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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----X	:	
In re:	:	Chapter 11
	:	
OGDEN NEW YORK SERVICES, INC., <u>et al.</u> ,	:	Case No. 02-40826 (CB), et al.
	:	
Debtors and Debtors in Possession	:	(Jointly Administered)
	:	
-----X	:	

**JOINT PLAN OF REORGANIZATION OF COVANTA TAMPA BAY, INC.  
AND COVANTA TAMPA CONSTRUCTION, INC.  
UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

April 2, 2004

Covanta Tampa Bay, Inc. (“CTB”) and Covanta Tampa Construction, Inc. (“CTC”) (each a “Reorganizing Debtor” and collectively, the “Reorganizing Debtors”), as debtors and debtors in possession under chapter 11 of title 11 of the United States Code, in their separate cases, which have been consolidated for procedural purposes only under the lead case Ogden New York Services, Inc., Case No. 02-40826 (CB), hereby propose and file their Joint Plan of Reorganization.

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## INTRODUCTION

This Plan provides for the restructuring of the Reorganizing Debtors, pursuant to which creditors of the Reorganizing Debtors will receive the Cash proceeds of the TBW Settlement and all Claims against the Reorganizing Debtors will be resolved.

Reference is made to the Disclosure Statement accompanying this Plan, including the Exhibits thereto, for a discussion of the Reorganizing Debtors' history, business, results of operations and properties, and for a summary and analysis of the Reorganization Plan. All creditors are encouraged to consult the Disclosure Statement and read this Plan carefully.

NO SOLICITATION MATERIALS, OTHER THAN THE DISCLOSURE STATEMENT AND RELATED MATERIALS TRANSMITTED THEREWITH AND APPROVED BY THE COURT, HAVE BEEN AUTHORIZED BY THE COURT.

## ARTICLE I

### DEFINITIONS AND INTERPRETATION

1.1 Definitions. In addition to such other terms as are defined in other Sections of this Plan, the following terms (which appear herein as capitalized terms) shall have the meanings set forth below, such meanings to be applicable to both the singular and plural forms of the terms defined. A term used in this Plan and not defined herein or elsewhere in this Plan, but that is defined in the Bankruptcy Code has the meaning set forth therein.

“Administrative Expense Claim” means a Claim under Sections 503(b), 507(a)(1), 507(b) or 1114(e)(2) of the Bankruptcy Code, including, without limitation, any actual and necessary expenses incurred after the applicable Petition Date for preserving the assets of the Reorganizing Debtors, any actual and necessary costs and expenses of operating the businesses of the Reorganizing Debtors incurred after the applicable Petition Date, all compensation and reimbursement of expenses allowed by the Court under Sections 330, 331 or 503 of the Bankruptcy Code (except as otherwise provided in Section 2.3(a) of this Plan) and any reclamation claims arising under Section 546(c) of the Bankruptcy Code.

“Administrative Expense Claim Bar Date” means the date that is thirty (30) days following the Effective Date. The Administrative Expense Claim Bar Date shall apply to all holders of Administrative Expense Claims not satisfied prior to the Administrative Expense Claim Bar Date, except that the Administrative Expense Claim Bar Date shall not apply to holders of the following limited types of claims: (a) United States Trustee Claims; (b) post-petition liabilities incurred and payable in the ordinary course of business by any Reorganizing Debtor; or (c) fees and expenses incurred by (i) Retained Professionals, (ii) Persons employed by the Reorganizing Debtors or serving as independent contractors to the Reorganizing Debtors in connection with their reorganization efforts, including, without limitation, any Retained Reorganization Professional and the Balloting Agent.

“Allowed” means, with reference to the portion of any Claim (other than Administrative Expense Claims) or Equity Interest and with respect to each Reorganizing Debtor, (a) any such Claim against or Equity Interest in such Reorganizing Debtor which has been listed by a

Reorganizing Debtor in its Schedules, as such Schedules have been or may be amended or supplemented by a Reorganizing Debtor from time to time in accordance with Bankruptcy Rule 1009, as liquidated in amount and not disputed or contingent and for which no contrary proof of claim or interest has been filed, or which has been deemed Allowed pursuant to the provisions of this Plan, (b) any Claim or Equity Interest allowed (i) under this Plan or under any settlement agreement incorporated or otherwise implemented by this Plan, (ii) by Final Order, or (iii) as to which the liability of each Reorganizing Debtor and the amount thereof are determined by a final, non-appealable order of a court of competent jurisdiction other than the Court or (c) as to which a proof of claim has been timely filed before the applicable Bar Date in a liquidated amount with the Court pursuant to the Bankruptcy Code or any order of the Court, provided that (i) no objection to the allowance of such Claim or notice to expunge such Claim has been interposed by the Reorganizing Debtors, the United States Trustee or any other party in interest as permitted under the Bankruptcy Code before any final date for the filing of such objections or motions set forth in this Plan, the Confirmation Order or other order of the Court or (ii) if such objection or motion has been filed and not withdrawn, such objection or motion has been overruled by a Final Order (but only to the extent such objection or motion has been overruled). Except as expressly stated in this Plan or as provided under Section 506(b) of the Bankruptcy Code or a Final Order of the Court, an Allowed Claim shall not include interest on the principal amount of any Claim accruing from and after the applicable Petition Date or any fees (including attorneys' fees), costs or charges (including late payment charges) related to any Claim accruing from or after the applicable Petition Date.

“Allowed Administrative Expense Claim” means the portion of any Administrative Expense Claim (including any interest for which the Reorganizing Debtors are legally obligated) that is (i) incurred or arising after the applicable Petition Date and prior to the Effective Date, (ii) for those Administrative Expense Claims as to which the Administrative Expense Claim Bar Date is applicable, which has been filed before the Administrative Expense Bar Date, and (iii) as to which no objection to the allowance of such Administrative Expense Claim has been filed or other dispute has been raised by the Reorganizing Debtors, the United States Trustee or any other party in interest as permitted under the Bankruptcy Code.

“Allowed Class Claim” means an Allowed Claim in the specified Class.

“Allowed Priority Tax Claim” means any Claim that is Allowed pursuant to Section 2.4 of this Plan.

“Assets” means as to each Reorganizing Debtor all of the assets, property, interests (including the equity interests of each and every Reorganizing Debtor) and effects, real and personal, tangible and intangible, wherever located, of such Reorganizing Debtor.

“Ballot” means the ballot that accompanies the Disclosure Statement upon which holders of Impaired Claims entitled to vote on the Reorganization Plan shall indicate their acceptance or rejection of the Reorganization Plan.

“Ballot Deadline” means the date and time set by the Court by which the Balloting Agent must receive all Ballots.

“Balloting Agent” means Bankruptcy Services LLC (“BSI”) or such other entity authorized by the Court to distribute, collect and tally Ballots.

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

“Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure promulgated by the United States Supreme Court under 28 U.S.C. § 2075 and the local rules of the Court (including any applicable local rules and standing and administrative orders of the Court), as now in effect or hereafter amended, as applicable to the Chapter 11 Cases.

“Bar Date” means the applicable date or dates fixed by the Court or this Plan for filing proofs of claim or interests in the Reorganizing Debtors’ Chapter 11 Cases.

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

“Cash” means lawful currency of the United States, including cash equivalents, bank deposits, checks and other similar items, unless otherwise indicated.

“Causes of Action” means as to each Reorganizing Debtor all claims and causes of action now owned or hereafter acquired by such Reorganizing Debtor, whether arising under any Section of the Bankruptcy Code or other federal or state law, including, without limitation, causes of action for preferences, fraudulent conveyances, and other avoidance power claims arising under Sections 544, 545, 547, 548, 549, 550, 551, 553(b) or other Sections of the Bankruptcy Code.

“Chapter 11 Cases” means the voluntary cases under Chapter 11 of the Bankruptcy Code commenced by each Reorganizing Debtor currently pending before the Court under the caption In re Ogden Services New York, Inc. et. al., Case Nos. 02-40826 (CB), et al.

“Claim” has the meaning set forth in Section 101 of the Bankruptcy Code, whether or not asserted.

“Claims Objection Deadline” means that day which is one hundred eighty (180) days after the Effective Date, as the same may be extended from time to time by the Court, without further notice to parties in interest.

“Class” means any group of similar Claims or Equity Interests described in Article IV of the Plan in accordance with Section 1123(a)(1) of the Bankruptcy Code.

“Collateral” means as to each Reorganizing Debtor any property or interest in property of the estate of the Reorganizing Debtor subject to a Lien to secure the payment or performance of an Allowed Claim, which Lien is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or applicable state law.

“Confirmation Date” means the date on which the clerk of the Court enters the Confirmation Order on the docket, within the meaning of Bankruptcy Rules 5003 and 9021.



“Confirmation Hearing” means the hearing held by the Court to consider confirmation of the Plan pursuant to Section 1128 of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.

“Confirmation Order” means the order of the Court confirming the Plan pursuant to Section 1129 of the Bankruptcy Code, together with any subsequent orders, if any, pursuant to Sections 1127 and 1129 of the Bankruptcy Code approving modifications to the Plan, which in each case shall be in form and substance satisfactory to the Reorganizing Debtors.

“Court” collectively means the United States Bankruptcy Court for the Southern District of New York and, to the extent it may exercise jurisdiction over the Chapter 11 Cases, the United States District Court for the Southern District of New York or if either such court ceases to exercise jurisdiction over the Chapter 11 Cases, such other Court or adjunct thereof that exercises competent jurisdiction over the Chapter 11 Cases or any proceeding therein.

“Covanta” means Covanta Energy Corporation, a debtor reorganized pursuant to the plan of reorganization confirmed by the Court on March 5, 2004, and the ultimate corporate parent directly or indirectly holding an interest in all the debtors in the Chapter 11 Cases including, without limitation, the Reorganizing Debtors.

“Covanta Administrative Expense Claim” means the Administrative Expense Claim of Covanta for funds advanced and services provided to the Reorganizing Debtors during the pendency of the Reorganizing Debtors’ Chapter 11 Cases, not including any Secured Claims arising under the DIP Financing Facility, which shall be deemed Allowed on the Confirmation Date in the amount of Three Million Four Hundred Thousand Dollars (\$3,400,000.00).

“CTB” means Covanta Tampa Bay, Inc.

“CTC” means Covanta Tampa Construction, Inc.

“DIP Financing Facility” means the Post-Petition Credit Agreement, dated as of March 10, 2004, among the Reorganizing Debtors and the DIP Lender, as it has been or may be amended and modified from time to time, and as approved and extended by order of the Court.

“DIP Lender” means Covanta, in its capacity as a Lender under the DIP Financing Facility.

“Disbursing Agent” means the Reorganized Debtors, in their capacity as disbursing agent under this Plan, together with such other persons as may be selected by Reorganized Debtors in accordance with, or otherwise referred to in, Section 7.9 of this Plan.

“Disclosure Statement” means the written disclosure statement that relates to this Plan and is approved by the Court pursuant to Section 1125 of the Bankruptcy Code, as such disclosure statement has been or may be amended, modified or supplemented (and all exhibits and schedules annexed thereto or referred to therein) and that is prepared and distributed in accordance with Section 1125 of the Bankruptcy Code and Bankruptcy Rule 3018.

“Disputed Claim” means that portion (including, when appropriate, the whole) of a Claim that is not an Allowed Claim or is subject to an Estimation Request, or as to which an objection has been filed. For the purposes of the Plan, a Claim shall be considered a Disputed Claim in its entirety before the time that an objection has been or may be filed, if: (a) the amount or classification of the Claim specified in the relevant proof of claim exceeds the amount or classification of any corresponding Claim scheduled by the relevant Reorganizing Debtor in its Schedules; (b) any corresponding Claim scheduled by a Reorganizing Debtor has been scheduled as disputed, contingent or unliquidated in its Schedules, or (c) no corresponding Claim has been scheduled by a Reorganizing Debtor in its Schedules.

“Disputed Claims Reserve” means the reserve established by the Reorganizing Debtors pursuant to Section 7.4 of the Plan, with respect to each Class of Claims entitled to Distributions under the Plan in which the Reorganizing Debtors determine that there exist any Disputed Claims in such Class, in order to make Distributions in an amount such that, if such Disputed Claims were to become Allowed Claims, there will be sufficient Cash to pay all of such Disputed Claims with respect to each such Class of Claims in accordance with the provisions of this Plan. The Disputed Claims Reserve is to be maintained under this Plan, as set forth more fully in Article VII of this Plan.

“Distribution” means any distribution by the Reorganizing Debtors to the holders of, and on account of, Allowed Claims.

“Distribution Address” means (i) the address of the holder of a Claim set forth in the relevant proof of claim, (ii) the address set forth in any written notices of address change delivered to the Disbursing Agent after the date of any related proof of claim, or (iii) if no proof of claim is filed in respect to a particular Claim, the address set forth in the relevant Reorganizing Debtor's Schedules, or register maintained for registered securities.

“Distribution Date” means any of the following dates: (a) the Initial Distribution Date, (b) from the Initial Distribution Date until the Final Distribution Date, thirty (30) calendar days after a Claim becomes Allowed, and (c) the Final Distribution Date.

“Effective Date” means a date, which is a Business Day, selected by each of the Reorganizing Debtors that is no more than ten (10) Business Days following the date on which all conditions set forth in Section 10.1 and 10.2 of this Plan have been satisfied or expressly waived pursuant to Section 10.3 of this Plan.

“Equity Interest” means as to each Reorganizing Debtor, any equity security, partnership interest or share of common stock or other instrument evidencing an ownership interest in such Reorganizing Debtor, regardless of whether it may be transferred, and any option, warrant or right, contractual or otherwise, to acquire an ownership interest or other equity security in such Reorganizing Debtor and shall include any redemption, conversion, exchange, voting participation, dividend rights and liquidation preferences relating thereto.

“Estate” means as to each Reorganizing Debtor, the estate which was created by the commencement of such Reorganizing Debtor's Chapter 11 case pursuant to Section 541 of the Bankruptcy Code, and shall be deemed to include, without limitation, any and all privileges of

such Reorganizing Debtor and all interests in property, whether real, personal or mixed, rights, Causes of Action, avoidance powers or extensions of time that such Reorganizing Debtor or such estate shall have had effective as of the commencement of the case, or which such estate acquired after the commencement of the case, whether by virtue of Sections 544, 545, 546, 547, 548, 549 or 550 of the Bankruptcy Code or otherwise.

“Estimation Request” means a request for estimation of a Claim in accordance with the Bankruptcy Code and the Bankruptcy Rules.

“Final Distribution Date” means with respect to each Reorganizing Debtor, the last date on which a Distribution is to be made.

“Facility” means the seawater desalination plant owned by Tampa Bay Water located at Apollo Beach, Florida and all of its components and processes, including but not limited to the pre-treatment, desalination and post-treatment/stabilization processes; the influent connection and pipelines; intake and concentrate discharge; and its storage and transmission system to the point of interconnection with Tampa Bay Water’s Regional Surface Water Treatment Plant.

“Final Order” means an order or judgment of the Court, as entered on the docket of the Court, that has not been reversed, stayed, modified, or amended, and as to which: (a) the time to appeal, seek review or rehearing or petition for certiorari under the Bankruptcy Rules has expired and no timely filed appeal or petition for review, rehearing, remand or certiorari is pending; or (b) any appeal taken or petition for certiorari filed has been resolved by the highest Court to which the order or judgment was appealed or from which certiorari was sought, provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or other rules governing procedure in cases before the Court, may be filed with respect to such order or judgment shall not cause such order or judgment not to be a Final Order.

“Governmental Unit” shall have the meaning ascribed thereto in Section 101(27) of the Bankruptcy Code.

“Impaired” means, when used with reference to an Allowed Claim or an Allowed Equity Interest, a Claim or Equity Interest that is impaired within the meaning of Section 1124 of the Bankruptcy Code.

“Initial Distribution Date” means the date that is the later of (i) the Effective Date (or soon thereafter as reasonably practicable, but in no event later than thirty (30) calendar days after the Effective Date) and (ii) the first Business Day after the date that is thirty (30) calendar days after the date any Claims become Allowed Claims or otherwise become payable under the Plan.

“Intercompany Claims” means all Unsecured Claims against a Reorganizing Debtor asserted by any Person that was an Affiliate of such Reorganizing Debtor as of the applicable Petition Date.

“Judgment Reduction Protection” has the meaning set forth in Section 7.19 of this Plan.

“Lien” has the meaning set forth in Section 101(37) of the Bankruptcy Code.

“Net Settlement Funds” means the balance of the Settlement Funds remaining after the payment of all Allowed Administrative Expense Claims, Priority Tax Claims, and Priority Non-Tax Claims, and costs of administration of the Reorganizing Debtors’ Estates.

“Notice Agent” means Bankruptcy Services LLC (“BSI”) or such other entity authorized by the Court to distribute notices relating to the confirmation of this Plan.

“Person” has the meaning provided in Section 101(41) of the Bankruptcy Code and includes, without limitation, any individual, corporation, partnership, association, indenture trustee, organization, joint stock company, joint venture, estate, trust governmental unit or any political subdivision thereof, Equity Interest holders, holders of Claims, current or former employees of any Reorganizing Debtor, or any other entity.

“Petition Date” means, with respect to CTB, April 1, 2002, and with respect to CTC, October 29, 2003, the dates on which the Reorganizing Debtors filed their petitions for relief under Chapter 11 of the Bankruptcy Code.

“Plan” means this Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code, including, without limitation, all documents referenced herein and all exhibits, supplements, appendices and schedules hereto, either in its present form or as the same has been or may be altered, amended, modified or supplemented from time to time.

“Priority Non-Tax Claim” means any Claim entitled to priority pursuant to Section 507(a) of the Bankruptcy Code, other than (a) an Administrative Expense Claim or (b) a Priority Tax Claim.

“Priority Tax Claim” means any Claim of a Governmental Unit of the kind entitled to priority in payment as specified in Sections 502(i) and 507(a)(8) of the Bankruptcy Code.

“Pro Rata Class Share” means the proportion that the amount of any Claim bears to the aggregate amount of such Claim and all other Claims in the same Class entitled to distributions from the same source of Cash, including Disputed Claims.

“Reorganized Debtor” means each Reorganizing Debtor on and after the Effective Date.

“Reorganized Debtor Affiliates” means Covanta and each Covanta subsidiary or affiliate in which Covanta holds or owns an interest, other than the Reorganizing Debtors.

“Reorganizing Debtors” has the meaning ascribed to such term on the first page of this Plan (each of the Reorganizing Debtors is individually referred to herein as a Reorganizing Debtor).

“Retained Professionals” means the professionals retained in these jointly administered Chapter 11 Cases pursuant to Sections 327, 328 or 1103 of the Bankruptcy Code pursuant to Final Orders of the Court.

“Schedule of Assumed Contracts and Leases” means a schedule of the executory contracts and unexpired leases to which each of the Reorganizing Debtors is a party that will be

assumed under Article VIII of the Plan, which schedule will be filed and served on the relevant parties no less than twenty-three (23) days prior to the Confirmation Hearing.

“Schedules” means the schedules of assets and liabilities and the statement of financial affairs filed by the Reorganizing Debtors as required by Sections 521 and 1106(a)(2) of the Bankruptcy Code and Bankruptcy Rule 1007, as they have been or may be amended or supplemented from time to time.

“Secured Claim” means, pursuant to Section 506 of the Bankruptcy Code, that portion of a Claim that is secured by a valid, perfected and enforceable security interest, lien, mortgage or other encumbrance, that is not subject to avoidance under applicable bankruptcy or non-bankruptcy law, in or upon any right, title or interest of any of the Reorganizing Debtors in and to property of the Estates, to the extent of the value of the holder's interest in such property as of the relevant determination date. The defined term “Secured Claim” includes any Claim that is: (i) subject to an offset right under applicable law and (ii) a secured claim against any of the Reorganizing Debtors pursuant to Sections 506(a) and 553 of the Bankruptcy Code. Such defined term shall not include for voting or Distribution purposes any such Claim that has been or will be paid in connection with the cure of defaults under an assumed executory contract or unexpired lease under Section 365 of the Bankruptcy Code.

“Settlement Funds” means the Settlement Amount, as defined in the TBW Settlement Agreement, less such part of the Settlement Amount (if any) that is determined by the Court not to be property of the Reorganizing Debtors’ Estates.

“Settlement Proceeds” means the Cash consideration received in connection with the TBW Settlement Agreement.

“Specified Personnel” means any officer, director or employee of any Reorganizing Debtor, but only if and to the extent, in each case, such party served in such capacity on or after the applicable Petition Date and prior to the Confirmation Date.

“Substantial Contribution Claims” means the claim by any creditor or party in interest for reasonable compensation for services rendered in the Chapter 11 Cases pursuant to Section 503(b)(3), (4) or (5) of the Bankruptcy Code.

“Tampa Bay Water” means Tampa Bay Water, an interlocal governmental agency of the State of Florida, created and existing pursuant to the authority of Sections 163.01, 373.1962 and 373.1963, Florida Statutes.

“TBW Settlement Agreement” means that certain Settlement Agreement dated as of February 13, 2004 among Tampa Bay Water, the Reorganizing Debtors, and Covanta, a copy of which is attached hereto as “Exhibit A” and which shall be treated as if incorporated herein.

“TBW Third Party Judgment” has the meaning set forth in Section 7.19 of this Plan.

“Third Party” means any person or entity, including without limitation any insurance, bonding, or surety entity, other than the Reorganized Debtors and the Reorganizing Debtor Affiliates, against whom Tampa Bay Water has or may assert a claim, whether now or in the

future, whether or not assigned to Tampa Bay Water by the Reorganizing Debtors or Covanta, relating to the Facility (including but not limited to claims arising from or relating to the design, engineering, construction or testing of the Facility or any of the components or processes used at or incorporated into the Facility).

“Third Party Claim” means any Claim asserted against the Reorganizing Debtors by a Third Party seeking contribution, indemnity, reimbursement or other recovery from the Reorganized Debtors on account of claims that directly or indirectly are or may be asserted against such Third Party by Tampa Bay Water (expressly including but not limited to any claims that may be assigned by the Reorganized Debtors to Tampa Bay Water pursuant to the TBW Settlement Agreement).

“Unimpaired” means, when used with reference to a Claim or Equity Interest, a Claim or Equity Interest that is not Impaired.

“United States Trustee” means the Office of the United States Trustee for the Southern District of New York.

“United States Trustee Claims” means all United States Trustee Fees accrued through the close of the Chapter 11 Cases.

“United States Trustee Fees” means all fees and charges due from the Reorganizing Debtors to the United States Trustee pursuant to Section 1930 of Title 28 of the United States Code.

“Unsecured Claim” means any Claim (including without limitation, Claims arising from the rejection of executory contracts and unexpired leases and the unsecured portion of any Secured Claim) that is not a Secured Claim, Administrative Expense Claim, Priority Tax Claim, Priority Non-Tax Claim, Intercompany Claim or Third Party Claim against the Reorganizing Debtors.

## ARTICLE II

### TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS AND PRIORITY TAX CLAIMS

2.1 Non-Classification. As provided in Section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims against the Reorganizing Debtors are not classified for the purposes of voting on or receiving Distributions under this Plan. All such Claims are instead treated separately pursuant to the terms set forth in this Article II.

#### 2.2 Administrative Expense Claims.

(a) Except to the extent that the applicable Reorganizing Debtor and a holder of an Allowed Administrative Expense Claim agree to less favorable treatment and except as set forth in Section 2.3 and 2.5 of this Plan, each Reorganizing Debtor shall pay to each holder of an Allowed Administrative Expense Claim against such Reorganizing Debtor, in full satisfaction, settlement, release and discharge of and in exchange for such Allowed Administrative Expense

Claim, Cash from the proceeds of the Settlement Funds in an amount equal to such Allowed Administrative Expense Claim on the Initial Distribution Date, provided that any such liabilities not incurred in the ordinary course of business were approved and authorized by a Final Order of the Court; provided, however, that (i) Allowed Administrative Expense Claims representing liabilities incurred in the ordinary course of business by such Reorganizing Debtor, as a debtor in possession, may be paid by the Reorganizing Debtor in the ordinary course of business, consistent with past practice and in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing, or other documents relating to such transactions, and (ii) the Covanta Administrative Claims shall be paid on the Effective Date from the proceeds of the Settlement Fund. To the extent that the Administrative Expense Claim Bar Date applies, failure to file a timely request for payment of an Administrative Expense Claim prior to the Administrative Expense Claim Bar Date shall result in the Administrative Expense Claim being forever barred and discharged.

(b) All requests for payment of an Administrative Expense Claim (other than as set forth in Section 2.3 below) that are subject to the Administrative Expense Claim Bar Date must be filed with the Court and served on counsel for the Reorganizing Debtors on or before the Administrative Expense Claim Bar Date. Unless the Reorganizing Debtors or any other party in interest permitted under the Bankruptcy Code objects to an Administrative Expense Claim by the Claims Objection Deadline, such Administrative Expense Claim shall be deemed Allowed in the amount filed. In the event that the Reorganizing Debtors or any other party in interest in the Chapter 11 Cases objects to an Administrative Expense Claim, the Court shall determine the Allowed amount of such Administrative Expense Claim. Notwithstanding the foregoing, no request for payment of an Administrative Expense Claim need be filed with respect to an Administrative Expense Claim which is incurred and payable by the Reorganizing Debtors in the ordinary course of business.

(c) Under no circumstances will the deadlines set forth above be extended by order of the Court or otherwise. Any holders of Administrative Expense Claims who are required to file a Claim or request for payment of such Claims or expenses and who do not file such Claims or requests by the applicable dates set forth in this Section 2.2 shall be forever barred from asserting such Claims or expenses against the Reorganizing Debtors, Covanta, or any of the debtors in the Chapter 11 Cases.

2.3 Compensation and Reimbursement Claims. All (i) Retained Professionals and (ii) Persons employed by the Reorganizing Debtors or serving as independent contractors to the Reorganizing Debtors in connection with their reorganization efforts that are seeking an award by the Court of compensation for services rendered or reimbursement of expenses incurred through and including the Confirmation Date under Sections 503(b)(2), 503(b)(3), 503(b)(4) or 503(b)(5) of the Bankruptcy Code (other than Substantial Contribution Claims, which are subject to Section 2.2 of this Plan) shall file and serve on counsel for the Reorganizing Debtors and as otherwise required by the Court and the Bankruptcy Code their respective final applications for allowance of compensation for services rendered and reimbursement of expenses incurred on or before the date that is forty-five (45) days after the Effective Date. Any request for payment of an Administrative Expense Claim of the type specified in this section of the Plan, which is not filed by the applicable deadline set forth above, shall be barred and discharged. The Reorganized Debtors may pay in full, within 30 days of such Claims being Allowed by the Court, such

amounts payable under this section as are Allowed by the Court, after notice and hearing, or upon such other terms as may be mutually agreed upon between the holder of such an Allowed Administrative Expense Claim and Reorganized Debtors and, in each such case, approved by the Court after notice and hearing.

#### 2.4 Priority Tax Claims.

(a) Tax Claims Solely Against Reorganizing Debtors. Each holder of an Allowed Priority Tax Claim that may be asserted solely against the Reorganizing Debtors will receive in full satisfaction, settlement, release and discharge of and in exchange for such Allowed Priority Tax Claim, Cash from the proceeds of the Settlement Funds in an amount equal to the unpaid portion of such Allowed Priority Tax Claim on or as soon as practical after the later of: (i) thirty (30) days after the Effective Date, or (ii) thirty (30) days after the date on which such Priority Tax Claim becomes Allowed.

(b) Tax Claims For Which Covanta Is Liable. Each Allowed Priority Tax Claim for which Covanta is liable in addition to a Reorganizing Debtor (including but not limited to Priority Tax Claims arising by virtue of one or more Reorganizing Debtor's status as a member of a consolidated tax group or group under common control with Covanta) will be treated in accordance with the provisions of Covanta's plan of reorganization filed in the Chapter 11 Cases and confirmed by order of the Court entered on March 5, 2004, in full satisfaction, settlement, release, and discharge of such Allowed Priority Tax Claim.

2.5 DIP Financing Facility Claims. On the Effective Date, the Reorganizing Debtors shall repay using the proceeds of the Settlement Funds all of their obligations outstanding to the DIP Lender under the DIP Financing Facility and all commitments thereunder shall automatically and irrevocably terminate with respect to the Reorganizing Debtors.

2.6 Covanta Administrative Claim. On the Effective Date, the Reorganizing Debtors shall pay the Covanta Administrative Expense Claim, in Cash from the proceeds of the Settlement Funds.

### ARTICLE III

#### CLASSIFICATION OF CLAIMS AND INTERESTS

3.1 General Rules of Classification. This Plan constitutes a Joint Plan of the Reorganizing Debtors. In accordance with Section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims, as described in Article II, have not been classified and thus are excluded from the Classes described below. The classification of Claims and Equity Interests listed below shall be applicable for all purposes, including confirmation, and distribution pursuant to the Plan. As to each Reorganizing Debtor, a Claim or Equity Interest shall be deemed classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class and shall be deemed classified in a different Class to the extent that any remainder of the Claim or Equity Interest qualifies within the description of such different Class. A Claim or Equity Interest is in a particular Class only to



the extent that such Claim or Equity Interest is Allowed in that Class and has not been paid or otherwise settled prior to the Effective Date.

## ARTICLE IV

### TREATMENT OF CLAIMS AND EQUITY INTERESTS

The following is a designation of the treatment to be accorded, with respect to each Reorganizing Debtor, to each Class of Claims and Equity Interests denominated in this Plan.

No Claim shall entitle the holder thereof to any Distribution pursuant to this Plan unless, and only to the extent that, such Claim is an Allowed Claim. All Distributions on account of Allowed Claims shall be made on the Effective Date or the applicable Distribution Date, as the case may be.

#### 4.1 Class 1 — Allowed Priority Non-Tax Claims.

(a) *Classification:* Class 1 consists of all Allowed Priority Non-Tax Claims.

(b) *Treatment:* In full settlement, release and discharge of its Class 1 Claim, each holder of an Allowed Claim in Class 1 shall receive Cash from the proceeds of the Settlement Funds in an amount equal to such Allowed Class 1 Claim on the Initial Distribution Date.

(c) *Voting:* Class 1 Claims are Unimpaired, and the holders of Allowed Class 1 Claims are conclusively presumed to accept the Plan. The votes of the holders of Class 1 Claims will not be solicited.

#### 4.2 Class 2 — Allowed Secured Claims.

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

(b) *Treatment:* On the Effective Date or as soon as practicable thereafter, at the option of the Reorganizing Debtors and in accordance with section 1124 of the Bankruptcy Code, all Allowed Secured Claims in Class 2 will be treated pursuant to one of the following alternatives: (I) the Plan will leave unaltered the legal, equitable and contractual rights to which such Allowed Secured Claim in Class 2 entitles the holder; (II) the Reorganizing Debtors or Reorganized Debtors shall cure any default that occurred before or after the Petition Date; the maturity of such Secured Claim shall be reinstated as such maturity existed prior to any such default; the holder of such Allowed Secured Claim shall be compensated for any damages incurred as a result of any reasonable reliance by the holder on any right to accelerate its claim; and the legal, equitable and contractual rights of such holder will not otherwise be altered; (III) an Allowed Secured Claim shall receive such other treatment as the Reorganizing Debtors or Reorganized Debtor and the holder of such Allowed Secured Claim shall agree; or (IV) all of the collateral for such Allowed Secured Claim will be surrendered by the Reorganizing Debtors to the holder of such Claim.

(c) *Voting:* Class 2 Claims are Impaired and the holders of Allowed Class 2 Claims are entitled to vote to accept or reject the Reorganization Plan.

4.3 Class 3 — Allowed Unsecured Claims.

(a) *Classification:* Class 3 consists of the following two Subclasses of Claims: Subclass 3A consists of all Allowed Unsecured Claims (specifically not including Third Party Claims), and Subclass 3B consists of all Allowed Intercompany Claims.

(b) *Treatment:* (i) Subclass 3A. The holders of Allowed SubClass 3A Claims shall receive their Pro Rata Class Share of the Net Settlement Funds calculated based on the amount of their Allowed Class 3 Claim on the applicable Distribution Dates.

(ii) Subclass 3B. In the event that there are sufficient Net Settlement Funds to pay all Subclass 3A Claims the Allowed amounts of such Claims in full, the holders of Subclass 3B Intercompany Claims shall receive Distributions on the applicable Distribution Dates, after all Allowed Subclass 3A Unsecured Claims have been paid in full, equal to their Pro Rata Class Share of the Net Settlement Funds remaining after paying all Allowed Subclass 3A Unsecured Claims, calculated based on the amount of their Allowed Subclass 3B Claim.

(c) *Voting:* Class 3 Claims are Impaired and the holders of Allowed Class 3 Claims are entitled to vote to accept or reject the Reorganization Plan.

4.4 Class 4 — Allowed Third Party Claims.

(a) *Classification:* Class 4 consists of all Allowed Third Party Claims.

(b) *Treatment:* The holders of any Allowed Class 4 Claims shall be entitled to the Judgment Reduction Protection described in Section 7.19 below, in full and complete satisfaction of their Allowed Class 4 Claims.

(c) *Voting:* Class 4 Claims are Impaired and the holders of Allowed Class 4 Claims are entitled to vote to accept or reject the Reorganization Plan.

4.5 Class 5 — Allowed Equity Interests in the Reorganizing Debtors.

(a) *Classification:* Class 5 consists of all Equity Interests in Reorganizing Debtors.

(b) *Treatment:* On and after the Effective Date, in consideration of, *inter alia*, Covanta's agreement to provide the DIP Financing Facility to the Reorganizing Debtors, the agreement and consent of Covanta to the terms of the TBW Settlement (including but not limited to Covanta's waiver of any claims against Tampa Bay Water), and Covanta's agreement to limit its Administrative Expense Claim to the amount of the Covanta Administrative Expense Claim, each holder of an Equity Interest shall retain such Equity Interest, together with all rights pertaining thereto.

(c) *Voting*: Class 5 Equity Interests are Unimpaired and the holders of Allowed Class 5 Equity Interests are conclusively presumed to accept the Plan. The votes of holders of Equity Interests in such Class will not be solicited.

## ARTICLE V

### ACCEPTANCE OR REJECTION OF THE PLAN

5.1 Voting of Claims. Except as otherwise indicated herein or as otherwise provided by a Final Order of the Court, each holder of an Allowed Claim in an Impaired Class of Claims shall be entitled to vote to accept or reject this Plan. For purposes of calculating the number of Allowed Claims in a Class of Claims that have voted to accept or reject this Plan under section 1126(c) of the Bankruptcy Code, all Allowed Claims in such Class held by one entity or any affiliate thereof (as defined in the Securities Act of 1933 and the rules and regulation promulgated thereunder) shall be aggregated and treated as one Allowed Claim in such Class.

5.2 Acceptance by an Impaired Class. Consistent with section 1126(c) of the Bankruptcy Code and except as provided for in section 1126(e) of the Bankruptcy Code, an Impaired Class of Claims shall have accepted this Plan if it is accepted by at least two-thirds in dollar amount, and more than one-half in number of the Allowed Claims of such Class that have timely and properly voted to accept or reject this Plan.

5.3 Presumed Acceptance of Plan. Holders of Claims in Class 1 and Equity Interests in Class 5 are Unimpaired by this Plan. In accordance with section 1126 of the Bankruptcy Code, holders of Allowed Claims in such Classes are conclusively presumed to accept this Plan and the votes of holders of such Claims will not be solicited.

5.4 Cramdown. To the extent that any Impaired Class rejects or is presumed to have rejected this Plan, the Reorganizing Debtors reserve the right to (a) request that the Court confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code, or (b) modify, alter or amend this Plan to provide treatment sufficient to assure that this Plan does not discriminate unfairly, and is fair and equitable, with respect to the Class or Classes not accepting this Plan, and, in particular, the treatment necessary to meet the requirements of subsections 1129(a) or (b) of the Bankruptcy Code with respect to the rejecting Classes and any other Classes affected by such modifications.

## ARTICLE VI

### MEANS FOR IMPLEMENTATION

#### 6.1 Actions Occurring On the Effective Date.

(a) Funding and Implementation of the Plan. On the Effective Date, Covanta and the Reorganizing Debtors shall, inter alia (i) quitclaim to Tampa Bay Water, free and clear of all liens, claims and encumbrances, all assets both tangible and intangible contemplated under the TBW Settlement Agreement to be transferred to Tampa Bay Water including without limitation all information and documents; and (ii) assign to Tampa Bay Water all Claims against parties that are not the Reorganizing Debtors or the Reorganizing Debtor Affiliates that are

required to be assigned to Tampa Bay Water under the TBW Settlement Agreement. In consideration thereof, and pursuant to the terms of the TBW Settlement Agreement, Tampa Bay Water shall (i) pay to the Reorganizing Debtors the balance of the funds required to be paid under the TBW Settlement Agreement, from which the obligations of the Reorganizing Debtors under this Plan will be funded; and (ii) grant the releases to the Reorganizing Debtors and the Reorganizing Debtor Affiliates contemplated by the TBW Settlement Agreement.

(b) Remaining Assets. At the time of payment by TBW of the Settlement Funds, each Reorganizing Debtor shall undertake and perform their obligations as specified in the TBW Settlement Agreement.

(c) Timing of Payment. For purposes of clarification, “confirmation of the Plan” and “the date on which the Bankruptcy Court confirms the Plan,” as those phrases are used in the TBW Settlement Agreement, shall mean the Effective Date of the Plan, and TBW shall not be obligated to make the balance of the payment of the Settlement Amount (as defined in the TBW Settlement Agreement) until the Effective Date of the Plan.

6.2 Settlements. Except to the extent the Court has entered a separate order providing for such approval, the Confirmation Order shall constitute an order (a) approving as a compromise and settlement pursuant to Section 1123(b)(3)(A) of the Bankruptcy Code, any settlement agreements entered into by any Reorganizing Debtor or any other Person as contemplated in confirmation of the Plan and (b) entered into or to be entered into by any Reorganizing Debtor or any other Person as contemplated by the Plan and all related agreements, instruments or documents to which any Reorganizing Debtor is a party. Without limiting the foregoing, the Confirmation Order specifically shall constitute an order approving the TBW Settlement Agreement, to the extent not previously approved by the Court.

6.3 Board of Directors and Executive Officers. The identity of each of the nominees to serve on the Board of Directors of the Reorganized Debtors shall be announced ten (10) days prior to the Confirmation Hearing. In accordance with section 1129(a)(5) of the Bankruptcy Code, as part of such announcement, the Reorganizing Debtors shall disclose the identity and affiliations of individuals proposed to serve, after the Effective Date, as a director or officer of each of the Reorganized Debtors. Such persons shall be deemed elected or appointed, as the case may be, pursuant to the Confirmation Order, and such elections or appointments, as the case may be, shall be effective on or after the Effective Date, without any requirement of further action by stockholders, other owners or directors of the Reorganized Debtors.

6.4 Continued Corporate Existence; Vesting of Assets in the Reorganized Debtors and Corporate Restructuring. Each of the Reorganizing Debtors shall, as a Reorganized Debtor, continue to exist after the Effective Date as a separate legal entity, with all powers of a corporation, limited liability company or general or limited partnership, as the case may be, under the laws of their respective states of incorporation or organization and without prejudice to any right to alter or terminate such existence (whether by merger or otherwise) under such applicable state law.

6.5 Amended Organizational Documents. On the Effective Date, the Reorganized Debtors are authorized to, and shall, without the need for any further corporate action, adopt and,

as applicable, file their respective amended organizational documents with the applicable Secretary of State. The amended organizational documents shall prohibit the issuance of nonvoting equity securities, as required by sections 1123(a) and (b) of the Bankruptcy Code, subject to further amendment as permitted by applicable law.

6.6 Reservation of Rights of the Estate. As to each Reorganizing Debtor, all claims or Causes of Action, cross-claims and counterclaims of such Reorganizing Debtor of any kind or nature whatsoever, against third parties arising before the Confirmation Date shall be preserved for the benefit of the Reorganizing Debtors, or as applicable for assignment to TBW pursuant to the TBW Settlement Agreement, except for (i) such claims or Causes of Action, cross-claims and counterclaims of the Reorganizing Debtors which have been released hereunder or pursuant to a Final Order; and (ii) claims or Causes of Action for preferential or fraudulent transfers including, without limitation, claims arising under Sections 542, 544, 545, 547, 548, 549, 550 and 553 of the Bankruptcy Code, all of which claims shall be waived as of the Effective Date.

## ARTICLE VII

### PROCEDURES FOR RESOLVING AND TREATING DISPUTED CLAIMS

7.1 No Distribution Pending Allowance. Notwithstanding any other provision of this Plan, no Distribution shall be made under this Plan on account of any Disputed Claim, unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by Final Order and the Disputed Claim, or some portion thereof, has become an Allowed Claim.

7.2 Resolution of Disputed Claims and Equity Interests.

(a) Unless otherwise ordered by the Court after notice and a hearing, the Reorganizing Debtors (and on or after the Effective Date, the Reorganized Debtors) shall have the exclusive right to make and file objections to Claims and shall serve a copy of each objection upon the holder of the Claim to which the objection is made as soon as practicable, but in no event later than the Claims Objection Deadline. The foregoing deadline for filing objections to Claims shall not apply to filing objections to Claims for tort damages and no such deadline shall be imposed by this Plan for objecting to Claims for tort damages. Notwithstanding any authority to the contrary, an objection to a Claim shall be deemed properly served on the holder thereof if the Reorganizing Debtors effect service in any of the following manners: (i) in accordance with Rule 4 of the Federal Rules of Civil Procedure, as modified and made applicable by Bankruptcy Rule 7004; (ii) by first class mail, postage prepaid, on the signatory on the proof of claim or interest or other representative identified in the proof of claim or interest or any attachment thereto; or (iii) by first class mail, postage, on any counsel that has appeared on the holder's behalf in the Chapter 11 Cases.

(b) Except with respect to Administrative Expense Claims as to which the Administrative Expense Claim Bar Date does not apply, Administrative Expense Claims must be filed with the Court and served on counsel for the Reorganizing Debtors on or before the Administrative Expense Claim Bar Date. The Reorganizing Debtors may make and file objections to any such Administrative Expense Claim and shall serve a copy of each objection

upon the holder of the Claim to which the objection is made as soon as practicable, but in no event later the Claims Objection Deadline. In the event the Reorganizing Debtors file any such objection, the Court shall determine the Allowed amount of any such Administrative Expense Claim. Notwithstanding the foregoing, no request for payment of an Administrative Expense Claim need be filed with respect to an Administrative Expense Claim is paid or payable by the Reorganizing Debtors in the ordinary course of business.

7.3 Estimation of Claims and Equity Interests. The Reorganizing Debtors may at any time request that the Court estimate any contingent, unliquidated or Disputed Claim pursuant to Section 502(c) of the Bankruptcy Code, regardless of whether the Reorganizing Debtors previously objected to such Claim or whether the Court has ruled on any such objection, and the Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim. In the event that the Court estimates any Disputed Claim, that estimated amount may constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Court. If the estimated amount constitutes a maximum limitation on such Claim, the Reorganizing Debtors may elect to pursue any supplemental proceedings to object to any ultimate payment of such Claim. All of the aforementioned Claims objection, estimation and resolution procedures are cumulative and not necessarily exclusive of one another.

7.4 Reserve Account for Disputed Claims. Upon the Reorganizing Debtors' determination that Disputed Claims have been asserted against a Reorganizing Debtor in any particular Class, the Reorganizing Debtors shall establish the Disputed Claims Reserve and hold in the Disputed Claims Reserve, for each Class in which there are any Disputed Claims which if Allowed would be entitled to receive Cash, Cash in an aggregate amount sufficient to pay to each holder of a Disputed Claim the amount of Cash that such holder would have been entitled to receive under this Plan if such Claim had been an Allowed Claim in such Class. Cash withheld and reserved for payments to holders of Disputed Claims in any Class shall be held and deposited by the Reorganizing Debtors in one or more segregated interest-bearing reserve accounts, to be used to satisfy the Disputed Claims if and when such Disputed Claims become Allowed Claims.

7.5 Allowance of Disputed Claims. With respect to any Disputed Claim that is subsequently deemed Allowed, on or before the applicable Distribution Date for any such Claim after such Claim becomes Allowed, the Reorganizing Debtors shall distribute from the Disputed Claims Reserve Account the amount of Cash that such holder would have been entitled to recover under this Plan if such Claim had been an Allowed Claim on the Effective Date.

7.6 Fractional Interests. Whenever any payment of a fraction of a cent would otherwise be called for, the actual payment shall reflect a rounding of such fraction down to the nearest whole cent.

7.7 Time of Distributions. Except as otherwise provided for in this Plan or ordered by the Court, distributions of Cash will be made by the Reorganizing Debtors to the holders of Allowed Administrative Expense Claims, Priority Tax Claims, Priority Non-Tax Claims, Secured Claims, and Unsecured Claims as and when provided for in Articles II, III and IV hereof. After payment of all Allowed Claims entitled to be paid in Cash from the proceeds of the

Settlement Funds and the Net Settlement Funds under this Plan, any remaining Cash of the Reorganized Debtors shall be distributed to the holders of Equity Interests in the Reorganizing Debtors. In the event that any payment or act under this Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the initial due date.

7.8 Unclaimed Property. All property that is unclaimed for one year after distribution thereof by mail to the latest mailing address filed of record with the Court for the party entitled thereto or, if no such mailing address has been so filed, the mailing address reflected in the applicable Schedules or other address maintained by the Reorganizing Debtors, shall become property of the Reorganizing Debtors and distributed pursuant to the terms hereof.

7.9 Disbursing Agent. The Reorganized Debtors, Covanta and any such other Person as may be selected by the Reorganized Debtors, and approved by the Court may act as Disbursing Agent(s) under the Reorganization Plan. A Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Court, and, in the event that a Disbursing Agent is so otherwise ordered, the costs and expenses that are directly related to procuring any such bond or surety shall be borne by the Reorganized Debtors.

7.10 Rights and Powers of Disbursing Agent. The Disbursing Agent shall be empowered to (i) effect all actions and execute all agreements, instruments and other documents necessary to perform its duties under this Plan, (ii) hold Distributions prior to the applicable Distribution Date with respect thereto, (iii) make all Distributions contemplated hereby and in accordance with the terms hereof, (iv) employ professionals to represent it with respect to its responsibilities, and (v) exercise such other powers as may be vested in the Disbursing Agent by order of the Court, pursuant to this Plan, pursuant to such other agreement as may be entered into in connection with the implementation and consummation of this Plan or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions hereof.

7.11 Surrender of Instruments. As a condition to receiving any Distribution under this Plan, (x) each holder of an Allowed Claim represented by a certificated instrument or note must surrender such instrument or note held by it to the Disbursing Agent or its designee, unless such certificated instrument or note is being reinstated or being left unimpaired under this Plan and (y) each holder of an Allowed Claim that is party to a settlement incorporated herein or otherwise implemented hereby shall have performed its obligations thereunder either immediately prior to or contemporaneous with such Distribution. Any holder of such instrument or note that fails to (i) surrender such instrument or note or (ii) execute and deliver an affidavit of loss and/or indemnity reasonably satisfactory to the Disbursing Agent or furnish a bond in form, substance and amount reasonably satisfactory to the Disbursing Agent before the first anniversary of the Effective Date, shall be deemed to have forfeited all rights and Claims and may not participate in any Distribution under this Plan in respect of such Claim. Any other holder of an Allowed Claim who fails to take such action as reasonably required by the Disbursing Agent or its designee to receive its Distribution hereunder before the first anniversary of the Effective Date, or such earlier time as otherwise provided for in this Plan, may not

participate in any Distribution under this Plan in respect of such Claim. Any Distribution forfeited hereunder shall become property of the applicable Reorganized Debtor.

7.12 Delivery of Distributions. Distributions to holders of Allowed Claims shall be made at the Distribution Address unless superseded by writing notifying the applicable Reorganized Debtor of a change of address. If any holder's Distribution is returned as undeliverable, no further Distributions to such holder shall be made unless and until the applicable Reorganized Debtor is notified of such holder's then current address, at which time all missed Distributions shall be made to such holder without interest on or before one hundred and twenty (120) days after the date such undeliverable Distribution was initially made. After such date, all unclaimed property shall, in the applicable Reorganized Debtor's discretion, be used to satisfy the costs of administering and fully consummating this Plan or become property of the applicable Reorganized Debtor, and the holder of any such Claim shall not be entitled to any other or further distribution under this Plan on account of such Claim.

7.13 Manner of Payment Under Plan. All Distributions of Cash to the holders of Allowed Claims against each of the Reorganizing Debtors under this Plan shall be made by the Disbursing Agent, by check, on behalf of the applicable Reorganized Debtor. At the option of the applicable Reorganized Debtor, any Cash payment to be made hereunder may be made by wire transfer or as otherwise required or provided in applicable agreements.

7.14 De Minimis and Fractional Distributions. Unless written request addressed to the Reorganized Debtors or Disbursing Agent is received within one hundred and twenty (120) days after the Effective Date, the Disbursing Agent or such other entity designated by such Reorganized Debtor as a Disbursing Agent on or after the Effective Date will not be required to distribute Cash to the holder of an Allowed Claim if the amount of Cash to be distributed on any Distribution Date under the Plan on account of such Claim is less than \$100. Any holder of an Allowed Claim on account of which the amount of Cash to be distributed is less than \$100 will have its Claim for such Distribution discharged and will be forever barred from asserting any such Claim against the Reorganized Debtors or their respective property, unless such holders make a written request to receive such Distribution no later than one hundred and twenty (120) days after the Effective Date.

7.15 Setoffs. Each Reorganizing Debtor may, in accordance with the provisions of the Plan, section 553 of the Bankruptcy Code and applicable non-bankruptcy law, set off against any Allowed Claim and the Distributions to be made pursuant to this Plan on account of such Allowed Claim (before any Distribution is made on account of such Allowed Claim), the Claims, rights and causes of action of any nature that such Reorganizing Debtor may hold against the holder of such Allowed Claim; provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim hereunder shall constitute a waiver or release by the applicable Reorganizing Debtor of any such Claims, rights and causes of action that the applicable Reorganizing Debtor may possess against such holder; and provided, further that any Claims of each Reorganizing Debtor arising before the applicable Petition Date shall only be setoff against Claims against such Reorganizing Debtor arising before the applicable Petition Date.

7.16 Allocation of Plan Distribution Between Principal and Interest. All Distributions in respect of any Allowed Claim shall be allocated first to the principal amount of such Allowed



Claim, as determined for federal income tax purposes, and thereafter, to the remaining portion of such Allowed Claim, if any.

7.17 Withholding and Reporting Requirements. In connection with this Plan and all instruments issued in connection therewith and distributed thereon, the applicable Reorganizing Debtor and/or Disbursing Agent shall comply with all applicable withholding and reporting requirements imposed by any federal, state or local taxing authority, and all distributions under this Plan shall be subject to any such withholding or reporting requirements.

7.18 Time Bar to Cash Payments. Checks issued by the Reorganized Debtors in respect of Allowed Claims shall be null and void if not negotiated within one hundred and twenty (120) days after the date of issuance thereof. Requests for reissuance of any check shall be made to the applicable Reorganized Debtor by the holder of the Allowed Claim to whom such check originally was issued. Any Claim in respect of such voided check shall be made on or before thirty (30) days after the expiration of the one hundred and twenty (120) day period following the date of issuance of such check. After such date, all funds held on account of such voided check shall, in the discretion of the applicable Reorganized Debtor, be used to satisfy the costs of administering and fully consummating this Plan or become property of the applicable Reorganized Debtor, and the holder of any such Allowed Claim shall not be entitled to any other or further Distribution under this Plan on account of such Allowed Claim.

7.19 Judgment Reduction Protection. In the event Tampa Bay Water is directly or indirectly entitled to any recovery against a Third Party (a "TBW Third Party Judgment"), and such Third Party in turn is entitled to assert a Third Party Claim against the Reorganizing Debtors by reason of such TBW Third Party Judgment, then (i) the recovery to which Tampa Bay Water would otherwise be entitled against such Third Party by virtue of such TBW Third Party Judgment shall be reduced (through a reduction or credit against the TBW Third Party Judgment obtained against such Third Party or through some other appropriate action achieving the same result) by an amount equal to the aggregate Cash distribution which such Third Party hypothetically would have received under this Plan had its Allowed Third Party Claim been entitled to share pro rata in the Distributions made to holders of Allowed Class 3 Unsecured Claims (such reduction or credit, "Judgment Reduction Protection"), (ii) Tampa Bay Water is directed to so reduce the amount of its TBW Third Party Judgment, and (iii) such reduction in Tampa Bay Water's recovery against such Third Party shall discharge and satisfy in full any recovery to which such Third Party is entitled against the Reorganizing Debtors based upon its Third Party Claim. To facilitate the orderly and expeditious resolution of all Claims and Third Party Claims, the orderly and expeditious distribution of the proceeds of the Settlement Funds, and if necessary the estimation of the amount of any Judgment Reduction Protection to which a Third Party is entitled in satisfaction of its Claims, any disputes concerning interpretation of this Section 7.19 or the amount of the Judgment Reduction shall be resolved exclusively by this Court, including but not limited to any disputes concerning the amount of any Third Party Claims. Nothing in this Section or any other provision of the Plan shall be deemed to extend the Bar Dates fixed by the Court or this Plan for the filing proofs of claim or interests in the Reorganizing Debtors' Chapter 11 Cases.

7.20 Closing of Chapter 11 Cases. As to each Reorganizing Debtor, when substantially all Disputed Claims have become Allowed Claims or have been disallowed by

Final Order, and all Distributions in respect of Allowed Claims have been made in accordance with this Plan, or at such earlier time as each of the Reorganized Debtors deems appropriate, the Reorganized Debtors shall seek authority from the Court to close their respective Chapter 11 Cases in accordance with the Bankruptcy Code and the Bankruptcy Rules.

## ARTICLE VIII

### TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

#### 8.1 General Treatment.

(a) On the Effective Date, all executory contracts and unexpired leases to which each Reorganizing Debtor is a party shall be deemed rejected as of the Effective Date, except for any executory contract or unexpired lease that (i) has been previously assumed or rejected pursuant to a Final Order of the Court, (ii) is specifically designated as a contract or lease on the Schedule of Assumed Contracts and Leases, as the same may be amended, or (iii) is the subject of a separate motion to assume or reject filed under Section 365 of the Bankruptcy Code by the Reorganizing Debtors prior to the Confirmation Hearing. On the Effective Date, all executory contracts and unexpired leases listed on the Schedule of Assumed Contracts and Leases to which each Reorganizing Debtor is party shall be treated as provided in Section 8.1(c) hereof. The Reorganizing Debtors reserve the right to add or remove executory contracts and unexpired leases to or from the Schedule of Assumed Contracts and Leases at any time prior to the Effective Date. To the extent and subject to the terms of the TBW Settlement Agreement, any contracts and leases TBW directs to be assumed and assigned, whether to itself or others, shall be included on the Schedule of Assumed Contracts and Leases and may not be removed without TBW's prior written consent.

(b) Each executory contract and unexpired lease listed or to be listed on the Schedule of Assumed Contracts and Leases shall include modifications, amendments, supplements, restatements or other agreements, including guarantees thereof, made directly or indirectly by any Reorganizing Debtor in any agreement, instrument or other document that in any manner affects such executory contract or unexpired lease, without regard to whether such agreement, instrument or other document is listed on the Schedule of Assumed Contracts and Leases. The mere listing of a document on the Schedule of Assumed Contracts and Leases shall not constitute an admission by the Reorganizing Debtors that such document is an executory contract or unexpired lease or that the Reorganizing Debtors have any liability thereunder.

8.2 Cure of Defaults. Except to the extent that (i) a different treatment has been agreed to by the nondebtor party or parties to any executory contract or unexpired lease to be assumed pursuant to Section 8.1 hereof or (ii) any executory contract or unexpired lease shall have been assumed pursuant to an order of the Court, which order shall have approved the cure amounts with respect thereto, the applicable Reorganizing Debtor shall, pursuant to the provisions of Sections 1123(a)(5)(G) and 1123(b)(2) of the Bankruptcy Code and consistent with the requirements of Section 365 of the Bankruptcy Code, within thirty (30) days after the Confirmation Date, file with the Court and serve a pleading listing the cure amounts of all executory contracts or unexpired leases to be assumed, subject to the Reorganizing Debtors'

right to amend any such pleading or pleadings at any time prior to thirty (30) days after the Confirmation Date. The parties to such executory contracts or unexpired leases to be assumed by the applicable Reorganizing Debtor shall have fifteen (15) days from service of such pleading to object to the cure amounts listed by the applicable Reorganizing Debtor. Service of such pleading shall be sufficient if served on the other party to the contract or lease at the address indicated on (i) the contract or lease, (ii) any proof of claim filed by such other party in respect of such contract or lease, or (iii) the Reorganizing Debtors' books and records, including the Schedules, provided, however, that if a pleading served by a Reorganizing Debtor to one of the foregoing addresses is promptly returned as undeliverable, the Reorganizing Debtor shall attempt re-service of the pleading on an alternative address, if any, from the above listed sources. If any objections are filed, the Court shall hold a hearing. Prior to assumption, the applicable Reorganizing Debtor shall retain its right to reject any of its executory contracts or unexpired leases, including contracts or leases that are subject to a dispute concerning amounts necessary to cure any defaults. Notwithstanding the foregoing, or anything in Section 8.3 of this Plan, at all times through the date that is five (5) Business Days after the Court enters an order resolving and fixing the amount of a disputed cure amount, the Reorganizing Debtors shall have the right to reject such executory contract or unexpired lease.

8.3 Approval of Assumption and Assignment of Executory Contracts on the Schedule of Assumed Contracts and Leases. Subject to Sections 8.1 and 8.2 of this Plan, the executory contracts and unexpired leases on the Schedule of Assumed Contracts and Leases shall be assumed by the respective Reorganizing Debtors as indicated on such schedule and shall be assigned to Tampa Bay Water or its designee, as of the Effective Date, except as may otherwise be ordered by the Court.

8.4 Approval of Rejection of Executory Contracts and Unexpired Leases. Entry of the Confirmation Order shall constitute the approval, pursuant to Section 365(a) of the Bankruptcy Code, of the rejection of any executory contracts and unexpired leases to be rejected as and to the extent provided in Section 8.1 of this Plan.

8.5 Deemed Consents and Deemed Compliance.

(a) Unless a counterparty to an executory contract, unexpired lease, license or permit objects to the applicable Reorganizing Debtor's assumption thereof in writing on or before seven (7) days prior to the Confirmation Hearing, then, unless such executory contract, unexpired lease, license or permit has been rejected by the applicable Reorganizing Debtor or will be rejected by operation of this Plan, any assignee of executory contracts and unexpired leases assumed by the Reorganizing Debtors shall enjoy all the rights and benefits under each such executory contract, unexpired lease, license and permit without the necessity of obtaining such counterparty's written consent to assumption or retention of such rights and benefits.

(b) To the extent that any executory contract or unexpired lease contains a contractual provision that would require a Reorganizing Debtor to satisfy any financial criteria or meet any financial condition measured by reference to such Debtor's most recent annual audited financial statements, then upon the assumption of any such executory contract or unexpired lease the Reorganizing Debtors shall be deemed to be and to remain in compliance with any such contractual provision regarding financial criteria or financial condition (other than contractual

requirements to satisfy the minimum ratings from ratings agencies) for the period through one year after the Effective Date, and thereafter such financial criteria or financial condition shall be measured by reference to the most recent annual audited financial statements of the assignee of such executory contract or unexpired lease.

8.6 Bar Date for Filing Proofs of Claim Relating to Executory Contracts and Unexpired Leases Rejected Pursuant to the Plan. Claims arising out of the rejection of an executory contract or unexpired lease pursuant to Section 8.1 of this Plan must be filed with the Court no later than the later of (i) twenty (20) days after the Effective Date, and (ii) thirty (30) days after entry of an order rejecting such contract or lease. Any Claims not filed within such time period will be forever barred from assertion against any of the applicable Reorganizing Debtors and/or the Estates. The Reorganizing Debtors shall have until the later of the Claims Objection Deadline or thirty (30) days after the filing of any such rejection damages claim to object to such claim.

8.7 Reservation of Rights Under Insurance Policies and Bonds. Nothing in this Plan or included in any settlement referenced in this Plan shall diminish or otherwise affect the enforceability by beneficiaries of (i) any insurance policies that may cover Claims against, or through, any Reorganizing Debtor, or (ii) any bonds issued to assure the performance of any of, or through, the Reorganizing Debtors, nor shall anything contained herein constitute or be deemed to constitute a waiver of any Cause of Action that the Reorganizing Debtors or any entity may hold against any insurers or issuers of bonds under any such policies of insurance or bonds. To the extent any insurance policy or bond is deemed to be an executory contract, such insurance policy or bond shall be deemed assumed in accordance with Article VIII of the Plan. Notwithstanding the foregoing, the Reorganizing Debtors do not assume any payment or other obligations to any insurers or issuers of bonds, and any agreements or provisions of policies or bonds imposing payment or other obligations upon the Reorganizing Debtors shall only be assumed pursuant to a separate order of the Court.

8.8 Survival of Reorganizing Debtors' Corporate Indemnities. Any obligations of any of the Reorganizing Debtors pursuant to the applicable Reorganizing Debtor's corporate charters and bylaws or agreements entered into any time prior to the Effective Date, to indemnify the Specified Personnel, with respect to all present and future actions, suits and proceedings against such Reorganizing Debtor or such Specified Personnel, based upon any act or omission for or on behalf of such Reorganizing Debtor, shall not be discharged or impaired by confirmation of this Plan. Such obligations shall be deemed and treated as executory contracts to be assumed by the applicable Reorganizing Debtor pursuant to this Plan and deemed to be included on such Reorganizing Debtors' Schedule of Assumed Contracts and Leases (to the extent not otherwise assumed), and shall continue as obligations of the applicable Reorganizing Debtor notwithstanding Tampa Bay Water's failure to designate an assignee for any such obligation. To the extent a Reorganizing Debtor is entitled to assert a Claim against Specified Personnel (whether directly or derivatively) and such Specified Personnel is entitled to indemnification, such Claim against Specified Personnel is released, waived and discharged.

## ARTICLE IX

### THE REORGANIZED DEBTORS

9.1 Revesting of Assets. Upon the Effective Date, pursuant to sections 1141(b) and (c) of the Bankruptcy Code, except for leases and executory contracts that have not yet been assumed or rejected (which leases and contracts shall be deemed vested when and if assumed), all property of each Reorganizing Debtor's Estate shall vest in the applicable Reorganized Debtor free and clear of all Claims, Liens, encumbrances, charges and other interests, except as provided herein and in the TBW Settlement Agreement. Each Reorganized Debtor may operate its businesses and may use, acquire and dispose of property free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules and in all respects as if there were no pending cases under any chapter or provision of the Bankruptcy Code, except as provided herein.

9.2 Discharge of Claims and Cancellation of Equity Interests. Except as otherwise provided herein or in the Confirmation Order, the rights afforded in this Plan and the entitlement to receive payments and distributions to be made hereunder shall discharge all existing Claims and Interests, of any kind, nature or description whatsoever against or in each of the Reorganizing Debtors or any of their assets or properties to the fullest extent permitted by section 1141 of the Bankruptcy Code. Except as provided in this Plan, on the Effective Date, all existing Claims against each of the Reorganizing Debtors and Equity Interests in the Reorganizing Debtors shall be, and shall be deemed to be, discharged or canceled and each holder (as well as trustees and agents on behalf of all such holders) of a Claim or Equity Interest shall be precluded and enjoined from asserting against the Reorganized Debtors, or any of their assets or properties, any Claim or Equity Interest based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Confirmation Date, whether or not (i) such holder has filed a Proof of Claim or Equity Interest, (ii) a Claim based on such Claim or Equity Interest is Allowed, or (iii) the holder of the Claim or Equity Interest has accepted the Plan.

9.3 Engagement of Professionals. The Reorganizing Debtors may continue to retain professionals on and after the Effective Date.

9.4 Authority. Subject to the limitations contained herein, the Reorganizing Debtors shall have the following powers, authorities, and duties, by way of illustration and not of limitation:

- (a) Manage, sell and convert all or any of their property;
- (b) Release, convey or assign any right, title or interest in or about the remaining assets or any portion thereof;
- (c) Open and maintain bank accounts and deposit funds and draw checks and make disbursements in accordance with the Plan;
- (d) Engage and have such attorneys, accountants, agents, tax specialists, financial advisors, other professionals, and clerical assistance as may, in the discretion of the Reorganizing Debtors, be deemed necessary for the purposes specified under this Plan;

(e) Sue and be sued and file or pursue objections to Claims and seek to estimate them;

(f) Enforce, waive or release rights, privileges or immunities of any kind;

(g) Seek from the Court a determination as to the amount of any Third Party Claims or Judgment Reduction Protection, enforcement of the TBW Settlement Agreement and Tampa Bay Water's obligation to reduce the amount of its TBW Third Party Judgment, or a determination of the amount that any holder of a Third Party Claim would have been entitled to receive had it received a pro rata Distribution with the holders of Class 3 Claims;

(h) As soon as is practicable after the Final Distribution Date of each Reorganizing Debtor, request the Court to enter the Final Order closing the Chapter 11 Cases; and

(i) Without limitation, do any and all things necessary to accomplish the purposes of the Plan.

9.5 Abandonment. The Reorganizing Debtors may abandon any property which they determine in their reasonable discretion to be of de minimis value to the Reorganizing Debtors, including any pending adversary proceeding or other legal action commenced or commenceable by the Reorganizing Debtors. Such property may be abandoned without further order of the Court.

9.6 Further Authorization. The Reorganizing Debtors shall be entitled to seek such orders, judgments, injunctions and rulings as they deem necessary to carry out the intentions and purposes, and to give full effect to the provisions, of this Plan.

## ARTICLE X

### CONDITIONS PRECEDENT TO THE CONFIRMATION AND THE EFFECTIVE DATE

10.1 Conditions to Confirmation. Each of the following is a condition to the Confirmation Date:

(a) the entry of a Final Order finding that the Disclosure Statement contains adequate information pursuant to Section 1125 of the Bankruptcy Code;

(b) the proposed Confirmation Order shall be in form and substance, reasonably acceptable to the Reorganizing Debtors;

(c) the entry of a Final Order (which may be the Confirmation Order) approving the TBW Settlement Agreement;

(d) the entry of Final Order(s) (which may be Confirmation Order) disallowing with prejudice and in full any and all Claims of Third Parties to the Settlement Proceeds or any portion thereof; and

(e) all provisions, terms and conditions of this Plan are approved in the Confirmation Order.

10.2 Conditions Precedent to the Effective Date. Each of the following is a condition precedent to the Effective Date of this Plan:

(a) the Confirmation Order (i) shall have been entered by the Court and become a Final Order, (ii) be in form and substance satisfactory to the Reorganizing Debtors, and (iii) provide that the Reorganizing Debtors are authorized and directed to take all actions necessary or appropriate to enter into, implement and consummate the contracts, instruments, releases, and other agreements or documents created in connection with the Plan;

(b) receipt of the funds required to be paid by Tampa Bay Water under the TBW Settlement Agreement; and

(c) the Reorganizing Debtors shall be authorized and directed to take all actions necessary or appropriate to enter into, implement and consummate the contracts, instruments, releases, and the agreements or documents created in connection with the Plan.

10.3 Waiver of Conditions. Except as otherwise provided for in the TBW Settlement Agreement, and except for the condition precedent specified in Section 10.2(a)(i) of this Plan, which may be waived only with the written consent of Tampa Bay Water, the Reorganizing Debtors may waive any of the foregoing conditions set forth in Section 10.1 and 10.2 of this Plan without leave of or notice to the Court and without any formal action other than proceeding with confirmation of this Plan or emergence from bankruptcy.

## ARTICLE XI

### EFFECT OF CONFIRMATION

11.1 Revesting of Assets. Upon the Effective Date, pursuant to sections 1141(b) and (c) of the Bankruptcy Code, except for leases and executory contracts that have not yet been assumed or rejected (which leases and contracts shall be deemed vested when and if assumed), all property of each Reorganizing Debtor's Estate shall vest in the applicable Reorganized Debtor free and clear of all Claims, Liens, encumbrances, charges and other interests, except as provided herein or pursuant to the TBW Settlement Agreement. Each Reorganized Debtor may operate its businesses and may use, acquire and dispose of property free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules and in all respects as if there were no pending cases under any chapter or provision of the Bankruptcy Code, except as provided herein.

11.2 Discharge of Claims. Except as otherwise provided herein or in the Confirmation Order, the rights afforded in this Plan and the entitlement to receive payments and distributions to be made hereunder shall discharge all existing Claims of any kind, nature or description whatsoever against or in each of the Reorganizing Debtors or any of their assets or interests in property to the fullest extent permitted by section 1141 of the Bankruptcy Code. Except as provided in this Plan, on the Effective Date, all existing Claims against each of the Reorganizing Debtors in the Reorganizing Debtors shall be, and shall be deemed to be, discharged or canceled and each holder (as well as trustees and agents on behalf of all such holders) of a Claim shall be

precluded and enjoined from asserting against the Reorganized Debtors, or any of their assets or interests in property, any Claim based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Confirmation Date, whether or not (i) such holder has filed a Proof of Claim, (ii) a Claim based on such Claim is Allowed, or (iii) the holder of the Claim has accepted the Plan.

11.3 Binding Effect. Except as otherwise provided in Section 1141(d)(3) of the Bankruptcy Code, on and after the Confirmation Date the provisions of this Plan shall bind all present and former holders of a Claim against, or Equity Interest in, the applicable Reorganizing Debtor and its respective successors and assigns, whether or not the Claim or Equity Interest of such holder is Impaired under this Plan and whether or not such holder has filed a Proof of Claim or Equity Interest or accepted this Plan.

11.4 Term of Injunctions or Stays. Unless otherwise provided herein, all injunctions or stays arising under Section 105 or 362 of the Bankruptcy Code, any order entered during the Chapter 11 Cases under Section 105 or 362 of the Bankruptcy Code or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the later of the Effective Date and the date indicated in such order.

11.5 Injunction Against Interference with Plan. Upon the entry of the Confirmation Order, all holders of Claims and Equity Interests and other parties in interest, along with their respective present and former employees, agents, officers, directors and principals, shall be enjoined from taking any actions to interfere with the implementation or consummation of this Plan.

11.6 Exculpation.

(a) Notwithstanding anything herein to the contrary, as of the Effective Date, none of (i) the Reorganizing Debtors, the Reorganizing Debtor Affiliates or their respective principals, officers, directors and employees, (ii) the DIP Lender, (iii) the accountants, financial advisors, investment bankers, and attorneys for the Reorganizing Debtors, and (iv) with the exception of any Third Party, the directors, officers, employees, partners, members, agents, representatives, accountants, financial advisors, investment bankers, attorneys, employees or affiliates for any of the persons or entities described in (i), (ii), and (iii) of this Section 11.6(a) shall have or incur any liability to any holder of a Claim or an Interest, or any other party in interest, or any of their respective agents, employees, representatives, financial advisors, attorneys, or affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of the commencement or conduct of the Chapter 11 Cases; formulating, negotiating, consummating or implementing the Plan; the pursuit of confirmation of the Plan; the confirmation, consummation or administration of the Plan or the property to be distributed under the Plan, except for their gross negligence or willful misconduct, and in all respects shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan. Nothing in this Section 11.5 shall limit the liability or obligation of an issuer of a letter of credit or surety bond to the beneficiary of such letter of credit or surety bond.



(b) Notwithstanding any other provision of this Plan, no holder of a Claim or Interest, no other party in interest, none of their respective agents, employees, representatives, financial advisors, attorneys, or affiliates, and no successors or assigns of the foregoing, shall have any right of action against any Reorganizing Debtor, the Reorganizing Debtor Affiliates, the DIP Lender, nor any of their respective present or former members, officers, directors, employees, advisors or attorneys, for any omission in the negotiation or implementation of this Plan, the pursuit of confirmation of this Plan, the confirmation, consummation or administration of this Plan or the property to be distributed hereunder, except for gross negligence or willful misconduct.

(c) Nothing in this Section 11.6 of the Plan shall (i) be construed to exculpate any entity from liability with respect to an act or omission to the extent that such act or omission is determined by a Final Order to have constituted fraud, gross negligence, willful misconduct, criminal conduct or misuse of confidential information that causes damages, or (ii) to the extent applicable, limit the liability of the professionals representing the Debtors, or the Reorganized Debtors to their respective clients pursuant to DR 6-102 of the New York Code of Professional Responsibility.

11.7 Release Granted by the Reorganizing Debtors. As of the Effective Date, the Reorganizing Debtors, on behalf of themselves and their Estates, shall be deemed to release unconditionally all claims, obligations, suits, judgments, damages, rights, causes of action, and liabilities whatsoever, against the Reorganizing Debtor Affiliates and their respective officers, directors, employees, partners, members, affiliates, advisors, attorneys, financial advisors, accountants, investment bankers and other professionals, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, based in whole or in part upon actions taken in their respective capacities described above with respect to any omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Reorganizing Debtors, the Chapter 11 Cases, or this Plan.

11.8 Release of Tampa Bay Water. In consideration of the terms and provisions of the TBW Settlement Agreement, and except for those obligations arising from and as provided for in the TBW Settlement Agreement, as of the Effective Date, the Reorganizing Debtors, and their parents, affiliates, and subsidiaries, and any person claiming through or against any of the foregoing or any property of the foregoing shall be deemed to release unconditionally all claims, obligations, suits, judgments, damages, rights, causes of action, and liabilities whatsoever, against Tampa Bay Water, and its officers, directors, employees, partners, members, affiliates, advisors, attorneys, financial advisors, accountants, investment bankers and other professionals, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, based in whole or in part upon actions or events taken or taking place on or prior to the Effective Date and in any way relating to the Reorganizing Debtors, the Chapter 11 Cases, or this Plan.

11.9 Injunction. Upon the Effective Date, and except as otherwise provided herein or in the Confirmation Order, all persons who have held, hold, or may hold Claims or Third Party Claims against the Reorganizing Debtors, and all other parties in interest in the Chapter 11 Cases, along with their respective present or former employees, agents, officers, directors or principals, shall be permanently enjoined on and after the Effective Date from directly or

indirectly (i) commencing or continuing in any manner any action or other proceeding of any kind to collect or recover any property on account of any such Claim or Third Party Claim against any such Reorganizing Debtor, Reorganized Debtors, or Person entitled to exculpation under Section 11.6 hereof, (ii) enforcing, attaching, collecting or recovering by any manner or means of any judgment, award, decree, or order to collect or recover any property on account of any such Claim or Third Party Claim against any such Reorganizing Debtor or Reorganized Debtor, (iii) creating, perfecting, or enforcing any encumbrance of any kind against any such Reorganizing Debtor or Reorganized Debtor, on account of such Claim or Third Party Claim, (iv) except for recoupment, asserting any right of setoff or subrogation of any kind against any obligation due any such Reorganizing Debtor or Reorganized Debtor or against the property or interests in property of any such Reorganizing Debtor or Reorganized Debtor on account of any such Claim or Third Party Claim, (v) commencing or continuing any action against the Reorganized Debtors or the Reorganizing Debtor Affiliates in any manner or forum in respect of such Claim or Third Party Claim that does not comply or is inconsistent with the Plan, and (vi) taking any actions to interfere with the implementation or consummation of this Plan; provided that nothing herein shall prohibit any holder of a Claim from prosecuting a properly completed and filed proof of claim in the Chapter 11 Cases. In no event shall the Reorganized Debtors, Reorganizing Debtor Affiliates or any Person entitled to exculpation under Section 11.6 hereof have any liability or obligation for any Claim or Third Party Claim against any of the Reorganizing Debtors arising prior to the Effective Date, other than in accordance with the provisions of this Plan. In addition, except as otherwise provided in this Plan or the Confirmation Order, on and after the Effective Date, any individual, firm, corporation, limited liability company, partnership, company, trust or other entity, including any successor of such entity, shall be permanently enjoined from commencing or continuing in any manner, any litigation against the Reorganized Debtors or any Person entitled to exculpation under Section 11.6 hereof on account of or in respect of any matter subject to the exculpation provision set forth in Section 11.6 hereof, including, without limitation, in respect of the Reorganizing Debtors' prepetition liabilities or other liabilities satisfied pursuant to this Plan. By directly or indirectly accepting Distributions pursuant to this Plan, each holder of an Allowed Claim or Third Party Claim receiving Distributions pursuant to the Reorganization Plan will be deemed to have specifically consented to the injunctions set forth in this Section.

11.10 Release. As of the Effective Date, the Reorganizing Debtors, on behalf of themselves and their Estates, shall be deemed to release unconditionally all claims, obligations, suits, judgments, damages, rights, causes of action, and liabilities whatsoever, against Covanta, the Reorganizing Debtor Affiliates, and their respective present or former officers, directors, employees, partners, members, advisors, attorneys, financial advisors, accountants, investment bankers and other professionals, in each case whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, based in whole or in part upon actions taken with respect to any omission, transaction, event, or other occurrence taking place on or prior to the Effective Date in any way relating to the Reorganizing Debtors, the Chapter 11 Cases, and the Plan; provided that, the release granted pursuant to this Section shall in no way effect or release the Claims arising prior to the respective Petition Dates, if any, of holders of the Debtors' public securities against parties other than the Reorganizing Debtors; and further provided that nothing in this Plan shall effect a release in favor of any Person other than the Reorganizing Debtors with respect to any debt owed to the United States Government or any regulatory agency thereof, any state, city or municipality for any liability of such Person arising

under (i) the Internal Revenue Code, or any state, city or municipal tax code, (ii) the environmental laws of the United States, any state, city or municipality, (iii) any criminal laws of the United States, any state, city or municipality, or (iv) any liability arising under federal securities laws.

## ARTICLE XII

### MISCELLANEOUS PROVISIONS

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

(a) to determine the allowance or classification of Claims and to hear and determine any objections thereto;

(b) to determine the amount of any Third Party Claims and/or determine the amount that the holder of such Third Party Claim would have been entitled to receive under this Plan had it received a pro rata Distribution with holders of Class 3 Claims;

(c) to hear and determine any motions for the assumption, assumption and assignment or rejection of executory contracts or unexpired leases, and the allowance of any Claims resulting therefrom;

(d) to determine any and all motions, adversary proceedings, applications, contested matters and other litigated matters in connection or associated with the Chapter 11 Cases that may or should be pending in the Court on, or initiated after, the Effective Date;

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

(f) to issue such orders in aid of the execution, implementation and consummation of this Plan to the extent authorized by Section 1142 of the Bankruptcy Code or otherwise;

(g) to construe and take any action to enforce this Plan or the TBW Settlement Agreement;

(h) to reconcile any inconsistency in any order of the Court, including, without limitation, the Confirmation Order;

(i) to modify the Plan pursuant to Section 1127 of the Bankruptcy Code, or to remedy any apparent non-material defect or omission in this Plan, or to reconcile any non-material inconsistency in the Plan so as to carry out its intent and purposes;

(j) to hear and determine all applications for compensation and reimbursement of expenses of professionals under Sections 330, 331, and 503(b) of the Bankruptcy Code;

(k) to determine any other requests for payment of Priority Tax Claims, Priority Non-Tax Claims or Administrative Expense Claims;

(l) to hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of this Plan;

(m) to consider and act on the compromise and settlement or payment of any Claim against the Reorganizing Debtors;

(n) to recover all assets of Reorganizing Debtors and property of the Estates, wherever located;

(o) to determine all questions and disputes regarding title to the assets of the Reorganizing Debtors or their Estates;

(p) to issue injunctions, enter and implement other orders or to take such other actions as may be necessary or appropriate to restrain interference by any entity with the consummation, implementation or enforcement of the Plan or the Confirmation Order;

(q) to remedy any breach or default occurring under this Plan;

(r) to resolve and finally determine all disputes that may relate to, impact on or arise in connection with, this Plan;

(s) to hear and determine matters concerning state, local, and federal taxes for any period of time, including, without limitation, pursuant to Sections 346, 505, 1129 and 1146 of the Bankruptcy Code (including any requests for expedited determinations under Section 505(b) of the Bankruptcy Code filed, or to be filed, with respect to tax returns for any and all taxable periods ending after each of the applicable Petition Dates through, and including, the Final Distribution Date);

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

(u) to hear any other matter consistent with the provisions of the Bankruptcy Code; and

(v) to enter a final decree closing the Chapter 11 Cases.

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

12.3 Payment of Statutory Fees. All fees payable for any particular Reorganizing Debtor, pursuant to Section 1930 of Title 28 of the United States Code shall be paid through the entry of a final decree closing the Chapter 11 Case of such Reorganizing Debtor. Unless relieved of any of the obligation to pay the United States Trustee Fees by further order of the Court, the Reorganizing Debtors shall timely pay the United States Trustee Fees, and after the Confirmation Date, the Reorganizing Debtors shall file with the Court and serve on the United States Trustee a quarterly disbursement report for each quarter, or portion thereof, until a final decree closing the Chapter 11 Cases has been entered, or the Chapter 11 Cases dismissed or converted to another chapter, in a format prescribed by and provided by the United States Trustee.

12.4 Effectuating Documents and Further Transactions. The chief executive officer of each of the Reorganizing Debtors, or his or her designee, shall be authorized to execute, deliver, file or record such contracts, instruments, releases and other agreements or documents and take such actions on behalf of the Reorganizing Debtors as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan, without any further action by or approval of the Board of Directors or other governing body of the Reorganizing Debtors.

12.5 Successors and Assigns. The rights, benefits and obligations of any person named or referred to in this Plan shall be binding upon, and shall inure to the benefit of, the heir, executor, administrator, successor or assignee of such person.

12.6 Governing Law. Except to the extent that the Bankruptcy Code or the Bankruptcy Rules are applicable, the rights, duties and obligations arising under this Plan shall be governed by and construed in accordance with the laws of the State of New York.

12.7 Modification of Plan. The Reorganizing Debtors reserve the right: (i) in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify this Plan at any time prior to the entry of the Confirmation Order, (ii) to alter, amend, modify, revoke or withdraw the Plan as it applies to any particular Reorganizing Debtor on or prior to the Confirmation Date; (iii) to seek confirmation of the Plan or a separate Plan with substantially similar terms with respect to only certain of the Reorganizing Debtors, and to alter, amend, modify, revoke or withdraw the Plan, in whole or in part, for such purpose; and (iv) after the entry of the Confirmation Order, amend or modify this Plan, in accordance with Section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in this Plan in such a manner as may be necessary to carry out the purpose and intent of this Plan. A holder of an Allowed Claim or Equity Interest that is deemed to have accepted this Plan shall be deemed to have accepted this Plan as modified if the proposed modification does not materially and adversely change the treatment of the Claim or Equity Interest of such holder.

12.8 Rules of Construction. For purposes of this Plan, the following rules of interpretation apply:

(a) The words “herein,” “hereof,” “hereto,” “hereunder” and others of similar import refer to this Plan as a whole and not to any particular section, subsection, or clause contained in this Plan.

(b) The word “including” shall mean “including without limitation.”

(c) Wherever from the context it appears appropriate, each term stated in either the singular or the plural shall include the singular and the plural and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, the feminine and the neuter.

(d) Any reference in this Plan to a contract, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions.

(e) Any reference in this Plan to an existing document or exhibit filed or to be filed means such document or exhibit, as it may have been or may be amended, modified or supplemented.

(f) Unless otherwise specified, all references in this Plan to Sections, Articles, Schedules and Exhibits are references to Sections, Articles, Schedules and Exhibits of or to this Plan.

(g) Captions and headings to Articles and Sections are inserted for convenience of reference only are not intended to be a part of or to affect the interpretation of this Plan.

(h) Unless otherwise expressly provided, the rules of construction set forth in Section 102 of the Bankruptcy Code and in the Bankruptcy Rules shall apply to this Plan.

12.9 Computation of Time. In computing any period of time prescribed or allowed by this Plan, unless otherwise expressly provided, the provisions of Bankruptcy Rule 9006 shall apply.

12.10 Notices. Following the Effective Date, any notices to or requests of the Reorganizing (or Reorganized Debtors on and after the Effective Date) Debtors by parties in interest under or in connection with this Plan shall be in writing and served either by (a) certified mail, return receipt requested, postage prepaid, (b) hand delivery, or (c) reputable overnight delivery service, all charges prepaid, and shall be deemed to have been given when received by the Reorganizing Debtors and any counsel to the Reorganizing Debtors.

12.11 Exhibits. All Exhibits and Schedules to this Plan are incorporated into and are a part of this Plan as if set forth in full herein.

12.12 Counterparts. This Plan may be executed in any number of separate counterparts, each of which shall collectively and separately constitute one agreement.

12.13 Severability. If, prior to the Confirmation Date, any term or provision of this Plan is determined by the Court to be invalid, void or unenforceable, the Court will have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void

or unenforceable, and such term or provision will then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding alteration or interpretation. The Confirmation Order will constitute a judicial interpretation that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the forgoing, is valid and enforceable pursuant to its terms. Additionally, if the Court determines that the Plan, as it applies to any particular Reorganizing Debtor, is not confirmable pursuant to Section 1129 of the Bankruptcy Code (and cannot be altered or interpreted in a way that makes it confirmable), such determination shall not limit or affect (a) the confirmability of the Plan as it applies to any other Reorganizing Debtor or (b) the Reorganizing Debtors' ability to modify the Plan, as it applies to any particular Reorganizing Debtor, to satisfy the confirmation requirements of Section 1129 of the Bankruptcy Code.

Dated: April 2, 2004

COVANTA TAMPA BAY, INC.

By: /s/ Anthony J. Orlando  
Anthony J. Orlando, President

COVANTA TAMPA CONSTRUCTION, INC.

By: /s/ Anthony J. Orlando  
Anthony J. Orlando, President