuous Service**" means that the Optionee or Grantee's Service with the Corporation or an Affiliate, whether as an Employee, Consultant or Outside Director, is not interrupted or terminated. The Optionee or Grantee's Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which the person renders service to the Corporation or an Affiliate as an Employee, Consultant or Outside Director or a change in the entity for which the Optionee renders such service; provided, that there is no interruption or termination of the Optionee's Continuous Service. The Board or its delegate, in its sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave, military leave or any other personal or family leave of absence.

(i) "**Employee**" shall mean any individual who is a common-law employee of the Corporation, a Parent or a Subsidiary.

(j) "**Exercise Price**" shall mean the amount for which one Share may be purchased upon exercise of an Option, as specified by the Board in the applicable Stock Option Agreement.

(k) "**Fair Market Value**" shall mean the fair market value of a Share, as determined by the Board in good faith (but in any event not less than fair market value within the meaning of Code Section 409A). Such determination shall be conclusive and binding on all persons.

(l) "**Grantee**" shall mean an individual to whom the Board has granted the right to acquire Shares under the Plan (other than upon exercise of an Option).

(m) "**ISO**" shall mean an employee incentive stock option described in Section 422(b) of the Code.

(n) "**Nonstatutory Option**" shall mean a stock option not described in Section 422(b) or 423(b) of the Code.

(o) "**Option**" shall mean an ISO or Nonstatutory Option granted under the Plan and entitling the holder to purchase Shares.

(p) "**Optionee**" shall mean an individual who holds an Option.

(q) "**Outside Director**" shall mean a member of the Board who is not an Employee.

(r) **"Parent"** shall mean any corporation (other than the Corporation) in an unbroken chain of corporations ending with the Corporation, if each of the corporations other than the Corporation owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

(s) **"Plan"** shall mean this C & K Market, Inc. 2014 Stock Incentive Plan.

(t) **"Purchase Price"** shall mean the consideration for which one Share may be acquired under the Plan (other than upon exercise of an Option), as specified by the Board.

(u) **"Restricted Stock Agreement"** shall mean the agreement between the Corporation and a Grantee who acquires Shares under the Plan which contains the terms, conditions and restrictions pertaining to the acquisition of such Shares.

(v) **"Service"** shall mean service as an Employee, Outside Director or Consultant.

(w) **"Share"** shall mean one share of Stock, as adjusted in accordance with Section 9 (if applicable).

(x) **"Stock"** shall mean the Common Stock, no par value, of the Corporation.

(y) **"Stock Option Agreement"** shall mean the agreement between the Corporation and an Optionee which contains the terms, conditions and restrictions pertaining to the Optionee's Option.

(z) **"Subsidiary"** means any corporation (other than the Corporation) in an unbroken chain of corporations beginning with the Corporation, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

Section 14. Effectiveness.

The Plan shall become effective upon confirmation of the Corporation's Plan of Reorganization by the bankruptcy court in the U.S. Bankruptcy Court District of Oregon, Case No. 13-64561-fra11.

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EXHIBIT 2 TO SECOND AMENDED PLAN OF REORGANIZATION

SECOND AMENDED AND RESTATED ARTICLES OF INCORPORATION

C & K MARKET, INC.

SECOND AMENDED AND RESTATED ARTICLES OF INCORPORATION

These Second Amended and Restated Articles of Incorporation (as amended from time to time, the "Articles") supersede the existing Amended and Restated Articles of Incorporation of C & K Market, Inc. and all amendments thereto.

ARTICLE 1

The name of the corporation is C & K Market, Inc. (the "Corporation").

ARTICLE 2

The purpose of the Corporation is to engage in any lawful business or activity for which corporations may be organized under the Oregon Business Corporation Act, as amended from time to time (the "OBCA").

ARTICLE 3

A. The Corporation is authorized to issue shares of two classes of stock:

(1) Twenty-five million (25,000,000) shares of common stock, with no par value (the "Common Stock"); and

(2) Ten million (10,000,000) shares of preferred stock, with no par value (the "Preferred Stock").

B. Holders of Common Stock are entitled to one vote per share on any matter submitted to the holders of Common Stock. On dissolution of the Corporation, after any preferential amount with respect to the Preferred Stock has been paid or set aside, the holders of Common Stock and the holders of any series of Preferred Stock entitled to participate in the distribution of assets are entitled to receive the net assets of the Corporation.

C. The Board of Directors of the Corporation (the "Board") is authorized, subject to limitations prescribed in the OBCA, and by the provisions of this Article 3, to provide for the issuance of additional shares of Preferred Stock in series (in addition to the Series A Preferred Stock identified in Article 3.D), to establish from time to time the number of shares to be included in each Series and to determine the designations, relative rights, preferences and limitations of the shares of each series. The authority of the Board with respect to each series includes determination of the following:

(1) The number of shares in and the distinguishing designation of that series;

(2) Whether shares of that series shall have full, special, conditional or limited voting rights, except to the extent otherwise provided by the OBCA;

(3) Whether shares of that series shall be convertible and the terms and conditions of the conversion, including provision for adjustment of the conversion rate in circumstances determined by the Board;

(4) Whether shares of that series shall be redeemable and the terms and conditions of redemption, including the date or dates upon or after which they shall be redeemable and the amount per share payable in case of redemption, which amount may vary under different conditions or at different redemption dates;

(5) The dividend rate, if any, on shares of that series, the manner of calculating any dividends and the preferences of any dividends;

(6) The rights of shares of that series in the event of voluntary or involuntary dissolution of the Corporation and the rights of priority of that series relative to the Common Stock and any other series of Preferred Stock on the distribution of assets on dissolution; and

(7) Any other rights, preferences and limitations of that series that are permitted by law to vary.

D. The rights, preferences, privileges, restrictions and other matters relating to the Corporation's Series A Preferred Stock, no par value (the "Series A Preferred Stock"), are as follows:

(1) **Designation and Amount.** Seven million (7,000,000) shares of the Corporation's authorized Preferred Stock are hereby designated as Series A Preferred Stock.

(2) **Dividend Provisions.** The holders of shares of Series A Preferred Stock shall be entitled to receive dividends, out of any assets legally available therefor, prior and in preference to any declaration or payment on the Common Stock when, as and if declared by the Board. Dividends may not be declared or paid with respect to shares of Common Stock so long as any shares of Series A Preferred Stock remain issued and outstanding, except as provided in Article 3.D(7)(a).

(3) **Liquidation.**

(a) **Preference.** In the event of any Liquidation (defined below), subject to the rights of any series of Preferred Stock that may from time to time come into existence, the holders of the Series A Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Common Stock by reason of their ownership thereof, an amount equal to \$5.00 per share (as adjusted for stock splits, stock dividends, reclassification and the like) for each share of Series A Preferred Stock then held by them, plus declared but unpaid dividends, if any (the "Liquidation Preference"). If, upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series A Preferred Stock shall be insufficient to permit the payment to such holders of the full Liquidation Preference, the entire assets and funds of the Corporation legally available for distribution shall be

distributed ratably among the holders of the Series A Preferred Stock in proportion to the preferential amount each such holder is otherwise entitled to receive.

(b) **Liquidation Definition.** For purposes of these Articles, the term "Liquidation" means the liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary. Additionally, the term Liquidation shall include, unless otherwise agreed by the holders of a majority of the then issued and outstanding Series A Preferred Stock, (i) the consummation of a merger or consolidation of the Corporation with or into another entity or any other corporate reorganization, if more than 50% of the combined voting power of the continuing or surviving entity's securities outstanding immediately after such merger, consolidation or other reorganization is owned by persons who were not shareholders of the Corporation immediately prior to such merger, consolidation or other reorganization; or (ii) the sale, transfer or other disposition of all or substantially all of the Corporation's assets; provided, that a transaction shall not constitute a Liquidation under subclause (i) of this Article 3.D(3)(b) if its sole purpose is to change the state of the Corporation's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Corporation's securities immediately before such transaction.

(4) **No Conversion or Participation Rights.** The Series A Preferred Stock shall not be convertible into any other equity security, including any security convertible into or exercisable for any equity security, of the Corporation. Upon any Liquidation, holders of Series A Preferred Stock shall be entitled to receive only the Liquidation Preference with respect to their shares of Series A Preferred Stock and shall not be entitled to participate in the distribution of any other assets from the Corporation.

(5) **Voting Rights.** Except as expressly provided by these Articles or as otherwise required by law, the holders of Series A Preferred Stock shall have the same voting rights as the holders of Common Stock and shall be entitled to notice of any shareholders' meeting in accordance with the Bylaws of the Corporation, and the holders of Common Stock and the Series A Preferred Stock shall vote together as a single voting group on all matters. Each holder of Series A Preferred Stock shall be entitled to one vote for each share of Series A Preferred Stock held. Without limiting the foregoing sentence, the holders of Common Stock and Series A Preferred Stock shall vote together as a single voting group with respect to any matters relating to any Liquidation transaction or a Major Corporate Event (as defined in the Bylaws of the Corporation) submitted to the shareholders of the Corporation for a vote.

(6) **Redemption Rights.**

(a) **Optional Redemption.** The Corporation shall have the right at any time, and from time to time, to redeem any or all of the Series A Preferred Stock, out of funds legally available therefor, for an amount per share equal to the Liquidation Preference. Any partial redemption of Series A Preferred Stock shall be made ratably among the holders of the Series A Preferred Stock in proportion to the number of shares of Series A Preferred Stock held by each such holder.

(b) **Mandatory Redemption.** On July 1, 2024 (the "Mandatory Redemption Date"), the Corporation shall redeem, out of funds legally available therefor, all outstanding shares of Series A Preferred Stock, by paying therefor an amount per share equal to the Liquidation Preference.

(c) **Notice of Redemption.** Notice of any redemption of shares of Series A Preferred Stock pursuant to Article 3.D(6)(a) or (b) shall be given by notice to each registered holder of Series A Preferred Stock not fewer than 30 days prior to the date fixed for redemption (a "Redemption Notice"), at such holder's address as it appears on the transfer books of the Corporation. In order to facilitate the redemption of Series A Preferred Stock, the Board may fix a record date for the determination of Series A Preferred Stock to be redeemed, or may cause the transfer books of the Corporation for the Series A Preferred Stock to be closed, not more than 60 days nor fewer than 30 days prior to the date fixed for such redemption.

(d) **Cancellation of Series A Preferred Stock.** Once a Redemption Notice has been given in respect of shares of Series A Preferred Stock to be redeemed pursuant to Article 3.D(6)(c), and notwithstanding that any certificates for such shares shall not have been surrendered for cancellation, from and after the date of redemption designated in the Redemption Notice, (i) the shares of Series A Preferred Stock represented thereby shall no longer be deemed outstanding, and (ii) all rights of the holders of Series A Preferred Stock to be redeemed shall cease and terminate, excepting only the right to receive an amount per share equal to the Liquidation Preference. All shares of Series A Preferred Stock redeemed by the Corporation shall be cancelled, shall not be re-issuable by the Corporation, and shall be eliminated from the shares of capital stock the Corporation is authorized to issue.

(e) **Senior Lender Default.** Notwithstanding any other provision of these Articles, the Corporation may not redeem any shares of Series A Preferred Stock under this Article 3.D(6) if any Senior Lender Default has occurred and is continuing (or would result therefrom) until such redemption is permitted under the terms of the Senior Debt subject to the Senior Lender Default. For purposes of these Articles, "Senior Lender Default" means any uncured or unwaived default by the Corporation under any loan agreement governing Senior Debt, which default permits the lender to accelerate the maturity of the indebtedness owed under such loan agreement. For purposes of these Articles, "Senior Debt" means indebtedness of the Corporation for borrowed money in an aggregate principal amount in excess of \$5,000,000.

(f) **Deferral of Mandatory Redemption Date.** If the Corporation cannot legally redeem, or is prevented by Article 3.D(6)(e) from redeeming, all of the Series A Preferred Stock on the Mandatory Redemption Date, the Corporation shall redeem all of the shares of Series A Preferred Stock on the Mandatory Redemption Date that it can redeem under this Article 3.D(6), and shall continue redeeming the remaining Series A Preferred Stock at the earliest possible date or dates thereafter on which the Corporation can redeem shares of Series A Preferred Stock under this Article 3.D(6). If the Corporation cannot redeem all shares of Series A Preferred Stock on the Mandatory Redemption Date, or such subsequent date or dates as redemptions shall occur, all partial

redemptions shall be made ratably among the holders of the Series A Preferred Stock in proportion to the number of shares of Series A Preferred Stock then held by each such holder.

(7) **Protective Provisions.**

(a) So long as at least twenty-five percent (25%) of the originally issued shares of Series A Preferred Stock remain outstanding (as adjusted for stock splits, stock dividends, reclassification and the like), the Corporation shall not without first obtaining the approval (by vote or written consent, as provided by law) of the holders of a majority of the then outstanding shares of Series A Preferred Stock, voting together as a separate voting group:

(i) Declare or pay any dividend (payable other than in Common Stock or other securities and rights convertible into or entitling the holder thereof to receive, directly or indirectly, additional shares of Common Stock) on any shares of Common Stock;

(ii) Alter or change the rights, preferences or privileges of the shares of Series A Preferred Stock so as to affect adversely the shares of such series;

(iii) Increase or decrease the total number of authorized shares of Series A Preferred Stock;

(iv) Authorize or issue, or obligate itself to issue, any other equity security, including any security (other than Series A Preferred Stock) convertible into or exercisable for any equity security, having a preference over, or being on a parity with, the Series A Preferred Stock with respect to voting, dividends, redemption or upon liquidation;

(v) Redeem, purchase or otherwise acquire (or pay into or set funds aside for a sinking fund for such purpose) any share or shares of Preferred Stock (other than Series A Preferred Stock pursuant to Article 3.D(6)) or Common Stock; provided, however, that this restriction shall not apply to the repurchase of shares of Common Stock from employees, officers, directors, consultants or other persons performing services for the Corporation or any subsidiary pursuant to written agreements under which the Corporation has the option to repurchase such shares at the original purchase price of such shares (or a lower price) upon the occurrence of certain events, such as the termination of employment; or

(vi) Alter or change the Corporation's 2014 Stock Incentive Plan to include shares other than shares of the Common Stock of the Corporation.

(b) So long as at least twenty-five percent (25%) of the shares of Series A Preferred Stock remain outstanding (as adjusted for stock splits, stock dividends, reclassification and the like), the Corporation shall not without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least eighty percent (80%) of the then outstanding shares of Series A Preferred Stock, voting together as a separate voting group:

(i) Decrease the Liquidation Preference of the Series A Preferred Stock;

(ii) Alter or change the "Tag Along Rights" set forth in the Corporation's Bylaws; or

(iii) Amend this Article 3.D(7).

ARTICLE 4

In addition to any other method provided for in the Corporation's Bylaws, the shareholders of the Corporation may act by written consent without a meeting if (a) the action is taken by shareholders having not less than the minimum number of votes that would be necessary to take such action at a meeting at which all shareholders entitled to vote on the action were present and voted, and (b) the written consent is delivered to the Corporation for inclusion in the minutes or filing with the corporate records. The Corporation must give written notice of any action taken pursuant to this Article 3 to all shareholders who did not sign the written consent. The notice provided to such shareholders must contain or be accompanied by any information required by ORS 60.211 or any other applicable provision of the OBCA.

ARTICLE 5

The Corporation elects to waive preemptive rights, and no shareholder of the Corporation shall have any preemptive or other first right to acquire any treasury or additional shares of stock or other securities of the Corporation, either presently authorized or to be authorized.

ARTICLE 6

No shareholder shall have the right to cumulative voting.

ARTICLE 7

A. The Corporation shall indemnify to the fullest extent permitted by law any person who is, after the effective date of these Second Amended and Restated Articles (the "Effective Date"), made or threatened to be made a party to, witness in, or otherwise involved in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, investigative, or otherwise (including an action, suit or proceeding by or in the right of the Corporation) by reason of the fact that the person is or was, whether before, on or after the Effective Date, a director or executive officer of the Corporation or a fiduciary within the meaning of the Employee Retirement Income Security Act of 1974 with respect to any

employee benefit plan of the Corporation, or serves or served at the request of the Corporation as a director, officer, employee or agent or as a fiduciary of an employee benefit plan, of another corporation, partnership, joint venture, trust, or other enterprise; provided, that the foregoing indemnification shall only apply to directors, executive officers or fiduciaries of the Corporation in office as of the Effective Date, and to directors, executive officers and fiduciaries of the Corporation elected or appointed after the Effective Date. The Corporation may indemnify to the fullest extent permitted by law any person who is made or threatened to be made a party to, witness in, or otherwise involved in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, investigative, or otherwise (including an action, suit or proceeding by or in the right of the Corporation) by reason of the fact that the person is or was a non-executive officer, employee or agent of the Corporation. Any indemnification provided pursuant to this Article 7 (any person so indemnified, an "Indemnatee") will not be exclusive of any rights to which the person indemnified may otherwise be entitled under any provision of the Corporation's bylaws or any agreement, statute, policy of insurance, vote of shareholders or board of directors, or otherwise. Expenses that may be subject to indemnification hereunder shall be paid in advance of the final disposition of the action, suit or proceeding to the full extent permitted by law, subject to the Corporation's receipt of any undertaking required thereby. For purposes of this Article 7, the term "executive officer" means any officer of the Corporation who performs executive functions for the Corporation or is designated as an executive officer by the Board when such officer is appointed to his or her office.

B. If a claim by an Indemnatee is not paid in full within thirty (30) days after a written claim has been received by the Corporation, the Indemnatee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the Indemnatee also shall be entitled to be paid the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, has been provided to the Corporation) that the Indemnatee has not met the standards of conduct that make it permissible under the OBCA for the Corporation to indemnify the Indemnatee for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation to have made a determination prior to the commencement of such action that indemnification of the Indemnatee is proper under the circumstances because the Indemnatee has met the applicable standard of conduct set forth in the OBCA, nor an actual determination by the Corporation that the Indemnatee has not met such standard of conduct shall be a defense to the action or create a presumption that the Indemnatee has not met the applicable standard of conduct.

C. The provisions of this Article 7 shall be deemed to constitute a contract between the Corporation and each Indemnatee who serves in such Indemnatee's capacity as a director, executive officer or fiduciary at any time while this Article 7 and the relevant provisions of the OBCA are in effect, and each such Indemnatee shall be deemed to be serving as such in reliance on the provisions of this Article 7, and any repeal of any such provisions or of this Article 7 shall not affect any rights or obligations then existing with respect to any state of facts then or theretofore existing or any action, suit or proceeding theretofore or thereafter brought or threatened based in whole or in part upon any such state of facts.

D. Neither any amendment nor repeal of this Article 7 nor the adoption of any provision of the Articles which is inconsistent with this Article 7 shall eliminate or reduce the effect of this Article 7 in respect of any matter occurring, or any action or proceeding accruing or arising or that, but for this Article 7, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

E. To the fullest extent permitted by law, no director of the Corporation in office on or after the Effective Date will be personally liable to the Corporation or its shareholders for monetary damages for conduct as a director. Without limiting the generality of the preceding, if after this Article 7 becomes effective the Oregon Revised Statutes are amended to authorize corporate action further eliminating or limiting the personal liability of directors of the Corporation in office on or after the Effective Date, then the liability of such directors will be eliminated or limited to the fullest extent permitted by the Oregon Revised Statutes, as so amended. No amendment or repeal of this Article 7, nor the adoption of any provision of these Second Amended and Restated Articles of Incorporation inconsistent with this Article 7, nor a change in the law will adversely affect any right or protection that is based upon this Article 7.E and that pertains to conduct that occurred prior to the time of such amendment, repeal, adoption or change. No change in the law will reduce or eliminate the rights and protections set forth in this Article 7.E unless the change in the law specifically requires such reduction or elimination.

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EXHIBIT 3 TO SECOND AMENDED PLAN OF REORGANIZATION

SECOND AMENDED AND RESTATED BYLAWS

**SECOND AMENDED AND RESTATED BYLAWS OF
C & K MARKET, INC.**

These Second Amended and Restated Bylaws (the "Bylaws") amend and restate in their entirety the Amended and Restated Bylaws of C & K Market, Inc., an Oregon corporation (the "Corporation").

1. Offices.

1.1. Principal Office. The principal office of the Corporation shall be located in the state of Oregon at such location as designated from time to time by the Board of Directors (the "Board"). The Corporation may have such other offices, in or out of the state of Oregon, as the Board may designate or as the business of the Corporation may require from time to time.

1.2. Registered Office. The registered office of the Corporation to be maintained in the state of Oregon, may be, but need not be, identical with the principal office in the state of Oregon. The address of the registered office may be changed from time to time by the Board upon compliance with the requirements of the Oregon Business Corporation Act, as amended from time to time (the "OBCA"), for change of the registered office.

2. Shareholders.

2.1. Annual Meeting. A meeting of the shareholders shall be held in each year on the second Thursday in April, unless otherwise determined by the Board, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. The Board shall set the time and place for the meeting. If the day fixed for the annual meeting is a legal holiday in the state of Oregon, the meeting shall be held on the next succeeding business day. If the election of directors is not held on the day established herein for any annual meeting of the shareholders, or at any adjournment thereof, the Board shall cause the election to be held at a special meeting of the shareholders as soon thereafter as reasonably convenient.

2.2. Special Meetings. The Corporation shall hold a special meeting of shareholders upon the call of the chief executive officer of the Corporation or the Board, or if the holders of at least 15 percent of all votes entitled to be cast on any issue proposed to be considered at the proposed special meeting sign, date and deliver to the secretary of the Corporation one or more written demands for the meeting describing the purpose or purposes for which it is to be held.

2.3. Chairperson to Preside Over Meetings. The chair of the Board shall preside at each shareholder meeting. In the absence of the chair of the Board, the chief executive officer of the Corporation shall preside as chairperson. In the absence of the chair of the Board, or the chief executive officer, as the case may be, the secretary of the Corporation shall preside as chairperson. The chairperson shall determine the order of business and shall have the authority to establish rules for the conduct of the meeting, subject to the other rules identified in the Bylaws.

2.4. Place of Meeting. Meetings of the shareholders shall be held at the principal office of the Corporation, or at any other place in or out of the state of Oregon which the Board may, from time to time, designate.

2.5. Notice of Meeting. Written or printed notice stating the place, day and hour of any shareholder meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than 10 nor earlier than 60 days before the meeting date, at the direction of the chief executive officer or other persons calling the meeting, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the shareholder at the address as it appears on the stock transfer books of the Corporation, postage prepaid.

2.6. Action Without a Formal Meeting. Action required or permitted by law to be taken at a shareholders meeting may be taken without a meeting if the action is taken by shareholders having not less than the minimum number of votes that would be necessary to take such action at a meeting at which all shareholders entitled to vote on the action were present and voted. The action will be evidenced by one or more written consents describing the action taken, signed by those shareholders taking action under this Section 2.6 and delivered to the secretary of the Corporation for inclusion in the minutes or filing with the corporate records. Action taken under this Section 2.6 is effective when the consent or consents bearing sufficient signatures are delivered to the Corporation, unless the consent or consents specify an earlier or later effective date. If not otherwise determined by law, the record date for determining shareholders entitled to take action without a meeting under this Section 2.6 is the date the first shareholder signs the consent. A consent signed under this Section 2.6 has the effect of a meeting vote and may be described as such in any document.

2.7. Establishing a Shareholder Record Date. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders, or shareholders entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the Board may establish a record date. The record date shall not be less than 10 or more than 70 days before the meeting or action requiring a determination of shareholders. If no record date is fixed for the determination of shareholders entitled to notice of a meeting, or shareholders entitled to receive payment of a dividend, the day immediately before the date on which notice of the meeting is mailed or the date on which the resolution of the Board declaring such dividend is adopted, as the case may be, shall be the record date for such determination of shareholders. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this paragraph, such determination shall apply to any adjournment thereof unless a court fixes a new record date pursuant to the OBCA.

2.8. Shareholder Voting Lists. The officer or agent having charge of the stock transfer books for shares of the Corporation shall make, no more than two business days after notice is given for each meeting of shareholders, a complete list of the shareholders entitled to vote at such meeting, or any adjournment thereof, which list shall be kept on file at the registered office of the Corporation and shall be subject to inspection by any shareholder at any time during usual business hours. The original stock transfer books shall be prima facie evidence as to who are the shareholders entitled to examine such list or transfer books or to vote at any meeting of shareholders. Failure to comply with this requirement of the Bylaws shall not affect the validity of any action taken at a shareholders meeting.

2.9. Quorum of Shareholders. Except as otherwise required by the Corporation's Articles of Incorporation, as amended from time to time (the "Articles"), or by applicable law, a

majority of the shares entitled to vote represented in person or by proxy shall constitute a quorum at a meeting of shareholders. If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on the subject matter shall be the act of the shareholders, except in the case of election of directors who shall be elected by a plurality of the votes cast at a meeting at which a quorum exists. The shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum. In the absence of a quorum, a majority of those present in person or represented by proxy may adjourn the meeting from time to time until a quorum exists. Any business that might have been transacted at the original meeting may be transacted at the adjourned meeting if a quorum exists at the adjourned meeting.

2.10. Proxies. A shareholder may vote shares either in person or by proxy. A shareholder may appoint a proxy to vote or otherwise act for the shareholder by signing an appointment form, either personally or by the shareholder's attorney-in-fact. An appointment of a proxy is effective when received by the secretary or other officer or agent of the Corporation authorized to tabulate votes. An appointment is valid for 11 months unless a longer period is expressly provided in the appointment form. An appointment of a proxy is revocable by the shareholder unless the appointment form conspicuously states that it is irrevocable and the appointment is coupled with an interest.

2.11. Voting of Shares. Except as otherwise provided in the Articles or by applicable law, each outstanding share which has voting rights shall be entitled to one vote on each matter submitted to a vote at a meeting of shareholders. No shareholder shall have the right to vote cumulatively.

2.12. Voting of Shares by Certain Holders. Shares held by an administrator, executor, guardian or conservator may be voted by the shareholder either in person or by proxy, without a transfer of such shares into the shareholder's name. Shares standing in the name of a trustee may be voted by the shareholder either in person or by proxy, but no trustee shall be entitled to vote shares held by the shareholder without a transfer of such shares into the shareholder's name. Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into the receiver's name if authority so to do be contained in an appropriate order of the court by which such receiver was appointed. A shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred. Shares of its own stock belonging to the Corporation or held by it in any fiduciary capacity shall not be voted, directly or indirectly, at any meeting, and shall not be counted in determining the total number of outstanding shares at any given time.

3. Board of Directors.

3.1. General Powers. The business and affairs of the Corporation shall be managed by the Board.

3.2. Number, Tenure, and Election. The number of directors of the Corporation shall be not less than three nor more than seven; provided, that the Board is authorized to increase or

decrease the number of directors constituting the Board of Directors by action of a majority of the directors then serving, except that no director's term shall be shortened by virtue of a decrease in the number of directors constituting the Board of Directors. Directors shall be elected at the annual meeting of shareholders.

3.3. Annual Meeting. An annual meeting of the Board shall be held without notice following the annual meeting of shareholders. The Board may provide, by resolution, the time and place, either within or without the state of Oregon, for the holding of additional regular meetings without notice thereof.

3.4. Special Meetings. Special meetings of the Board may be called by or at the request of the chief executive officer of the Corporation or any two directors. The person or persons authorized to call special meetings of the Board may fix any place, either within or without the state of Oregon, as the place for holding any special meeting of the Board called by them.

3.5. Notice. Notice of any special meeting shall be given at least two days prior to the scheduled date for such special meeting, either orally by telephone or in person, or by written notice delivered personally or mailed to each director at the director's address. If mailed, such notice shall be deemed to be delivered on the second day following deposit in the United States mail. Any director may waive notice of any meeting. Except as provided in the following sentence, the waiver must be in writing, signed by the director entitled to notice, specify the meeting for which notice is waived and be filed with the minutes or corporate records. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted nor the purpose of any special meeting of the Board need be specified in the notice or waiver of notice of such meeting.

3.6. Quorum. A majority of the number of directors in office immediately before the commencement of the meeting shall constitute a quorum for the transaction of business at any meeting of the Board.

3.7. Manner of Acting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board. Directors shall be deemed to be present at a regular or special meeting where all directors participating may simultaneously hear each other during the meeting, irrespective of whether or not they are present in the same location, as by a telephonic conference.

3.8. Action Without a Formal Meeting. Unless the Articles or the Bylaws provide otherwise, action required or permitted to be taken under applicable law at a Board meeting may be taken without a meeting if the action is taken by all members of the Board. The action must be evidenced by one or more written consents describing the action taken, signed by each director, and included in the minutes or filed with the corporate records reflecting the action taken. Such action is effective when the last director signs the consent, unless the consent specifies an earlier or later effective date.

3.9. Vacancies. Any vacancy occurring on the Board may be filled by the affirmative vote of the majority of the remaining directors. If there is only one remaining director, the remaining director may appoint the person or persons required to fill any vacancies. If there are no remaining directors, the vacancies occurring on the Board may be filled by the shareholders who would then be entitled to vote for the election of directors at an annual meeting of shareholders. A director elected to fill a vacancy shall be elected for the unexpired term of that director's predecessor in office.

3.10. Presumption of Assent. A director of the Corporation who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless:

3.10.1. the director objects at the beginning of the meeting or promptly upon the director's arrival, to holding the meeting or transacting business at the meeting;

3.10.2. the director's dissent or abstention from the action taken is entered in the minutes of the meeting; or

3.10.3. the director delivers written notice of dissent or abstention to the presiding officer of the meeting before its adjournment or to the secretary of the Corporation immediately after adjournment of the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken.

3.11. Removal. A director may be removed by the affirmative vote of shareholders owning at least a majority of the issued voting shares of the Corporation. A director may be removed by the shareholders only at a meeting called for the express purpose of removing the director and the meeting notice must state that the purpose, or that one of the purposes, of the meeting is removal of the director.

3.12. Resignation. Any director of the Corporation may resign at any time by giving written notice to the Corporation, to the Board, to the chair of the Board, to the chief executive officer, or to the secretary of the Corporation. Any such resignation shall take effect at the time specified therein, or, if no time is specified therein, upon its acceptance by the Board.

4. Officers.

4.1. Number. The officers of the Corporation shall be a chief executive officer, a president and a secretary, each of whom shall be appointed by the Board. Other officers such as vice-president, treasurer and assistant officers may be appointed by the Board.

4.2. Election and Term of Office. The officers shall be appointed annually by the Board at the first meeting of the Board held after each annual meeting of the shareholders. If the appointment of officers shall not be held at such meeting, such appointment shall be held as soon as practical thereafter. Each officer shall hold office until that officer's successor shall have been duly appointed or until that officer's death or until the officer shall resign or shall have been removed in the manner provided in the Bylaws.

4.3. Removal and Resignation. Any officer or agent appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Corporation would be served thereby. Any officer of the Corporation may resign at any time by giving written notice to the Corporation, to the Board, to the chair of the Board, to the chief executive officer, or to the secretary of the Corporation. Any such resignation shall take effect at the time specified therein, or, if no time is specified, upon its acceptance by the Board.

4.4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board for the unexpired portion of the term.

4.5. Salaries. The salaries of the officers shall be fixed from time to time by the Board and no officer shall be prevented from receiving such salary by reason of the fact that the officer is also a director of the Corporation.

4.6. Chair of the Board. The Board of Directors may elect a chair of the Board. If such chair is elected, the chair shall preside at all meetings of the Board and of the shareholders, and shall perform such other duties as may be prescribed from time to time by the Board.

4.7. Chief Executive Officer. The chief executive officer shall be the principal executive officer of the Corporation and, subject to the control of the Board, shall in general supervise all of the business and affairs of the Corporation. The chief executive officer shall preside at all meetings of the shareholders and of the Board where there is no chair of the Board. The chief executive officer may sign, with such other officer, if any, as may be required by law or authorized by the Board, certificates for shares of the Corporation, any deeds, mortgages, bonds, contracts, or other instruments which are inherent in the authority of the office of the chief executive officer or which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by the Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of chief executive officer and such other duties as may be prescribed by the Board.

4.8. President. In the absence of the chief executive officer or in the event of the chief executive officer's death, inability or refusal to act, the president shall perform the duties of the chief executive officer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the chief executive officer. The president may sign, with the secretary, certificates for shares of the Corporation; and shall perform such other duties as from time to time may be assigned to the president by the chief executive officer or by the Board.

4.9. Vice-President. In the absence of the president or in the event of the president's death, inability or refusal to act, the vice-president (or in the event there be more than one vice-president, the vice-presidents in the order designated at the time of their election, or in the absence of any designation, then in the order of their election) shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. Any vice-president may sign, with the secretary, certificates for shares of the Corporation; and shall perform such other duties as from time to time may be assigned to the vice-president by the chief executive officer or by the Board.

4.10. Secretary. The secretary shall:

4.10.1. Keep or cause to be kept at the principal office, or such other place as the Board may order, a book of minutes of all meetings of directors and shareholders showing the time and place of the meeting, whether the meeting was regular or special and, if a special meeting, how authorized, the notice given, the names of those present at directors meetings, the number of shares present or represented at shareholders meetings and the proceedings thereof.

4.10.2. Keep or cause to be kept, at the principal office or at the office of the Corporation's transfer agent, a share register, or a duplicate share register, showing the names of the shareholders and their addressees, the number and classes of shares held by each, the number and date of certificates issued for such shares and the number and date of cancellation of certificates surrendered for cancellation.

4.10.3. Give or cause to be given such notice of the meetings of the shareholders and of the Board as is required by the Bylaws. If the Corporation elects to have a seal, the secretary shall keep the seal and affix it to all documents requiring a seal. The secretary shall have such other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

4.10.4. In general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to the secretary by the chief executive officer or the Board.

4.11. Treasurer. The treasurer, if appointed, shall:

4.11.1. Be responsible for the funds of the Corporation, shall pay them out only on the checks of the Corporation signed in the manner authorized by the Board, shall deposit and withdraw such funds in such depositories as may be authorized by the Board, and shall keep full and accurate accounts of receipts and disbursements in books maintained at the Corporation's principal office.

4.11.2. In general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to the treasurer by the chief executive officer or by the Board.

5. Contracts, Loans, Checks, and Deposits.

5.1. Contracts. The Board may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be in general or confined to specific instances.

5.2. Loans to Corporations. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

5.3. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board.

5.4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board may select.

5.5. Execution of Documents. The Board may, except as otherwise provided in the Bylaws, authorize any officer or agent of the Corporation to enter into any contract or execute any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances. Unless so authorized by the Board, or unless inherent in the authority vested in the office under the provisions of the Bylaws, no officer, agent or employee of the Corporation shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit, or to render it liable for any purpose or for any amount.

6. Certificates for Shares and Their Transfer.

6.1. Certificates for Shares.

6.1.1. Certificates for shares shall be in such form as the Board may designate, shall designate the name of the Corporation and the state law under which the Corporation is organized, shall state the name of the person to whom the shares represented by the certificate are issued, and shall state the number and class of shares and the designation of the series, if any, the certificate represents. If the Corporation is authorized to issue different classes of shares or different series within a class, the designations, relative rights, preferences and limitations determined for each series and the authority of the Board to determine variations for future series shall be summarized on the front or back of each certificate, or each certificate may state conspicuously on its front or back that the Corporation shall furnish shareholders with this information on request in writing and without charge.

6.1.2. Each certificate for shares shall be signed, either manually or in facsimile, by the chair of the Board, the chief executive officer, the president or a vice-president and the secretary or an assistant secretary of the Corporation. The certificates may bear the corporate seal or its facsimile.

6.1.3. If any officer who has signed a share certificate, either manually or in facsimile, no longer holds office when the certificate is issued, the certificate shall nevertheless be valid.

6.1.4. The Corporation may in its discretion issue certificates for fractional shares, but shall not be required to do so.

6.2. Transfer on the Books. Upon surrender to the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, and subject to any limitations on transfer appearing on the certificate or in the

Corporation's stock transfer records (including, without limitation, restrictions on transfer set forth in the Bylaws), the Corporation shall issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books. The Board is authorized to impose restrictions on the transfer of shares to the extent permitted by law (including, without limitation, restrictions on transfer set forth in the Bylaws).

6.3. Lost, Stolen, or Destroyed Certificates. In the event a certificate is represented to be lost, stolen or destroyed, a new certificate shall be issued in place thereof upon such proof of the loss, theft or destruction and upon the giving of such bond or other indemnity as may be required by the Board.

6.4. Transfer Agents and Registrars. The Board may from time to time appoint one or more transfer agents and one or more registrars for the shares of the Corporation who will have such powers and duties as the Board may specify.

6.5. Restrictive Legends. Each certificate representing any share of stock of the Corporation shall bear substantially the following legend:

THE SALE, PLEDGE, HYPOTHECATION OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS CONTAINED IN THE CORPORATION'S BYLAWS. COPIES OF SUCH BYLAWS MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE CORPORATION. THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS AND MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED EXCEPT (A) PURSUANT TO A REGISTRATION STATEMENT EFFECTIVE UNDER SUCH ACT AND LAWS, OR (B) PURSUANT TO AN EXEMPTION FROM REGISTRATION THEREUNDER.

7. Fiscal Year. The fiscal year of the Corporation shall end on December 31, unless changed by the Board.

8. Seal. If the Board elects to provide a corporate seal, it shall be circular in form and shall have inscribed thereon the name of the Corporation and the state of incorporation and the words, "Corporate Seal - Oregon."

9. Waiver of Notice - Form of Notice.

9.1. Waiver of Notice. Whenever any notice is required to be given to any shareholder or director of the Corporation under the provisions of the Bylaws or under the provisions of the OBCA, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

9.2. Form of Notice. Whenever, under the provisions of the OBCA or the Bylaws, notice is required to be given to any director or shareholder, it shall not be construed to mean only personal notice, but shall include notices as defined below.

9.2.1. Required notice to a director may be given in writing by mail, e-mail or facsimile, addressed to such director at the address as it appears on the records of the Corporation, or at the last known business or residence address of the director, prepaid, and such notice if mailed shall be deemed to be given at the time when the same shall be deposited in the United States mail (except as expressly provided for otherwise in Section 3.5), and if transmitted by facsimile or e-mail shall be deemed to be given upon the earlier of personal receipt by the director or 24 hours following the completed transmittal.

9.2.2. Required notice to a shareholder shall be given in writing by mail, e-mail or facsimile, addressed to such shareholder at the address as it appears on the stock record books or similar records of the Corporation, or at the last known business or residence address of the shareholder, prepaid, and such notice if mailed shall be deemed to be given at the time when the same shall be deposited in the United States mail (except as expressly provided for otherwise in the Bylaws), and if transmitted by facsimile or e-mail shall be deemed to be given upon the earlier of personal receipt by the shareholder or 24 hours following the completed receipt of the transmittal.

10. Amendment of Bylaws.

10.1. Subject to Section 10.4, the Board may amend or repeal these Bylaws, unless:

10.1.1. The Articles or applicable law reserve this power exclusively to the shareholders in whole or in part.

10.1.2. The shareholders, in amending or repealing a particular bylaw, provide expressly that the Board may not amend or repeal that bylaw.

10.1.3. The Articles, the Bylaws or applicable state or federal law provide otherwise.

10.2. Subject to Section 10.4, the shareholders may amend or repeal the Bylaws even though these Bylaws may also be amended or repealed by the Board.

10.3. When an amendment or new Bylaw is adopted, it shall be copied in the minute book with the original Bylaws in the appropriate place. If any Bylaw is repealed, the fact of its repeal and the date on which its repeal occurred shall be stated in such book and place.

10.4. Notwithstanding the foregoing, Section 12 of the Bylaws may be amended solely with the approval at a shareholder meeting at which a quorum is present of shareholders holding the majority of all votes then eligible to be cast. Notice of such shareholder meeting must provide that the purpose, or one of the purposes, of such meeting is to consider such an amendment to the Bylaws.

11. Transactions Between Corporation, Interested Directors. A transaction with the Corporation in which a director of the Corporation has a direct or indirect interest is not voidable by the Corporation solely because of the director's interest in the transaction if either:

11.1. the material facts of the transaction and the director's interest were disclosed or known to the Board or a committee of the Board, and the Board or committee authorized, approved or ratified the transaction;

11.2. the material facts of the transaction and the director's interest were disclosed or known to the shareholders entitled to vote and they authorized, approved or ratified the transaction; or

11.3. the transaction was fair to the Corporation.

12. Restrictions on Transfer of Common Stock and Preferred Stock.

12.1. Restriction on Transfer. Except as otherwise permitted by this Section 12, no shareholder may Transfer any Shares. Any Transfer of Shares to any Person other than (a) to a Permitted Transferee, (b) pursuant to any tag-along sale in accordance with Section 12.8, or (c) pursuant to any drag-along sale in accordance with Section 12.9 shall be subject to the right of first refusal provisions of Section 12.3 in addition to all other provisions of this Section 12. Any Transfer of Shares must comply with Section 12.5 in order to be a Permitted Transfer.

12.2. Definitions. For purposes of this Section 12, the following definitions shall apply:

12.2.1. "Adjusted Fair Market Value" means the fair market value of the Shares as agreed by the parties in interest. If the parties do not agree on the Adjusted Fair Market Value, the Board will in good faith determine the Adjusted Fair Market Value. The Board's determination will be final and binding upon the parties. The determination will apply appropriate discounts for lack of marketability, minority interest and other factors relevant to the Shares.

12.2.2. "Affiliate" means, when used with respect to a specified Person, any Person that directly or indirectly Controls, is Controlled by or is Under Common Control with such specified Person. "Control," including the correlative terms "Controlling," "Controlled by" and "Under Common Control with" means possession, directly or indirectly (through one or more intermediaries), of the power to direct or cause the direction of management or policies (whether through ownership of securities or any partnership or other ownership interest, by contract or otherwise) of a Person.

12.2.3. "Common Stock" means the common stock, no par value, of the Corporation.

12.2.4. "Permitted Transfer" means a Transfer of Shares permitted by and in compliance with this Section 12.

12.2.5. "Permitted Transferee" means (a) the Corporation; (b) a shareholder who has not received any Shares in violation of the Transfer restrictions set forth in this

Section 12; (c) any trust for the benefit of one or more of the spouse and/or the natural or adopted lineal descendants of a shareholder, but only if the trustee with authority to exercise all rights with respect to the Shares held by such shareholder is at all times such shareholder; (d) the shareholder's executor, administrator, trustee, personal representative, or assignee to whom Shares are transferred at death or by operation of law; (e) any Person approved by the Board; (f) any Purchaser in accordance with Section 12.3; (g) a spouse in connection with a divorce; or (h) Affiliates of any shareholder that is an entity; provided, that no Person (other than a Person that is already a Permitted Transferee under clause (b) of this Section 12.2.5) shall be a Permitted Transferee if the Board determines in good faith that such Person, or any of such Person's Affiliates, is a competitor of the Corporation.

12.2.6. "Person" means any individual, partnership, limited liability company, corporation, trust, joint venture, cooperative, association or other entity.

12.2.7. "Preferred Stock" means the preferred stock, no par value, of the Corporation, regardless of series, class or other designation.

12.2.8. "Series A Preferred Stock" means the Series A Preferred Stock, no par value, of the Corporation.

12.2.9. "Shares" means one or more shares of Common Stock and/or Preferred Stock, as the context requires.

12.2.10. "Transfer" when used as a noun means any sale, assignment, exchange, gift, devise, hypothecation, pledge, encumbrance, attachment, levy, foreclosure, sale by legal process under execution, attachment or receivership, sale or retention of any Shares or interest in any Shares by a secured party after a default, change in the beneficial ownership or the trustee of any trust which is a shareholder of the Corporation, change of ownership ordered by any court pursuant to dissolution of marriage or otherwise, or other change in ownership, voluntary or involuntary. "Transfer" when used as a verb means transferring any Shares or interests in any Shares by any means as set forth in the previous sentence.

12.3. Right of First Refusal.

12.3.1. No Transfer of any Shares (the "Offered Stock") may be made except (a) to a Permitted Transferee, (b) pursuant to any tag-along sale in accordance with Section 12.8, or (c) pursuant to any drag-along sale in accordance with Section 12.9, unless the shareholder (the "Seller") has received a bona fide written offer (the "Purchase Offer") from a Person (the "Purchaser") to purchase the Offered Stock for a purchase price (the "Offer Price") denominated and payable in United States dollars at closing or according to specified terms, with or without interest, which offer must be in writing signed by the Purchaser and will be irrevocable for a period ending no sooner than the day following the end of the Offer Period, as defined below.

12.3.2. Prior to making any Transfer that is subject to the terms of this Section 12.3, the Seller must give to the Corporation written notice (the "Offer Notice")

which must include a copy of the Purchase Offer and an offer (the "Firm Offer") to sell the Offered Stock to the Corporation for the Offer Price, payable according to the same terms as (or more favorable terms than) those contained in the Purchase Offer; provided, that the Firm Offer will be made without regard to the requirement of any earnest money or similar deposit required of the Purchaser prior to closing, and without regard to any security (other than the Offered Stock) to be provided by the Purchaser for any deferred portion of the Offer Price.

12.3.3. The Firm Offer will be irrevocable for a period (the "Offer Period") of 30 days following the date the Offer Notice is received by the Corporation. At any time during the Offer Period the Corporation and its assigns, if any, may accept the Firm Offer for all, but not less than all, of the total amount of the Offered Stock.

12.3.4. If the Firm Offer is accepted, the closing of the sale of the Offered Stock will take place within 15 days after the Firm Offer is accepted or, if later, the date of closing set forth in the Purchase Offer. The Seller will execute such documents and instruments as may be necessary or appropriate to effect the sale of the Offered Stock pursuant to the terms of the Firm Offer and this Section 12.3.

12.3.5. If the Firm Offer is not accepted in the manner outlined above, the Seller may sell the Offered Stock to the Purchaser at any time within 60 days after the last day of the Offer Period; provided, that such sale is made on terms no more favorable to the Purchaser than the terms contained in the Purchase Offer; and provided further, that such sale complies with other terms, conditions, and restrictions of these Bylaws that are applicable to Shares and are not expressly made inapplicable to sales occurring under this Section 12.3.

12.4. Prohibited Transfers.

12.4.1. Except as approved by the Board, no Transfer of any Shares shall be made if following such Transfer the number of shareholders of the Corporation would exceed 300.

12.4.2. Except as approved by the Board or in connection with the exercise of tag-along rights pursuant to Section 12.8, no Transfer of any Shares shall be made unless the transferring shareholder Transfers all of such shareholder's Shares in connection with such Transfer.

12.4.3. Any purported Transfer that is not a Permitted Transfer will be void and of no effect. Notwithstanding the foregoing, if a court or authority of competent jurisdiction requires the Corporation to recognize a Transfer that is not a Permitted Transfer (or if the Corporation, in its sole discretion, elects to recognize a Transfer that is not a Permitted Transfer): (a) the transferee will be deemed to have accepted the Shares subject to the provisions of these Bylaws, and (b) the Corporation will have an option to redeem any of the Transferred Shares within 180 days after the Corporation receives a copy of the order requiring the Corporation to recognize the Transfer. The redemption price will be the Adjusted Fair Market Value of the Shares as of the Transfer date. The

Corporation may elect to redeem the Transferred Shares by delivering a written notice of its election to the transferee specifying the number of shares to be redeemed. If the Corporation elects to redeem any such Shares, the Corporation will pay the Adjusted Fair Market Value of the Shares to the transferee over a period not to exceed 5 years, plus interest at the lowest rate that will not result in the imputation of interest under the Internal Revenue Code.

12.4.4. Any Shares Transferred in violation of this Section 12.4 that the Corporation does not redeem will be limited in accordance with this Section 12, and the Corporation may apply distributions with respect to such Shares (without limiting any other legal or equitable rights of the Corporation) to satisfy any debts, obligations, or liabilities for damages (including incremental tax liability and attorney fees and expenses incurred in negotiations, trial preparation, at trial, on appeal or in bankruptcy) that the transferor or transferee of the Shares may have to the Corporation.

12.5. Conditions to Permitted Transfers. A Transfer allowed by this Section 12 will not be treated as a Permitted Transfer unless and until the following conditions are satisfied:

12.5.1. Except for a Transfer of Shares at death or involuntarily by operation of law, the transferor and transferee execute and deliver to the Corporation the documents and instruments of conveyance necessary to effect the Transfer and confirm the transferee's agreement to be bound by the provisions of the Bylaws. In the case of a Transfer of Shares at death or involuntarily by operation of law, the Transfer will be confirmed by presentation to the Corporation of satisfactory legal evidence of the Transfer. The transferor and transferee will reimburse the Corporation for all costs and expenses that the Corporation reasonably incurs in connection with the Transfer.

12.5.2. The transferor and transferee furnish the Corporation with the transferee's taxpayer identification number and any other information reasonably necessary to permit the Corporation to file all required federal and state tax returns and other legally required information statements or returns.

12.5.3. Except for a Transfer at death or involuntarily by operation of law, the transferor, if the Corporation requests, furnishes an opinion of legal counsel, which opinion is reasonably satisfactory to counsel to the Corporation, to the effect that either (a) the Common Stock and/or Preferred Stock will be registered under the Securities Act of 1933, as amended, and any applicable state securities laws, or (b) the Transfer will not violate any applicable laws regulating the Transfer of securities.

12.5.4. The Transfer will not cause the Corporation to be deemed to be an "investment company" under the Investment Corporation Act of 1940, as amended.

12.6. Indemnification. If a Transfer or attempted Transfer is not a Permitted Transfer, the parties engaging or attempting to engage in the Transfer will be liable to indemnify and hold harmless the Corporation and its directors, officers, employees and agents and from all costs, liability, and damages that any of the indemnified Persons may incur (including incremental tax liability and attorney fees and expenses incurred in negotiations, trial preparation, at trial, on

appeal or in bankruptcy) as a result of the Transfer or attempted Transfer and efforts to enforce this indemnity.

12.7. Assignment of Rights. The Corporation may assign any of its rights, subject to its obligations, to purchase or redeem Shares under this Section 12, from time to time, to any Person or Persons selected by the Board.

12.8. Tag-Along Rights.

12.8.1 If one or more shareholders holding shares of Common Stock or of Series A Preferred Stock (collectively, the "Selling Majority") seek to Transfer, in a single transaction or a series of related transactions, more than 50% of the issued and outstanding shares of Common Stock or Series A Preferred Stock, as applicable, to a Person that is not a Permitted Transferee (the "Tag-Along Transferee"), the Selling Majority shall deliver a notice in writing (a "Notice of Majority Transfer") to all of the other holders of shares of Common Stock or Series A Preferred Stock, as applicable, setting forth the terms and conditions of the proposed Transfer; provided, that the terms and conditions of this Section 12.8 shall not apply to any transfer (a) to a Permitted Transferee or (b) pursuant to a drag-along sale in accordance with Section 12.9.

12.8.2 Each holder of Common Stock or Series A Preferred Stock, as applicable, not part of the Selling Majority is hereby given the right and option, to be exercised by delivery of written notice to the Selling Majority and the Corporation within 20 days after the giving of the Notice of Majority Transfer, to Transfer to the Tag-Along Transferee a fraction of such notified shareholder's Common Stock or Series A Preferred Stock, as applicable, the numerator of which shall equal the number of shares of Common Stock or Series A Preferred Stock, as applicable, being Transferred by the Selling Majority, and the denominator of which shall equal the total number of shares of the Common Stock or Series A Preferred Stock, as applicable, owned by the Selling Majority (collectively, the "Tag-Along Shares").

12.8.3 The sale of Tag-Along Shares to the Tag-Along Transferee shall be for the same consideration per share and on the same terms and conditions as are applicable to the Selling Majority, including without limitation executing the applicable purchase or merger agreement (and any related ancillary agreements entered into by the Selling Majority in connection with the sale), and including the same representations, warranties, covenants and indemnities related to the Corporation or its business (directly to the third party purchaser and/or indirectly pursuant to a contribution agreement, as required by the Selling Majority), purchase price adjustments, escrows and other obligations as are applicable to the Selling Majority in connection with the sale). With respect to representations and warranties that are specific to a shareholder, each seller of Tag-Along Shares shall only be obligated to make representations and warranties with respect to such seller's title to and ownership of the Tag-Along Shares, authorization, execution and delivery of relevant documents, enforceability of such documents against such seller, no conflicts and other similar representations and warranties ("Shareholder Representations") made by the Selling Majority, and shall not be obligated to make any of the Shareholder Representations with respect to any other shareholder or their shares

(or stock equivalents). All indemnity obligations with respect to Shareholder Representations shall be several, and not joint and several, whether owed directly to the third-party purchaser and/or indirectly pursuant to a contribution agreement, as required by the Selling Majority.

12.8.4 Any failure by the Tag-Along Transferee to consummate the acquisition of all Tag-Along Shares offered by all shareholders simultaneously with the Transfer by the Selling Majority of such Selling Majority's shares of Common Stock or Series A Preferred Stock, as applicable, and on the terms and conditions required pursuant to this Section 12.8, shall prohibit the Selling Majority from Transferring any of the Selling Majority's Common Stock or Series A Preferred Stock, as applicable, to the Tag-Along Transferee.

12.9. Drag-Along Rights.

12.9.1. In the event of a Major Corporate Event approved by the Board and a majority of all shares of the capital stock of the Corporation entitled to vote on such Major Corporate Event (the "Dragging Shareholders"), each shareholder hereby agrees (a) to vote all Shares held by such shareholder in favor of such Major Corporate Event and to vote in opposition to any and all other proposals that could reasonably be expected to delay or impair the ability of the Corporation to consummate the Major Corporate Event; (b) if such Major Corporate Event is a sale of shares of the capital stock of the Corporation, to sell all of such Shareholder's Shares of the same series or class for the same price per share, and upon the same terms and conditions, received by the Dragging Shareholders with respect to such series or class; (c) to execute and deliver all related documentation and take such other action in support of the Major Corporate Event as shall reasonably be requested by the Board in order to carry out the terms and provisions of this Section 12.9; and (d) to waive all dissenters' rights and other similar or related rights in connection with such approved Major Corporate Event, to the maximum extent permitted by applicable law.

12.9.2. Each shareholder's obligations under clause (c) of Section 12.9.1 shall include, without limitation, executing the applicable purchase or merger agreement (and any related ancillary agreements entered into by the Dragging Shareholders in connection with the drag-along sale) and making or providing the same representations, warranties, covenants and indemnities related to the Corporation or its business (directly to the third-party purchaser and/or indirectly pursuant to a contribution agreement, as required by the Board), purchase price adjustments, escrows and other obligations as the Dragging Shareholders make or provide in connection with the drag-along sale. With respect to representations and warranties that are specific to a shareholder, each shareholder shall only be obligated to make representations and warranties with respect to such seller's title to and ownership of Shares, authorization, execution and delivery of relevant documents, enforceability of such documents against such seller, no conflicts and other similar representations and warranties ("Drag-Along Shareholder Representations") made by the Dragging Shareholders, and shall not be obligated to make any of the foregoing representations and warranties with respect to any other shareholder or their shares (or stock equivalents). All indemnity obligations

with respect to Drag-Along Shareholder Representations shall be several, and not joint and several, whether owed directly to the third-party purchaser and/or indirectly pursuant to a contribution agreement, as required by the Board.

12.9.3. A "Major Corporate Event" means (a) the consummation of a merger or consolidation of the Corporation with or into another entity or any other corporate reorganization, or a sale of shares, if more than 50% of the combined voting power of the continuing or surviving entity's securities outstanding immediately after such merger, consolidation or other reorganization is owned by persons who were not shareholders of the Corporation immediately prior to such merger, consolidation or other reorganization or sale of shares or (b) the sale, transfer or other disposition of all or substantially all of the Corporation's assets.

13. Miscellaneous.

13.1. Telephonic Meetings. Meetings of the shareholders and directors, or of any committee designated by each shareholder and director, may be held by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at the meeting.

13.2. Books and Records. The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its shareholders and the Board and shall keep at its registered office a record of its shareholders, giving the names and addresses of all shareholders and the number and class of shares held by each. The records of the Corporation shall be open to inspection by the shareholders or the shareholders' agents or attorneys in the manner and to the extent required by applicable law.

14. Director Committees.

14.1. Creation of Committees. Unless the Articles provide otherwise, the Board may create one or more committees and appoint members of the Board to serve on them. Each committee must have two or more members, who shall serve at the pleasure of the Board.

14.2. Selection of Members. The creation of a committee and appointment of members to it must be approved a majority of all the directors in office when the action is taken.

14.3. Authority. Unless limited by the Articles, each committee may exercise those aspects of the authority of the Board which the Board confers upon such committee in the resolution creating the committee; provided, a committee may not:

14.3.1. Authorize distributions;

14.3.2. Approve or propose to shareholders action that the OBCA requires be approved by shareholders;

14.3.3. Fill vacancies on the Board or on any of its committees;

14.3.4. Amend the Articles pursuant to the authority of directors to do so granted by the OBCA.

14.3.5. Adopt, amend, or repeal the Bylaws;

14.3.6. Approve a plan of merger not requiring shareholder approval;

14.3.7. Authorize or approve reacquisition of shares, except according to a formula or method prescribed by the Board; or

14.3.8. Authorize or approve the issuance or sale or contract for sale of shares or determine the designation and relative rights, preferences, and limitations of class or series of shares, except that the Board may authorize a committee (or a senior executive officer of the Corporation) to do so within limits specifically prescribed by the Board.

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EXHIBIT 4 TO SECOND AMENDED PLAN OF REORGANIZATION

RIGHTS OFFERING SUBSCRIPTION FORM

**RIGHTS OFFERING SUBSCRIPTION FORM
C & K MARKET, INC.**

Rights Offering

Up to _____ Shares of Common Stock and Series A Preferred Stock
Pursuant to the Plan of Reorganization dated _____, 2014
(as it may be supplemented from time to time, the "Plan")

**THIS RIGHTS OFFERING WILL EXPIRE AT 9:00 A.M., PORTLAND, OREGON, TIME, ON
_____, 2014 (THE "SUBSCRIPTION DEADLINE," UNLESS EARLIER TERMINATED BY C & K
MARKET, INC.)**

**THIS FORM AND PAYMENT OF SUBSCRIPTION AMOUNT MUST BE DELIVERED TO:
[TO BE INSERTED BY DEBTOR]**

**DELIVERY OF THIS SUBSCRIPTION TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE
OR TRANSMISSION OF THIS SUBSCRIPTION FORM VIA A FACSIMILE NUMBER OR E-MAIL
ADDRESS OTHER THAN THE ONE LISTED ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.
THIS SUBSCRIPTION MUST BE DELIVERED TO C & K MARKET, INC. (THE "COMPANY") AT OR
BEFORE THE SUBSCRIPTION DEADLINE.**

**DELIVERY OF THIS SUBSCRIPTION WILL NOT CONSTITUTE A VALID EXERCISE OF
SUBSCRIPTION RIGHTS UNLESS THE UNDERSIGNED ALSO DELIVERS PAYMENT OF THE
SUBSCRIPTION PRICE TO THE COMPANY AS SET FORTH BELOW AT OR BEFORE THE
SUBSCRIPTION DEADLINE, UNLESS OTHER ARRANGEMENTS HAVE BEEN MADE WITH THE
COMPANY PRIOR TO THE SUBSCRIPTION DEADLINE.**

The undersigned acknowledges that it has received the Plan, the accompanying Disclosure Statement and this accompanying Rights Offering Subscription Form (this "Subscription") of the Company, relating to the Company's distribution of one right (each, a "Subscription Right") to purchase up to a pro rata share of the combination (in equal numbers) of _____ shares of the Company's Common Stock and Series A Preferred Stock. The undersigned certifies that it is a holder of a Class 12 Claim under the Plan and that, as of _____, 2014, the undersigned's Class 12 Claim had not been disallowed.

Capitalized terms used but not defined herein have the respective meanings ascribed to them in the Plan and Disclosure Statement.

EXERCISE OF SUBSCRIPTION RIGHTS

Please read this entire Subscription and the information in the Plan and Disclosure Statement under "The Rights Offering" carefully before checking any box below. Additional copies of the Plan and Disclosure Statement and this Subscription may be requested from the Company at the address and telephone numbers that appear above.

- ☐ CHECK HERE IF YOU WISH TO PURCHASE ALL OF YOUR PRO RATA SHARE OF THE RIGHTS OFFERING SHARES, ROUNDED TO THE NEAREST WHOLE SHARE.
- ☐ CHECK HERE IF YOU WISH TO PURCHASE LESS THAN ALL OF YOUR PRO RATA SHARE OF THE RIGHTS OFFERING SHARES (WHOLE SHARES ONLY).

_____ Indicate the number of shares of Common Stock and Series A Preferred Stock (must be an equal number of each) you wish to purchase under the Rights Offering at the Subscription Price.

The Subscription Price is \$8.00 for the combination of one share of Common Stock and one share of Series A Preferred Stock. Full payment of the Subscription Amount for the Rights Offering Shares subscribed for pursuant to the Rights Offering must be made in United States dollars and delivered by wire transfer of immediately available funds to the following account maintained by the Company by the Subscription Deadline:

[To be inserted by Company]
Wire Routing #
ACH Routing # SWIFT Code:

for credit to:
C & K Market, Inc.
Acct. #

By signing this form, the undersigned irrevocably elects to purchase the Common Stock and Series A Preferred Stock indicated above upon the terms and conditions specified in the Plan and Disclosure Statement and agrees that if it fails to pay for the Common Stock and Series A Preferred Stock as set forth herein, this Subscription will be null and void.

PLEASE SIGN HERE

Authorized Signature of Eligible Holder of Class 12 Claim

If signature is by attorney-in-fact, trustee, executor, administrator, guardian, officer of a corporation or other person acting in a fiduciary or representative capacity, please provide the following information:

Name: _____
Title: _____
Address: _____
Telephone Number: _____
Date: _____
Taxpayer Identification or Social Security Number: _____

Signatures on this Subscription; Guarantee of Signatures. If this Subscription is signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, those persons should so indicate when signing, and proper evidence satisfactory to the Company of that authority so to act must be submitted, unless waived by the Company.

SUBSCRIPTION ACCEPTED:

C & K MARKET, INC.

By _____
Name _____
Title _____
Date _____

034518/00017/5473317v1

LIST OF INTERESTED PARTIES

In re C & K Market, Inc.
U.S. Bankruptcy Court Case No. 13-64561-fra11

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