

MAY 2002

THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(Baltimore Division)

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FOR DISTRICT OF MARYLAND
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In re: 62-21097

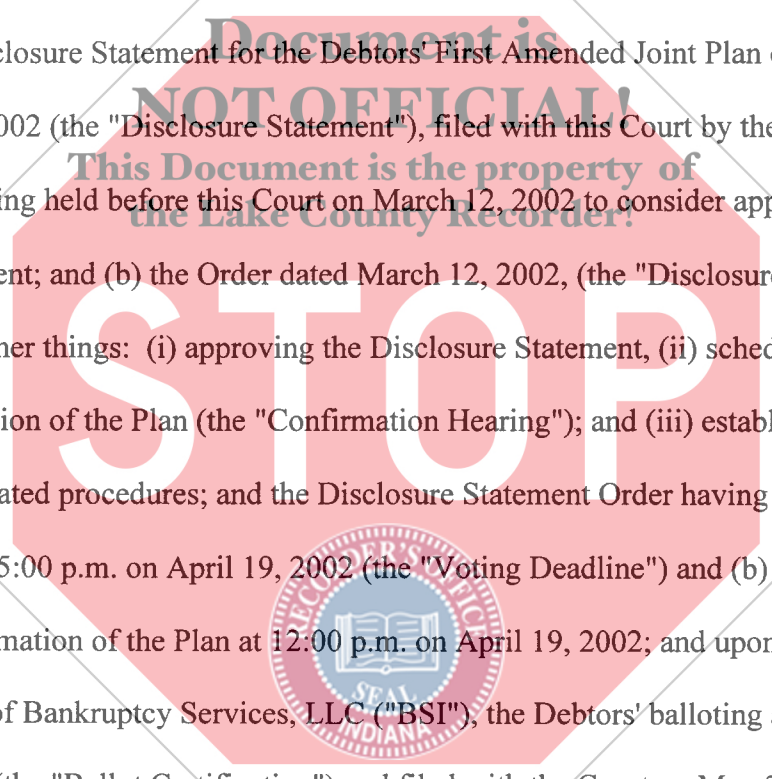
FRANK'S NURSERY & CRAFTS, INC., et
al.,
Debtors.

Case Nos. 01-52415 and 01-52416
(Chapter 11)
Jointly Administered

* * * * *

**ORDER CONFIRMING DEBTORS' SECOND
AMENDED JOINT PLAN OF REORGANIZATION**

Upon the Second Amended Joint Plan of Reorganization, dated May 7, 2002 (as the same may have been amended, or modified, or supplemented, the "Plan"),¹ filed with this Court by the debtors and debtors in possession (together, the "Debtors") in the above-captioned cases, and the Disclosure Statement for the Debtors' First Amended Joint Plan of Reorganization, dated March 13, 2002 (the "Disclosure Statement"), filed with this Court by the Debtors; and upon: (a) the hearing held before this Court on March 12, 2002 to consider approval of the Disclosure Statement; and (b) the Order dated March 12, 2002, (the "Disclosure Statement Order"), among other things: (i) approving the Disclosure Statement, (ii) scheduling a hearing to consider confirmation of the Plan (the "Confirmation Hearing"); and (iii) establishing plan solicitation and related procedures; and the Disclosure Statement Order having fixed the voting deadline at 5:00 p.m. on April 19, 2002 (the "Voting Deadline") and (b) the deadline for objection to confirmation of the Plan at 12:00 p.m. on April 19, 2002; and upon the certification of Mariah Martin of Bankruptcy Services, LLC ("BSI"), the Debtors' balloting agent, sworn to on April 30, 2002 (the "Ballot Certification") and filed with the Court on May 3, 2002; and upon



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PETER BENJAMIN
LAKE COUNTY AUDITOR

¹ All capitalized terms used but not defined herein shall have the meanings attributed to such terms in the Plan.

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the objections to confirmation of the Plan (collectively, the "Objections") of: (a) Oakland County Treasurer; (b) D&E Realty, Inc.; (c) Prudential Securities Secured Financing Corporation; (d) Nevada Properties, LLC; (e) Centnor Associates; (f) IBM Credit Corporation ("IBMCC"); (g) Pinellas County, Florida Tax Collector; (h) Catherine and John Parker (the "Parkers"); (i) Decorative Concepts, Inc.; (j) Wells Fargo Retail Finance, LLC; (k) Clark County Treasurer; (l) J.E. Robert Company, Inc.; (m) CRIIMI MAE Services Limited Partnership (State Street Bank); and (n) Midland Loan Services, Inc.; and upon the Memorandum of Law, dated April 30, 2002, filed by the Debtors in support of confirmation of the Plan; and the Confirmation Hearing having been held before this Court on May 7, 2002; and upon the full and complete record of the Confirmation Hearing and all matters and proceedings heretofore in these cases; and after due deliberation and sufficient cause appearing therefore, it is on this 7th day of May, 2002;

IT IS HEREBY FOUND that:

I. JURISDICTION AND VENUE

- A. This Court has jurisdiction pursuant to 28 U.S.C. § 1334 over these Chapter 11 Cases and to confirm the Plan.
- B. Confirmation of the Plan is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(1) and 157(b)(2)(L) and this Court has jurisdiction to enter a final order with respect thereto.
- C. Venue of these Chapter 11 Cases is properly in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

D. The Debtors are properly debtors under section 109² and are the proper proponents of the Plan under section 1121(a).

II. SOLICITATION

A. Notice of the Confirmation Hearing, the treatment of unexpired leases and executory contracts under the Plan and the relevant deadlines for submission of objections and ballots, as prescribed by this Court in the Disclosure Statement Order, has been provided as attested to in the Affidavit of Mailing of Kathy Gerber, dated March 22, 2002, and is adequate and sufficient pursuant to section 1128, Bankruptcy Rules 2002(b) and 3020 and other applicable law and rules.

B. Ballots were transmitted to holders of claims in the classes eligible to vote on the Plan (the "Voting Classes") in accordance with the Disclosure Statement Order.

C. The Debtors, with the assistance of BSI, solicited votes for the Plan from the Voting Classes in good faith and in a manner consistent with the Bankruptcy Code, the Bankruptcy Rules and the Disclosure Statement Order.

D. The Debtors, with the assistance of BSI, tabulated the dollar amount of each vote by using the higher of: (i) the amount shown in the Debtors' Schedules as liquidated, undisputed, and non-contingent; and (ii) the liquidated amount indicated in each currently undisputed proof of claim. For classifying votes, the Debtors relied on the designation for Claims: (i) contained in the Debtors' Schedules if no proof of claim was filed; or (ii) by the holder of each undisputed proof of claim. Such tabulation was in good faith and in a manner consistent with the Bankruptcy Code, the Bankruptcy Rules and the Disclosure Statement Order.

² Unless otherwise indicated, reference to a "section" means the applicable section of title 11 of the United States Code (the "Bankruptcy Code").

E. The Ballot Certification provided by BSI is consistent with Bankruptcy Rule 3018.

III. THE PLAN SATISFIES THE REQUIREMENTS OF THE BANKRUPTCY CODE

A. In accordance with Bankruptcy Rule 3016(a), the Plan is dated and identified with the name of the Debtors.

B. The classification scheme of Claims under the Plan is reasonable. Claims in each Class are substantially similar to other Claims in such Class, and thus, the Plan satisfies section 1122(a).

C. The Plan establishes the following Classes of Claims: Class 1 (Administrative Claims); Class 2 (DIP Lenders Claims); Class 3 (Mortgagee Claim); Class 4 (Other Secured Claims); Class 5 (Priority Tax Claims); Class 6 (Other Priority Claims); Class 7 (General Unsecured Claims); and Class 8 (Equity Interests). The Plan satisfies section 1123(a)(1).

D. The following classes of Claims (the "Voting Classes") are impaired and entitled to vote under the Plan: Class 3 (Mortgagee Claims), Classes 7 (General Unsecured Claims), and Class 8 (Equity Interests). All other Classes of Claims are unimpaired under the Plan. The treatment of Claims in the impaired Classes is specified in Article III of the Plan and, therefore, satisfies sections 1123(a)(2) and 1123(a)(3).

E. The Plan provides for the same treatment for each Claim of a particular Class and, therefore, satisfies section 1123(a)(4).

F. The Plan provides for adequate means for its implementation and, therefore, satisfies section 1123(a)(5).

G. The Plan provides that, where applicable, the certificates of incorporation and by-laws of the Debtors prohibit the issuance of nonvoting equity securities to the extent required by section 1123(a)(6) and, therefore, satisfies the requirements of such section.

H. The Plan provides for the selection of the directors and officers of Reorganized Frank's in a manner that is consistent with the interests of creditors and with public policy and, therefore, the Plan satisfies the requirements of section 1123(a)(7).

I. The Plan complies with the applicable provisions of the Bankruptcy Code including, without limitation, sections 1122 and 1123 and, therefore, satisfies section 1129(a)(1).

J. The Debtors, as the proponents of the Plan, have complied with the applicable provisions of the Bankruptcy Code including, without limitation, sections 1125 and 1126 and, therefore, have satisfied section 1129(a)(2).

K. The Plan has been proposed in good faith and not by any means forbidden by law and, therefore, satisfies section 1129(a)(3).

L. Any payments made or to be made by the Debtors for services or for costs and expenses in, or in connection with, the Debtors' Chapter 11 Cases, have been approved by, or are subject to the approval of, this Court as reasonable. Accordingly, the Plan satisfies section 1129(a)(4).

M. The Debtors have disclosed the names of the persons who will be the postconfirmation managers and officers of Reorganized Frank's. Accordingly, the Plan satisfies section 1129(a)(5)(A).

N. Pursuant to section 1129(a)(5)(B), the Debtors have disclosed that the Debtors' senior management and those members of senior management designated to serve as Reorganized Frank's directors are the only insiders who will be employed or retained by

Reorganized Frank's subsequent to the Effective Date. Accordingly, the Plan satisfies section 1129(a)(5)(B).

O. As no governmental regulatory commission has jurisdiction over the rates of the Debtors, the Plan satisfies section 1129(a)(6).

P. Respecting each impaired Class of Claims against the Debtors, each holder of a Claim of such Class: (a) has accepted the Plan; or (b) 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 that such holder would so receive or retain if the Debtors were to be liquidated under chapter 7 on such date. Accordingly, the Plan satisfies section 1129(a)(7).

Q. Respecting each Class of Claims designated by the Plan, either: (a) such Class has accepted the Plan; or (b) such Class is not impaired under the Plan. Accordingly, except these subclasses section 1129(a)(8) has been satisfied with respect to all Claims.

R. Except to the extent that the holder of an Allowed Claim has agreed or will agree to a different treatment of such Claim, the Plan provides that no later than the Effective Date (or as soon thereafter as reasonably practicable), the holders of Allowed Administrative Claims and Allowed Other Priority Tax Claims will receive on account of each such Claim, Cash equal to the allowed amount of each such Claim. The Plan further provides that the holders of Allowed Priority Tax Claims will receive, on account of each such Claim, no later than the Effective Date (or as soon thereafter as reasonably practicable), Cash equal to the allowed amount of such Claim. Accordingly, the Plan satisfies the requirements of sections 1129(a)(9)(A) and 1129(a)(9)(B).

S. Except to the extent that the holder of an Allowed Claim has agreed or will agree to a different treatment of such Claim, the Plan provides that respecting an Allowed

Claim of a kind specified in section 507(a)(8), no later than the Effective Date (or as soon thereafter as reasonably practicable), the holder of such Claim will receive, on account of such Claim, Cash equal to the allowed amount of such Claim. Accordingly, the Plan satisfies the requirements of section 1129(a)(9)(C).

T. As of the Confirmation Hearing, the Plan was accepted by all Classes entitled to vote to accept or reject the Plan both as to number and amount in accordance with section 1126, which acceptance has been determined without including any acceptance of the Plan by any insider holding a Claim in such Class. Accordingly, the requirements of section 1129(a)(10) are satisfied with respect to the Plan.

U. The Plan is not likely to be followed by the need for further financial reorganization of the Debtors. Accordingly, the requirements of section 1129(a)(11) are satisfied with respect to the Plan.

V. The fees payable by the Debtors to the United States Trustee or the Clerk of this Court, as provided under 28 U.S.C. § 1930(a)(6), constitute administrative expenses entitled to priority under section 507(a)(1), and the Plan's treatment of such fees satisfies section 1129(a)(12).

W. As retiree benefits, as that term is defined in section 1114, do not appear to apply to the Debtors, the Plan satisfies the requirements of section 1129(a)(13).

X. As the Debtors generally have operated as a single integrated company, and had combined business functions and consolidated financial statements, and as creditors generally ignored corporate distinctions in providing goods and services and extending credit, the requirements for substantive consolidation of the Debtors pursuant to section 105(a) have been satisfied. Such substantive consolidation is in the best interests of the Debtors, their estates,

creditors, and all other parties in interest in these Chapter 11 Cases. The relevant facts and circumstances warrant substantive consolidation of the Debtors, including, among other things, the fact that substantive consolidation of the Debtors would not have a material adverse effect on their creditors, creditors generally did not rely on the Debtors' separate corporate existence, and disentangling the Debtors' financial affairs would require substantial time, money and effort.

Y. The Debtors have demonstrated that the Debtors' entry into the Exit Facilities, including without limitation, entering, executing, delivering, filing or recording the Credit and Security Agreement with Kimco Capital Corp. ("Kimco") and Loan and Security Agreement with Congress Financial Corporation (Central) ("Congress," and together with Kimco, the "Lenders") and related loan documents, is a reasonable exercise of the Debtors' business judgment. The Credit and Security Agreement, the Loan and Security Agreement and related loan documents are collectively referred to herein as the "Exit Financing Documents".

Z. The terms and conditions of the Exit Facilities (as defined in the Plan) are found to be fair and reasonable and the consummation of the Exit Facilities is in the best interests of the Debtors' estates and creditors.

AA. The Exit Financing Documents were negotiated in good faith and at arms' length, and the status of Kimco or its affiliates as a landlord and creditor of the Debtors and as a member of the Creditors Committee was fully disclosed.

BB. As evidenced by the Ballot Certification and the record of the Confirmation Hearing, the Plan has been accepted by each Class 3 subclass and by Classes 7 and 8 of the Voting Classes in accordance with section 1126 and consistent with Bankruptcy Rule 3018 and the Disclosure Statement Order, and therefore the Plan has been accepted by at least

one impaired Class of Claims, which acceptance has been determined without including any acceptance of the Plan by any insider holding a Claim in such Class.

CC. Classes 1, 2, 4, 5, and 6 are not impaired under the Plan, and such Classes (and all holders of Claims in such Classes) are conclusively presumed to have accepted the Plan pursuant to section 1126(f).

DD. The Plan does not discriminate unfairly, and is fair and equitable, with respect to the Nonaccepting Class 3 Subclasses, within the meaning of section 1129(b)(1).

EE. Other than the Plan (including previous versions thereof), no plan has been filed in these cases. Accordingly, section 1129(c) has been satisfied.

FF. No party in interest that is a governmental unit has requested that the Court not confirm the Plan on grounds that the principal purpose of the Plan is the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act of 1933, and the principal purpose of the Plan is not such avoidance. Accordingly, the Plan satisfies section 1129(d).

GG. Pursuant to Bankruptcy Rule 9019, and in consideration of the classification, distribution and other benefits provided under the Plan, the provisions of the Plan constitute a good faith compromise and settlement of all the Claims and controversies resolved pursuant to the Plan. This Order constitutes the Court's approval of all such compromises and settlements, which, based upon the representations and informed views of counsel to the Debtors, the Creditors' Committee, and all other testimony either actually given or proffered and evidence introduced at the Confirmation Hearing and the full record of these Chapter 11 Cases, the Court finds to be fair, equitable, within the range of reasonableness and in the best interests of the Debtors, their estates, creditors and other parties in interest.

HH. The settlements embodied in the Plan and in this Order with respect to each of IBMCC, Decorative Concepts, Inc., J.E. Robert Company, Inc., CRIIMI MAE Services Limited Partnership (State Street Bank), Midland Loan Services, Inc. (LaSalle Bank, N.A.), KeyCorp Real Estate Capital Markets, Inc. (Prudential Securities), Lennar Partners, Inc. (LaSalle Bank, N.A.) and People's Bank: (i) are fair, reasonable, adequate and appropriate under the circumstances; (ii) satisfy all applicable legal standards for approval pursuant to Bankruptcy Rule 9019; and (iii) are consistent with section 1126(a)(6) of the Bankruptcy Code.

II. The objection of D&E Realty, Inc., has been resolved pursuant to a separate stipulation and order that has been presented to the Court.

JJ. The Debtors and each of their officers, directors, employees, members or agents, and each professional, attorney, financial advisor, accountant, or other professional employed by any of them and the Creditors' Committee and its members, and any professionals, attorneys, financial advisors, accountants or other professionals employed by such parties have acted in good faith and in compliance with the applicable provisions of the Bankruptcy Code, pursuant to sections 1125(e) and 1129(a)(3), respecting the administration of the Plan, the solicitation of acceptances with regard thereto, and the property to be distributed thereunder.

KK. The Releases contained in the Plan: (i) are in the best interests of the Debtors, their estates, creditors and other parties in interest; (ii) are fair, reasonable, adequate and appropriate under the circumstances; (iii) satisfy all applicable legal standards for approval pursuant to Bankruptcy Rule 9019; (iv) are the result of arms-length, good faith bargaining; and (v) are an integral part of the Plan.

LL. Upon entry of this Confirmation Order on the docket of the Clerk of the Bankruptcy Court, all of the conditions to confirmation of the Plan, as set forth in section 8.01 of

the Plan, will either have occurred or have been waived by the necessary parties pursuant to the Plan.

MM. The modifications to the Plan as reflected in the Plan annexed hereto as Exhibit A do not (i) adversely change the treatment of claims or interests thereunder or hereunder, or (ii) require re-solicitation of the Plan.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:

General.

1. The findings of this Court set forth above and the conclusions of law stated herein shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding by Bankruptcy Rule 9014. To the extent any finding of fact shall be determined to be a conclusion of law, it shall be so deemed, and vice versa.

2. Any Objections that have not been withdrawn prior to entry of this Order or are not resolved by the relief granted herein or otherwise resolved as stated by the Debtors on the record of the Confirmation Hearing, hereby are overruled.

3. The Plan is confirmed pursuant to section 1129 of the Bankruptcy Code.

4. The record of this Confirmation Hearing is closed.

Substantive Consolidation.

5. The Debtors shall be substantively consolidated in accordance with section 4.01 of the Plan.

Discharge and Releases.

6. As of the Confirmation Date, but subject to the occurrence of the Effective Date, neither the Debtors, Reorganized Frank's, the Creditors' Committee, nor any of their respective officers, directors, members, employees, or agents (in each instance acting in such

capacity), nor any professional persons employed by any of them shall have or incur any liability to any Person for any action taken or omitted to be taken in connection with or related to the formulation, preparation, dissemination, implementation, confirmation, or consummation of the Plan, the Disclosure Statement, any contract, release, or other agreement or document created or entered into, or any other action taken or omitted to be taken in connection with the Plan or the Chapter 11 Cases, and all Claims based upon or arising out of such actions or omissions shall be forever waived and released; provided, however, that this release shall have no effect on the liability of any entity that otherwise would result from any action or omission to the extent that such action or omission is determined in a final order to have constituted willful misconduct. Creditors of the Debtors shall be enjoined from commencing or continuing any action, employment of process or act to collect, offset or recover any claim that is released as provided in this subparagraph.

7. As of the Confirmation Date (and subject to the occurrence of the Effective Date), except as otherwise specifically provided by the Plan or the Confirmation Order, any holder of a Claim shall be presumed conclusively to have released: (i) the Debtors and Reorganized Frank's, successors and assigns of the Debtors; (ii) affiliates of the Debtors, successors and assigns of such affiliates; (iii) present directors and officers; (iv) former directors and officers who held such position with any of the Debtors as of February 19, 2001; (v) agents, attorneys, advisors, financial advisors, investment bankers and employees of the Debtors and their respective affiliates; and (vi) any Person claimed to be liable derivatively through and of the foregoing, from any claim (as such term "claim" is defined in section 101(5) of the Bankruptcy Code), obligation, right, cause of action or liability (including, but not limited to, any claims arising out of any alleged fiduciary or other duty and the avoidance of preferences or fraudulent

conveyances) whether known or unknown, foreseen or unforeseen, existing or hereafter arising, based on whole or in part on any act or omission, transaction or occurrence from the beginning of time through the Effective Date in any way relating to the Debtors; *provided, however*, that this section shall have no effect on the liability of any Person that otherwise would result from any action or omission to the extent that such action or omission is determined in a Final Order to have constituted willful misconduct; *provided further, however*, that notwithstanding the release provided hereby, any claim asserted against Reorganized Frank's pursuant to section 7.04 of the Plan shall remain subject to any right of set-off that would otherwise be available to any of the Debtors or Reorganized Frank's in the absence of any such release. The release described in the preceding sentence shall be enforceable as a matter of contract against any holder of a Claim timely notified of the provisions of the Plan. Creditors of the Debtors shall be enjoined from commencing or continuing any action, employment of process or act to collect, offset or recover any claim that is released as provided herein.

8. In accordance with section 7.01 of the Plan, except as otherwise provided in the Plan or herein, in accordance with section 1141(d)(1), entry of this order acts as a discharge, effective as of the Effective Date, of all Claims against the Debtors, their respective assets or properties, which Claims arose at anytime before the entry of this Order.

9. Effective as of the Effective Date, title to all property of the Estates shall vest in and be transferred in accordance with the terms of the Plan, free and clear of all liens, Claims and encumbrances in accordance with section 1141, any prohibitions upon such transfer being null and void.

10. Other than regarding the enforcement of rights or Distributions under the Plan or to any Cash previously distributed or to be distributed on account of any Allowed Claim,

no creditor shall have recourse to: (i) Reorganized Frank's; or (ii) any property of Reorganized Frank's.

Exit Facilities.

11. Each of the Debtors and Reorganized Frank's, as the case may be, is authorized to undertake any and all acts and actions required to implement the Exit Facilities, including without limitation, entering, executing, delivering, filing or recording the Exit Financing Documents, including, without limitation, the Credit and Security Agreement with Kimco and the Loan and Security Agreement with Congress, and related loan documents, substantially in the form of such documents filed as a separate appendix hereto, as well as any other agreements, instruments, or documents necessary to implement the Exit Facilities, and no board or shareholder vote shall be required with respect thereto.

12. The parties to the respective Exit Facilities are authorized and empowered to take such steps and to execute such instruments and documents as may be necessary or required to assist in the implementation of all transactions contemplated by the Exit Facilities, including, but not limited to, the execution, delivery, filing and recording of the Exit Financing Documents and such other documents and instruments as are necessary or appropriate to effectuate, implement or consummate fully the Exit Financing Documents, the Plan or this Order.

13. The terms of the Exit Facilities as contained in section 4.03 of the Plan and the Exit Financing Documents are approved.

14. The automatic stay imposed pursuant to Bankruptcy Code §362 is vacated and modified to the extent necessary to permit (without further application to this Court) the

execution, delivery, filing and recordation of the Exit Financing Documents and all transactions contemplated by such documents with respect to the Exit Facilities.

15. The liens granted to secure the Exit Facilities shall be legal, valid and enforceable liens, as provided in the Exit Financing Documents, and the documents to be executed and delivered pursuant thereto shall constitute the legal, valid and binding obligations of Reorganized Frank's.

16. The obligations under the Exit Facilities and all related mortgages and security agreements shall, upon execution, constitute legal, valid, binding and authorized obligations of each of the parties thereto, enforceable in accordance with their terms, and as of the Effective Date, the security interests, liens and mortgages (the "Liens") granted under the Exit Facilities and any related security agreement or mortgage shall constitute a legal, valid and duly perfected first priority Lien against the Collateral (as defined in the respective Exit Financing Documents). Neither the obligations created under the Exit Facilities nor the Liens granted thereunder shall constitute a preferential transfer or fraudulent conveyance under federal or state law and will not subject the lender to any liability by reason of the incurrence of such obligation or grant of such Liens under federal or state law, including, but not limited to, successor or transferee liability. For the avoidance of any doubt, the term "Assigned Lease Proceeds" as used in the Kimco Exit Facility specifically includes (and creates a first priority Lien in) any proceeds from any future assignment, sale, lease or sublease or any other conveyance or transfer of any of such leases whether assigned, sold, leased or subleased individually or as a package with other assets, whether assigned, sold, leased or subleased as part of a merger or consolidation or "going concern" sale of the Debtors, Reorganized Frank's or any of their assets, and whether assigned, sold, leased or subleased or otherwise conveyed or

transferred pursuant to section 363 or section 365 or otherwise in any future or subsequent bankruptcy filing by Reorganized Frank's under chapter 7 or 11 of the Bankruptcy Code and regardless of whether such transaction occurs in any other bankruptcy court or in the Debtors' existing bankruptcy in this Bankruptcy Court.

17. Notwithstanding the discharge of any pre-Effective Date claim as elsewhere contemplated herein or in the Plan, the Claims of each of the lender parties to the Exit Facilities or the respective commitment letters thereto relating thereto (until subsumed within the Exit Financing Documents when executed and delivered by the parties thereto) shall not be discharged or otherwise impaired.

18. In the event an order dismissing any of the Chapter 11 Cases under section 1112 or otherwise is at any time entered, the claims, mortgages, liens and security interests granted to each of the Lenders under the Exit Facilities shall not be affected and shall continue in full force and effect in all respects and shall maintain their priorities and perfected status as provided in such documents until all obligations in respect thereof shall have been paid and satisfied in full.

19. In the event any or all of the provisions of this Order are hereafter revised, modified, vacated or stayed, such reversal, stay, modification or vacation shall not effect (i) the validity of any obligation, indebtedness or liability incurred by the Debtors to the Lenders under the Exit Financing Documents, or (ii) the validity and enforceability of any lien or priority authorized or created thereunder.

20. Notwithstanding any such reversal, stay, modification or vacation, any indebtedness incurred under the Exit Financing Documents by Reorganized Frank's prior to written notice to the respective Lenders thereunder of the effective date of such reversal, stay,

modification or vacation shall be governed in all respects by the original provisions hereof and each of the Lenders shall be entitled to all of its rights, remedies, privileges and benefits granted herein and pursuant to the Exit Financing Documents.

21. Notwithstanding any retention of jurisdiction by this Court as contemplated elsewhere in this Order or in the Plan, this Court shall not retain jurisdiction over (i) the exercise of any rights or remedies by the Lenders under the Exit Facilities or under any of the applicable instruments or agreements with respect thereto or (ii) the determination of any controversies or disputes relating thereto.

Plan Implementation.

22. Each of the Debtors and Reorganized Frank's, as the case may be, is authorized to undertake or cause to be undertaken any and all acts and actions contemplated by the Plan or required to consummate and implement the provisions of the Plan, prior to, on and after the Effective Date, including without limitation, entering, executing, delivering, filing or recording any agreements, instruments, or documents necessary to implement the Plan, including, without limitation, filing amended or new certificates of incorporation, by-laws or other corporate documents with the appropriate governmental authorities, effecting mergers necessary and advisable to establish Reorganized Frank's as a Delaware corporation conducting the business of the Debtors and qualify Reorganized Frank's to do business as a foreign corporation where it is so required to be qualified and all such actions taken or caused to be taken shall be deemed to have been authorized and approved by the Bankruptcy Court. All such actions shall be deemed to have occurred and shall be in effect pursuant to Section 303 of the Delaware General Corporation Law, Section 861 of the Michigan Business Corporations Act and Section 808 of the New York Business Corporation Law and the Bankruptcy Code, without any

requirement of further action by the stockholders or directors of the Debtors or Reorganized Frank's. Pursuant to Section 303 of the Delaware General Corporation Law, Section 861 of the Michigan Business Corporations Act and Section 808 of the New York Business Corporation Law and notwithstanding the provisions of Sections 623 and 907(e)(2)(F) of the New York Business Corporation Law, the shareholders of FNC will not be entitled to receive any amount of payment for their shares.

23. On the Effective Date, the appropriate officers of Reorganized Frank's and members of its board of directors shall be authorized and directed to execute and deliver the agreements, documents and instruments contemplated by the Plan in the name of and on behalf of Reorganized Frank's.

24. Each federal, state, commonwealth, local, foreign or other governmental agency is hereby directed and authorized to accept any and all documents, mortgages and instruments necessary or appropriate to effectuate, implement or consummate the transactions contemplated by the Plan, this Order and the Exit Financing Documents.

25. Upon the occurrence of the Effective Date, the Plan shall be deemed substantially consummated.

Plan Distributions

26. Commencing on or as of the Effective Date, Distributions to holders of Allowed Claims shall be effectuated pursuant to the Plan.

27. Notwithstanding any provision in the Plan to the contrary, no partial payments or partial distributions shall be made to a holder of a Disputed Claim until such Claim becomes an Allowed Claim, in whole or in part. After a Disputed Claim (or portion thereof)

becomes an Allowed Claim, the holder of such Allowed Claim shall receive all Distributions to which such holder is entitled under the Plan.

28. In the absence of contrary written notice of assignment or change of address, the Debtors shall make Distributions to the holders of Allowed Claims at the Claimant's address set forth in the Claimant's proof of claim or other writing most recently filed with the Bankruptcy Court or received by the Debtors, and if no such proof of claim or writing has been filed or received, then the address set forth in the Debtors' schedules.

29. All cash payments to be made by the Debtors to holders of Allowed Claims shall be made, at the Debtors' option, either by: (i) check made payable to the holder of the Allowed Claim and mailed by regular first class mail; or (ii) by wire transfer of immediately available funds. All Distributions made to holders of Allowed Claims by check shall be deemed made when deposited by the Debtors in the United States mail.

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Claims Resolution and Treatment.
This Document is the property of the Lake County Recorder!

30. After the Confirmation Date, a Claim may not be filed or amended without authorization of the Court and, even with such Court authorization, may be amended by the holder of such Claim solely to decrease, but not to increase, the amount or priority of such Claim. Unless otherwise provided herein, any new or amended Claim filed after the Confirmation Date shall be void unless the Claim holder has obtained prior Court authorization for the filing.

31. Unless otherwise ordered by the Court, the Debtors and Reorganized Frank's shall have the right to object to the allowance of any Claim, including any Claim listed in the Schedules or filed with the Bankruptcy Court; provided that subject to further extension by the Bankruptcy Court with or without notice, objections to Claims shall be filed and served on

the applicable holder of such Claim no later than 180 days after the later of: (a) the Effective Date; and (b) the filing of the relevant Claim.

32. After the Effective Date, Reorganized Frank's shall have the authority to file, settle, compromise, withdraw, or litigate to judgment objections to Claims.

33. After the Effective Date, except as otherwise provided in the Plan, or in any contract, instrument, release or other agreement entered into in connection with the Plan or by order of the Court, in accordance with section 1123(b), Reorganized Frank's shall retain and may enforce any claims, rights and causes of action that the Debtors or their respective estates may hold, other than any claims or causes of action that are released pursuant to the Plan.

34. In accordance with the Plan, the treatment accorded to Claims pursuant to the Plan shall be in full satisfaction, settlement and release of such respective Claims.

35. With respect to the Reclamation Claim asserted by Decorative Concepts, nothing in this Order shall affect any right Decorative Concepts may otherwise have under section 546(c) provided that Decorative Concepts files a motion or other proceeding with the Court seeking to allow such claim within 45 days of entry of this Order, in which event the appropriate treatment of Decorative Concepts's Claim shall be determined by further order of this Court resolving such motion or other proceeding, and such claim, if allowed, will be treated as a Class 1 Administrative Claim.

36. Nothing in this Order or the Plan shall affect: (a) any right of the Parkers to pursue the proceeds of any insurance policy based upon any claim against the Debtors; or (b) the validity or the amount of any proof of claim filed by the Parkers against the Debtors.

Professional Fees.

37. All applications for payment of fees and reimbursement of expenses by professionals retained in these Chapter 11 Cases as well as parties seeking compensation pursuant to section 503 must be filed with the Court by the date that is no later than thirty (30) days after the Effective Date (or, if such date is not a Business Day, by the next Business Day thereafter). Any Person or entity that fails to file such an application or request on or before such date shall be forever barred from asserting such Claim against any of the Debtors or Reorganized Frank's or their property, and the holder thereof shall be enjoined from commencing or continuing any action, employment of process or act to collect, offset or recover such Claim. Applications for approval of professionals' fees not previously awarded during the pendency of the Chapter 11 Cases may be included in such professionals' final applications as set forth herein and in the Plan. Objections, if any, to Fee Claims shall be filed and served not later than five (5) business days prior to the date set by the Court for the hearing to consider such requests. Notwithstanding the foregoing, Morgan Lewis & Bockius LLP ("MLB"), counsel for Kimco, shall not be required to file a fee application; however, MLB's fees remain subject to the reasonableness standard of the Bankruptcy Code and the Court retains jurisdiction to hear any dispute relating thereto.

Executory Contracts and Leases.

38. As of the Confirmation Date, but subject to the occurrence of the Effective Date, all executory contracts and unexpired leases of the Debtors listed in Schedule 6.02, as amended, to the Plan shall be assumed, pursuant to sections 365 and 1123 except: (i) any executory contracts and unexpired leases that are the subject of separate motions to reject filed pursuant to section 365 by the Debtors before the entry of the Confirmation Order; (ii) all

executory contracts or unexpired leases rejected under the Plan or by order of the Court entered before the Effective Date; (iii) any executory contract or unexpired lease that is the subject of a dispute over the amount or manner of cure pursuant to section 6.02 of the Plan and for which the Debtors make a motion to reject such contract or lease based upon the existence of such dispute filed at any time; and (iv) any agreement, obligation, security interest, transaction or similar undertaking that the Debtors believe is not executory or a lease that is later determined by the Court to be an executory contract or unexpired lease that is subject to assumption or rejection under section 365, which agreements shall be subject to assumption or rejection within thirty (30) days of any such determination. Any order entered after the Confirmation Date by the Court, after notice and a hearing, authorizing the rejection of an executory contract or unexpired lease shall cause such rejection to be a prepetition breach under sections 365(g) and 502(g), as if such relief was granted and such order was entered prior to the Confirmation Date. Listing a contract or lease in Schedule 6.02 shall not constitute an admission by the Debtors that such contract or lease, including related agreements, is an executory contract or unexpired lease or that the Debtors have any liability thereunder. If the Debtors and the non-debtor party to a lease or contract or Schedule 6.02 are unable to agree on the cure amount for such lease or contract, then the Debtors shall have the option to reject such lease or contract or seek a judicial determination of the cure amount (after which, if the cure amount is unacceptable to the Debtors, they may reject the lease or contract).

39. The Debtors are authorized and directed to assume that certain Term Lease Master Agreement No. G412024 between IBMCC and Frank's, any and all Term Lease Master Supplements thereto, and any amendments and addenda thereto, as amended by the

Letter Agreement between IBMCC and Frank's, dated May 2, 2002 and filed on May 7, 2002, which hereby is approved.

40. Any claims arising out of the rejection of any executory contract or unexpired lease pursuant to the Plan (the "Rejection Damage Claims") must be filed with the Bankruptcy Court no later than thirty (30) days after the later of: (i) notice of entry of any order approving the rejection of such contract or lease; and (ii) notice of entry of the Confirmation Order. All amendments to Schedule 6.02 to the Plan filed herewith are hereby authorized and approved, with deleted executory contracts being deemed rejected by the Debtors and any resulting damage claims required to be filed and treated in accordance with the Plan and this Order.

41. The Debtors shall provide notice of the rejection pursuant to the Plan of an executory contract or unexpired lease to the non-debtor party. Any Rejection Damage Claim not filed timely shall be forever barred from assertion against the Debtors. Unless otherwise ordered by the Bankruptcy Court, all Allowed Rejection Damage Claims shall be treated as Class 7 (General Unsecured Claims) Claims.

42. The Debtors shall have until ninety (90) days after the date of rejection of any Lease of real property under the Plan (or such longer period as the parties may agree) to vacate the premises subject to such Lease and to surrender the Premises to the relevant landlord. The rent for the period between rejection of the subject Lease and surrender of the premises shall be the stated rent under the applicable Lease or such lesser amount as may be ordered by the Court.

Taxes.

43. Pursuant to section 1146(c): (i) the issuance, transfer or exchange of any securities, instruments or documents; (ii) the creation of any other lien, mortgage, deed of trust or other security interest, including, without limitation, in connection with the Exit Facilities; or (iii) the delivery of any instrument, lease, deed, pledge, deed of trust or other instrument of transfer, the Exit Facilities and documents related thereto, bill of sale, financing statement or assignment executed in connection with the Plan or the Exit Facilities or the revesting, transfer or sale of any real or personal property of the Debtors pursuant to, an implementation of, or as contemplated in the Plan (including, without limitation, the sale of real property associated with any store location closed by the Debtors prior to the Effective Date), or (c) issuance, renewal, modification or securing of the Exit Facilities by any means and the making, delivery or recording of any mortgage, pledge, deed, financing statement, bill of sale, assignment or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including, without limitation, this Confirmation Order, shall not be subject to any stamp tax, transfer tax, intangible tax, recording fee, or similar tax, charge or expense to the fullest extent provided for under section 1146(c).

44. All filing and recording officers are hereby directed to accept for filing or recording all instruments of transfer (including, but not limited to, mortgages in connection with the Exit Facilities) to be filed and recorded in accordance with Exit Financing Documents or the Plan, as applicable, and the exhibits thereto, without payment of any such taxes. This Court retains jurisdiction to enforce the foregoing direction, by contempt proceedings or otherwise.

Notice.

45. The Debtors or their authorized agent(s) shall serve a notice of entry of this Order, as provided in Bankruptcy Rule 2002(f)(7), to all creditors previously served with notice of the Confirmation Hearing within ten (10) business days from the date of entry of this Order.

Miscellaneous.

46. Nothing contained herein shall affect the rights, liens and priorities of the DIP Lenders under the final Order, dated March 8, 2001, approving the DIP Facility.

47. This Court hereby retains jurisdiction in the Chapter 11 Cases:
(a) pursuant to and for the purposes of section 105(a) and 1127; and (b) as set forth in section 9.01 of the Plan, which is incorporated herein by reference.

48. The Debtors' right to modify or revoke and withdraw the Plan shall be reserved, if the Debtors are for any reason unable to consummate the Plan after the Confirmation Date, at any time up to the Effective Date. If the Debtors revoke and withdraw the Plan: (a) nothing contained herein or in the Plan shall be deemed to constitute a waiver or release of any claims by or against the Debtors or to prejudice in any manner the rights of the Debtors or any Persons in any further proceeding involving the Debtors; and (b) the result shall be the same as if this Order were not entered, the Plan was not filed and no actions were taken to effectuate it.

49. If any of the provisions of this Order are hereafter modified, vacated or stayed, such stay modification or vacation shall not affect the validity or enforceability of any obligation, indebtedness, liability, priority or lien incurred by Reorganized Frank's prior to the effective date of such stay, modification or vacation.

Notice.

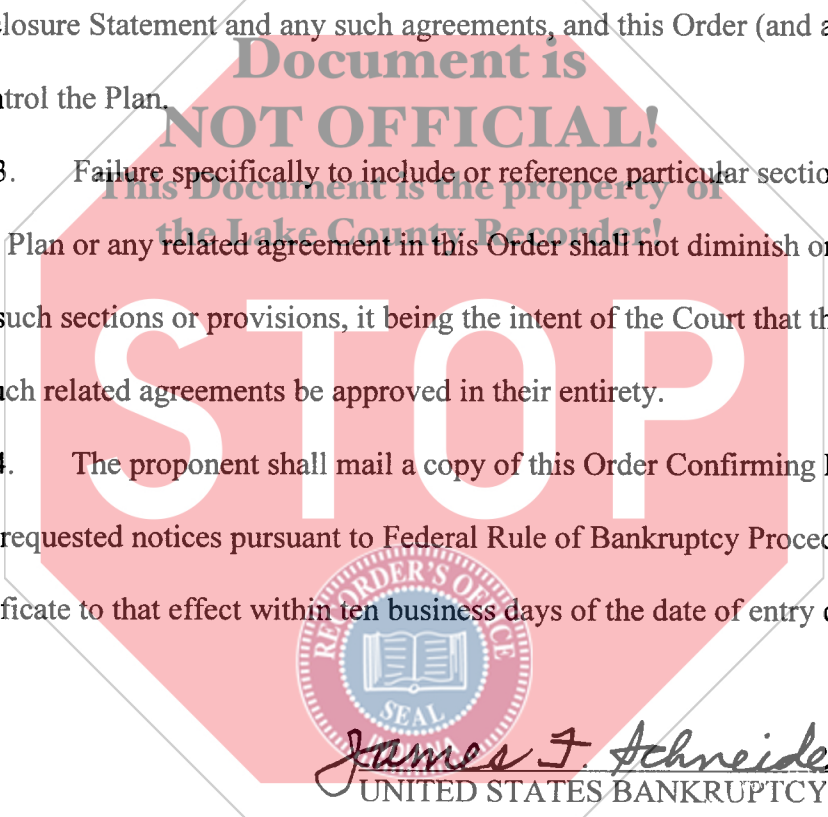
50. Except as otherwise provided in the Plan, notice of all subsequent pleadings in these Chapter 11 Cases shall be limited to the Creditors' Committee (until terminated), the United States Trustee, and any party known to be directly affected by the relief sought.

51. The provisions of Federal Rule of Civil Procedure 62(a) and Bankruptcy Rules 3020(e) and 7062 shall not apply to this Confirmation Order, and the Debtors are authorized to consummate the Plan immediately upon entry of this Order.

52. To the extent this Order and/or the Plan is inconsistent with the Disclosure Statement, any other agreement entered into between the Debtors and any party, the Plan controls the Disclosure Statement and any such agreements, and this Order (and any other orders of the Court) control the Plan.

53. Failure specifically to include or reference particular sections or provisions of the Plan or any related agreement in this Order shall not diminish or impair the effectiveness of such sections or provisions, it being the intent of the Court that the Plan be confirmed and such related agreements be approved in their entirety.

54. The proponent shall mail a copy of this Order Confirming Plan to all parties that have requested notices pursuant to Federal Rule of Bankruptcy Procedure 2002 and file herein a certificate to that effect within ten business days of the date of entry of this Order.



WHEN RECORDED RETURN TO:
Fidelity National Title Insurance Company
100 W. Big Beaver Rd., Suite 140, Troy, MI, 48084

I hereby certify that the foregoing is a true copy of the original thereof now on file in this office.

Dated this 10th day of May 2012
[Signature]
Clerk, U.S. Bankruptcy Court
for the District of Maryland

Alan Lipkin, Esquire
Willkie Farr & Gallagher
787 Seventh Avenue
New York, New York 10019-6099

Paul M. Nussbaum, Esquire
Whiteford, Taylor & Preston, L.L.P.
Seven Saint Paul Street, Suite 1400
Baltimore, Maryland 21202

Joel I. Sher, Esquire
Shapiro Sher & Guinot
20th Floor
36 South Charles Street
Baltimore, Maryland

Office of the U.S. Trustee
300 West Pratt Street
Suite 350
Baltimore, Maryland 21201

1422668



Store #9

Issued By:

Chicago Title Insurance Company

Schedule A (cont'd)

The land referred to in this Commitment is described as follows:

Parcel 1:

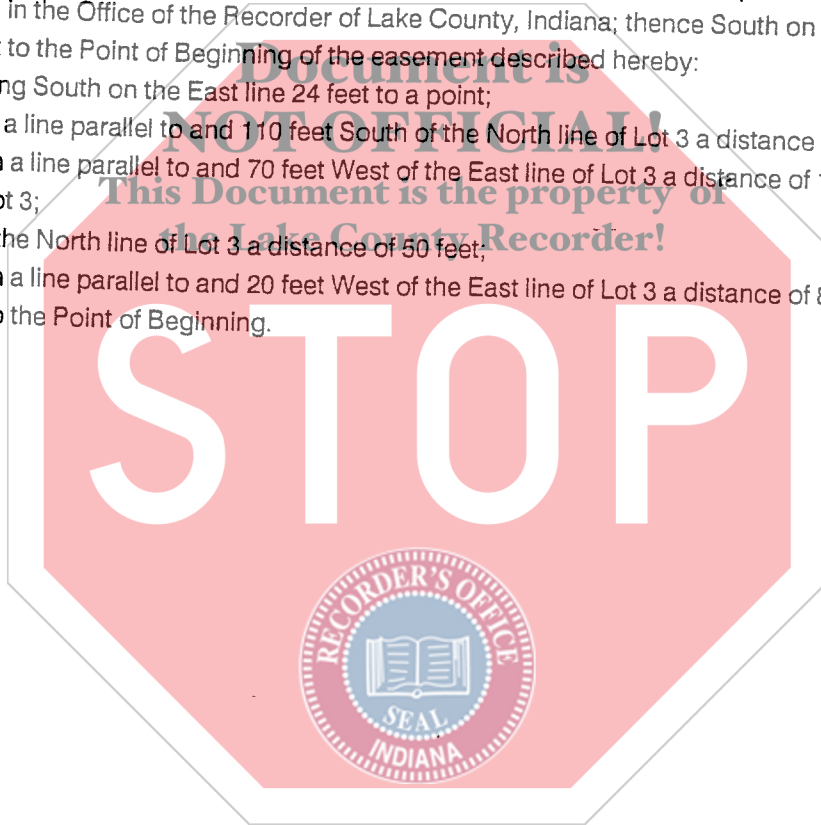
Lots 2 and 3 in Eastlake Industrial Park, as per plat thereof, recorded in Plat Book 53, page 47 in the Office of the Recorder of Lake County, Indiana.

Parcel 2:

The right to use an non-exclusive easement for ingress and egress created by access agreement by and between Home Depot, U.S.A., Inc., a Delaware Corporation and Frank's Nursery Crafts, Inc., a Michigan Corporation, upon the terms and conditions therein provided; recorded February 16, 1995 as Document No. 95008500 over the following described parcel of land:

Commencing at the Northeast corner of Lot 3 of Southlake Plaza according to the plat thereof recorded in Plat Book 73, page 30, in the Office of the Recorder of Lake County, Indiana; thence South on the East line of Lot 3 a distance of 86 feet to the Point of Beginning of the easement described hereby:

- 1) thence continuing South on the East line 24 feet to a point;
- 2) thence West on a line parallel to and 110 feet South of the North line of Lot 3 a distance of 70 feet to a point;
- 3) thence North on a line parallel to and 70 feet West of the East line of Lot 3 a distance of 110 feet more or less to the North line of Lot 3;
- 4) thence East on the North line of Lot 3 a distance of 50 feet;
- 5) thence South on a line parallel to and 20 feet West of the East line of Lot 3 a distance of 86 feet; thence East 20 feet more or less to the Point of Beginning.



This Commitment is valid only if Schedule B is attached.