

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
LAFAYETTE DIVISION

IN RE:

CASE NO. 08-51207

EAST CAMERON PARTNERS, L.P.

CHAPTER 11

DEBTOR

CHAPTER 11 PLAN OF REORGANIZATION
FOR EAST CAMERON PARTNERS, L.P.

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East Cameron Partners, L.P., Debtor and Debtor-In-Possession herein, proposes this Plan of Reorganization. ALL CREDITORS AND PARTIES IN INTEREST ARE ENCOURAGED TO CONSULT THE DISCLOSURE STATEMENT PREPARED BY THE DEBTOR, AS APPROVED BY THE BANKRUPTCY COURT, BEFORE VOTING TO ACCEPT OR REJECT THIS PLAN. NO OTHER SOLICITATION MATERIALS, OTHER THAN THE DISCLOSURE STATEMENT, HAVE BEEN AUTHORIZED BY THE BANKRUPTCY COURT FOR USE IN SOLICITING ACCEPTANCES OR REJECTIONS OF THIS PLAN.

ARTICLE I **DEFINITIONS**

Whenever from the context it appears appropriate, each term stated in either the singular or the plural will include the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender will include the masculine, the feminine, and the neuter. Unless the context requires otherwise, the following words and phrases will have the meanings set forth below when used in the initially-capitalized form in this Plan.

“Administrative Claim” shall mean a Claim for any cost or expense of administration of the Chapter 11 Case entitled to priority in accordance with the provisions of Sections 503(b) and 507(a)(1) of the Bankruptcy Code, including, without limitation, any actual and necessary expenses of preserving the Debtor’s Estate and operating the Debtor’s business and all compensation and reimbursement of expenses to the extent allowed by the Bankruptcy Court under Sections 328, 330 and 503 of the Bankruptcy Code.

“Administrative Claim Bar Date” shall mean the date established by the Bankruptcy Court or the Plan as the last date for filing requests for allowance of Administrative Claims, other than costs or expenses in the ordinary course of operation of the Debtor.

“Affiliates” shall mean BT Operating Company, BT Exploration, LLC, Open Choke Energy, LLC, Open Choke Operating, LLC, and Open Choke Exploration, LLC.

“Affiliate Transfers” shall mean any transfers by the Debtor to any affiliate, to the extent that such transfers were (i) made by the Debtor on or after the Petition Date; and (ii) made in satisfaction of indebtedness incurred on or before the Petition Date.

“Allowed” shall mean, with respect to Claims and Interests, (a) any Claim against, or other interest in, the Debtor, proof of which is timely filed or by order of the Bankruptcy Court is not or will not be required to be filed, (b) any Claim or Interest that is listed in the Schedules as liquidated in amount and not disputed by any party or contingent, or (c) any Claim or Interest allowed pursuant to this Plan and, in each such case in (a) and (b) above, which either (i) no objection to allowance has been interposed within the applicable period fixed by this Plan, the Bankruptcy

Code, the Bankruptcy Rules or the Bankruptcy Court or (ii) such objection is so interposed and the Claim or Interest is allowed by a Final Order (but only to the extent so allowed). The fact, however, that a Claim is deemed Allowed for purposes of voting on this Plan and such vote is counted for purposes of Confirmation of this Plan shall in no way constitute a waiver by the Debtor or Reorganized Debtor of any right to assert an objection to such Claim after Confirmation pursuant to Article XI of this Plan.

“Asset” shall mean any property of the Debtor as defined in Section 541(a) of the Bankruptcy Code.

“Avoidance Claim” shall mean all lien avoidance, preference, and fraudulent transfer Causes of Action under Chapter 5 of the Bankruptcy Code or otherwise applicable state or other law, including, but not limited to, any action for avoidance of any of the transfers listed and identified in response to Question 3(b) and 3(c) of the Debtor’s Statement of Financial Affairs filed November 21, 2008 (Docket No. 85) as well as any amendments or supplements thereto made on or prior to the entry of the Confirmation Order.

“Ballot” shall mean the form to be distributed with the Disclosure Statement to each Holder of an impaired Claim or Interest on which the Holder is to indicate acceptance or rejection of this Plan.

“Bankruptcy Code” shall mean the Bankruptcy Reform Act of 1978, 11 U.S.C. §101 *et seq.*, as amended.

“Bankruptcy Court” shall mean the United States Bankruptcy Court for the Western District of Louisiana, Lafayette Division, having jurisdiction over the Chapter 11 Case, or if such court ceases to exercise jurisdiction over the Chapter 11 Case, such other court that exercises jurisdiction over the Chapter 11 Case in lieu of the United States Bankruptcy Court for such district.

“Bankruptcy Rules” shall mean the Federal Rules of Bankruptcy Procedure and the Official Bankruptcy Forms, as amended, the Federal Rules of Civil Procedure, as amended, as applicable to the Chapter 11 Case or proceedings therein, and the Local Rules of the Bankruptcy Court, as applicable to the Chapter 11 Case or proceedings therein, as the case may be.

“Bar Date” shall mean _____, 2009. _____, 2009 was the bar date fixed by the Final Order of the Bankruptcy Court entered on _____, 2009 (Docket No. __), pursuant to Bankruptcy Rule 3003(c)(3), by which all Entities asserting Claims against the Debtor (other than Administrative Claims, Priority Claims, or Rejection Claims) were required to file Proofs of Claim or be forever barred from asserting such Claims against the Debtor or its property and for voting on this Plan and/or sharing in any Distribution thereunder.

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

“Cash” shall mean cash and cash equivalents and readily marketable securities, or instruments, including but not limited to, bank deposits, certified or cashiers’ checks, timed certificates of deposit issued by any bank, commercial paper, and readily marketable direct obligations of the United States of America or agencies or instrumentalities thereof.

“Causes of Action” shall mean, without limitation, any and all actions, causes of action, liabilities, obligations, rights, suits, debts, sums of money, damages, judgments, Claims and demands, actions, defenses, offsets, powers, privileges and licenses whatsoever, whether known or unknown, suspected or unsuspected, whether arising prior to, on or after the Petition Date, in contract or tort, in law, equity or otherwise. Causes of Action includes, but is in no way limited to, (i) rights of setoff, counterclaim or recoupment, and Claims on contracts or for breaches of duties imposed by law, (ii) Claims pursuant to Bankruptcy Code Section 362, (iii) such Claims and defenses as fraud, mistake, duress, and usury, and (iv) all Avoidance Claims.

“Chapter 11 Case” shall mean the Chapter 11 case of the Debtor pending before the Bankruptcy Court and proceedings related thereto.

“Chapter 11 Professionals” shall mean the professionals retained by the Debtor wherever they are referred to collectively in this Plan, the retention of which has been approved by the Bankruptcy Court.

“Claim” shall have the meaning set forth in Section 101(5) of the Bankruptcy Code.

“Claimant” shall mean the Holder of any Claim.

“Collateral” shall mean any property or interest in property of the Estate of the Debtor subject to a Lien that secures the payment or performance of a Claim, which Lien has not been avoided under the Bankruptcy Code or otherwise declared to be invalid under the Bankruptcy Code or other applicable state or federal law.

“Confirmation Date” shall mean the date of entry of the Confirmation Order.

“Confirmation Hearing” shall mean the hearing before the Bankruptcy Court regarding confirmation of this Plan and related matters under Section 1128 of the Bankruptcy Code.

“Confirmation Order” shall mean the order entered by the Bankruptcy Court confirming this Plan.

“Consummation” shall mean the occurrence of the Effective Date.

“Conveyed Assets and Interests” shall mean those assets and interests conveyed or otherwise transferred to LOH by the Debtor pursuant to Section 5.1(a)(2) of the Plan including: (i)

the production facilities for the Properties including the two platforms (the A platform and the C platform), two free standing, single-well caissons, and the equipment on the platforms including all pipes, valves, meters, separators, scrubbers, pumps, holding tanks, wellheads and generators; (ii) a partial assignment of the Properties, excluding only those interests and rights included in the Retained Assets and Interests; and (iii) the release of any and all rights, title, Claims, and Interests of the Debtor to the ORRI, including, but not limited to, the alleged claims set forth in Adversary Proceeding No. 08-05041. The Conveyed Assets and Interests do not include any of the Retained Assets and Interests.

“Creditor” shall mean a Holder of a Claim.

“Creditors’ Committee” shall mean the Official Committee of Unsecured Creditors in the Chapter 11 Case appointed pursuant to Section 1102(a) of the Bankruptcy Code and the order of the Bankruptcy Court entered on December 23, 2008 (Docket No. 115), as the same may be reconstituted from time to time.

“Cure” shall mean the Distribution, by the Debtor or the Reorganized Debtor on behalf of the Debtor, on or within a reasonable period of time following the Effective Date, of Cash, or such other property as may be agreed upon by the parties or ordered by the Bankruptcy Court, with respect to the assumption of an Executory Contract or Unexpired Lease, pursuant to Section 365(b) of the Bankruptcy Code, in an amount equal to all unpaid monetary obligations, without interest, or such other amount as may be agreed upon by the parties, under such Executory Contract or Unexpired Lease, to the extent such obligations are enforceable under the Bankruptcy Code and applicable non-bankruptcy law.

“Cure Claim” shall mean the Claim of any party for monetary damages arising out of the assumption of an Executory Contract by the Debtor pursuant to Section 365 of the Bankruptcy Code.

“Debtor” shall mean East Cameron Partners, L.P.

“Debtor Partners” shall mean collectively the General Partner and all Limited Partners of the Debtor including the following: Open Choke Energy, LLC, the General Partner and holder of a one percent (1.0%) partnership interest in the Debtor; OCEI Minerals, Ltd., Limited Partner and holder of a twenty-eight and 44/100ths percent (28.44%) partnership interest in the Debtor; OCEI Royalty, Ltd., Limited Partner and holder of a two percent (2.0%) partnership interest in the Debtor; Open Choke Energy Advisors, LLC, Limited Partner and holder of a thirty-three percent (33.0%) partnership interest in the Debtor; and Open Choke Energy Partners, LLC, Limited Partner and holder of a thirty-five and 56/100ths percent (35.56%) partnership interest in the Debtor.

“Disclosure Statement” shall mean the Debtor’s Disclosure Statement, as the same may be amended and modified from time to time, distributed to Holders of Claims according to Section 1125(b) of the Bankruptcy Code and Bankruptcy Rule 3018.

“Disputed Claims” shall mean all Claims: (a) which are listed in the Schedules as disputed, contingent or unliquidated or (b) as to which (i) a Proof of Claim has been filed, (ii) an objection, or request for estimation, has been timely filed (and not withdrawn) by any party in interest, and (iii) no Final Order has been entered thereon. In the event that any part of a Claim is disputed, such Claim in its entirety shall be deemed to constitute a Disputed Claim for purposes of Distribution under this Plan unless a Final Order has been entered allowing such Claim. Without limiting any of the above, a Claim that is the subject of a pending objection, motion, complaint, counterclaim, setoff, Avoidance Action, litigation Claim or other defense, or any other proceeding seeking to disallow, subordinate or estimate such Claim, shall be deemed to constitute a Disputed Claim.

“Disputed Claims Amount” shall mean an amount of Cash equal to one hundred percent (100%) of the Distributions to which the Holders of Disputed Claims would be entitled under the Plan if such Disputed Claims were Allowed Claims.

“Disputed Claim Fund” shall mean the cash fund established in accordance with the provisions of this Plan for the purposes of reserving Distributions to Holders of Disputed Claims in the Estate pending the determination and allowance, if applicable, thereof by Final Order of the Bankruptcy Court.

“Distribution” shall mean the transfers pursuant to the payment of the Purchase Price to LOH or the Transfer of Conveyed Assets and Interests described in Section 5.1 as well as distributions of Cash to the various Classes of Claims as provided in Article V of this Plan.

“ECG” shall mean East Cameron Gas Company.

“Effective Date” shall mean the date on which the conditions specified in Article VI of the Plan have been satisfied or waived and upon which the Plan becomes effective, which date shall not be later than sixty (60) days after the Confirmation Date, unless extended by consent of the Debtor and LOH.

“Entity” shall mean any individual, business entity, corporation, limited or general partnership, limited liability company, joint venture, association, joint stock company, estate, trust, trustee, Office of the United States Trustee, unincorporated organization, government, governmental unit (as defined in the Bankruptcy Code), agency or political subdivision thereof.

“Estate” shall mean the estate of the Debtor as defined in Section 541 of the Bankruptcy Code.

“Executory Contract” shall mean any contract that shall qualify as an “Executory Contract” pursuant to Section 365 of the Bankruptcy Code.

“Exit Loan Facility” shall mean a loan facility provided by Macquarie Bank, Ltd., or some

other lender, and which shall be used by the Debtor to pay the Purchaser Price and to provide funds for the further development of the Properties.

“Farmout” shall mean the Farmout Agreement executed on or about November 28, 2007 between the Debtor and Open Choke Exploration, LLC regarding the development of the subject properties described therein as follows:

That certain Oil and Gas Lease of Submerged Lands, dated November 19, 1948, by and between the State of Louisiana as Lessor, and Continental Oil Co., et al., as Lessees, as validated by the United States of America and assigned number OCS 0184, covering all of the East half (E/2) of East Cameron Block 72, East Cameron Area, as shown on OCS Official Lease Map, Louisiana Map No. 2.

And

That certain Oil and Gas Lease of Submerged Lands, dated November 19, 1948, by and between the State of Louisiana, as Lessor, and Continental Oil Co., et al., as Lessees, as validated by the United States of America and assigned number OCS 0184, covering all of the West half (W/2) of East Cameron Block 72, East Cameron Area, limited to all depths below 10,400' subsurface as shown on OCS Official Lease Map, Louisiana Map No. 2.

“Farmout Properties” shall mean that certain portion of the Properties, which is subject to that certain Farmout Agreement executed on or about November 28, 2007 by and between the Debtor and Open Choke Exploration, LLC.

“Final Order” shall mean an order or judgment, the operation or effect of which has not been stayed, reversed, or amended and as to which order or judgment (or any revision, modification or amendment thereof) the time to appeal or seek review or rehearing has expired; provided, however that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or analogous rule of the Bankruptcy Rules, may be filed with respect to such order or judgment and such filing shall not be deemed to render such order or judgment not to be considered a Final Order.

“Full Release” shall mean the full and absolute release of all pre- and post-petition Claims, including, without limitation all Avoidance Claims under Sections 544, 545, 547, 548, and 549 of the Bankruptcy Code, all so called lender liability Claims, and Claims for equitable subordination under Section 510(c) of the Bankruptcy Code or otherwise.

“Holder” shall mean the Holder, as of the Record Date, of any Claim, including, but not limited to, any Administrative Claims, Priority Tax Claims, Secured or Unsecured Claims against the Estate.

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

“Initial Distribution” shall mean the first Distribution made to Holders of Unsecured Claims.

“Interest” shall mean any general or limited partnership interest or other interest in the Debtor.

“Lien” shall mean any Claim, pledge, antichresis, option, charge, hypothecation, easement, security interest, right-of-way, encroachment, mortgage, deed of trust, covenant, restriction, servitude, reservation, agreement of record or other encumbrance or interest.

“LLC Agreement” shall mean the Limited Liability Company Agreement of Louisiana Offshore Holding, LLC, as amended from time to time.

“LOH” shall mean Louisiana Offshore Holding, LLC. However, when this Plan references LOH and requires the action or consent of LOH to a particular action, “LOH” shall mean Louisiana Offshore Holding, LLC through its Independent Member.

“LOH Secured Claim” shall mean the Secured Claim of LOH which is secured by a certain mortgage and security interest granted to LOH pursuant to the terms of the PDMA and certain other documents.

“LOH Unsecured Claim” shall mean any and all Unsecured Claims of LOH and/or ECG including, but not limited to, the claims arising out of the PDMA and/or the rejection of the PDMA, and the LLC Agreement.

“Net Operating Revenue” means any revenue derived from the operation of the Reorganized Debtor’s business after the Effective Date, after subtracting operating costs and expenses.

“Operator” shall mean the individual or Entity identified in the Plan Supplement, or otherwise, which shall serve as operator of the Properties in the event that the Conveyed Assets and Interests are transferred to LOH pursuant to Section 5.1(a)(2) of the Plan.

“ORRI” shall mean the non-operating, non-expense bearing, overriding royalty interest in the Properties that purportedly entitles LOH to receive 89.68% of the Debtor’s net revenue interest in all hydrocarbons produced from the Properties until an aggregate quantity of approximately 63 million MMBtu Equivalent of hydrocarbons has been delivered to LOH.

“Partnership Interest” shall mean the interests of the Debtor Partners in the Debtor.

“Partnership Interest Holders” shall mean those entities or individuals holding any Partnership Interest.

“PDMA” shall mean the Production, Delivery and Marketing Agreement, between the Debtor and LOH, which contains certain covenants by the Debtor to operate the Properties and periodically provide certain information to LOH and includes a purported mortgage and security interest granted to LOH in the Properties to secure performance by the Debtor pursuant to the terms of the PDMA and certain other documents.

“Petition Date” shall mean October 16, 2008, which was the date on which the Debtor filed its voluntary petition for relief under the Bankruptcy Code and commenced this Chapter 11 Case.

“Plan” shall mean this plan of reorganization in its present form or as it may, from time to time, be modified, amended or supplemented.

“Plan Supplement” shall mean that document or set of documents which shall be filed by the Debtor prior to the Confirmation Hearing which may include, without limitation: (i) the form of Ballots for voting to accept or reject the Plan; (ii) a preliminary list of Executory Contracts to be assumed or rejected pursuant to Section VIII of the Plan; (iii) the Exit Loan Facility and drafts of any documents necessary to complete the funding of same; (iv) identification of the Operator; and (iv) drafts of any and all documents necessary to complete the Purchase of the LOH Claim and Interests and/or Transfer of Conveyed Assets and Interests described in Section 5.1 of the Plan.

“Priority Claim” shall mean a Claim entitled to priority pursuant to Section 507 of the Bankruptcy Code, other than Priority Tax Claims.

“Priority Tax Claim” shall mean a Claim entitled to priority pursuant to Section 507(a) (8) of the Bankruptcy Code.

“Professional” means (a) any professional employed in the Chapter 11 Case pursuant to Sections 327 or 1103 of the Bankruptcy Code or otherwise pursuant to an order of the Bankruptcy Court and (b) any professional or other entity seeking compensation or reimbursement of expenses in connection with the Chapter 11 Case pursuant to Section 503(b) (4) of the Bankruptcy Code.

“Proof of Claim” shall mean Official Form B10 or any form containing the information required thereon and filed with the Clerk of the Bankruptcy Court.

“Properties” shall mean the leasehold interests of the Debtor in a producing gas and condensate field in federal waters of the United States approximately twenty (20) miles offshore the State of Louisiana consisting of (i) a 100% undivided record title interest (with a 79.87% net revenue interest) in East Cameron Block 72 and (ii) a 100% undivided operating rights interest (with an 80.51% net revenue interest) in and to a portion of East Cameron Block 71. East Cameron

Block 71 and 72 (“EC 71 and EC 72”).

“Purchase” shall mean the purchase by the Debtor of the LOH Secured Claim as described in Section 5.1(a)(1) of the Plan.

“Purchase Price” shall mean \$20,000,000.00 Cash from the Exit Loan Facility or other available or obtained funds, which the Debtor asserts is the value of the Secured Claim of LOH against the Debtor including, but not limited to, any interests or amounts due to LOH pursuant to the PDMA.

“Quarter” shall mean the period beginning on the Initial Distribution Date and ending on the next December 31, March 31, June 30 or September 30, and each three month period thereafter.

“Record Date” shall mean the day on which the Court holds the Confirmation Hearing.

“Rejection Claim” shall mean any Claim arising out of the rejection of an Unexpired Lease or Executory Contract pursuant to Section 365 of the Bankruptcy Code. Allowed Rejection Claims are classified as Unsecured Claims and treated in Class 3.

“Reorganized Debtor” shall mean the Debtor after the Effective Date.

“Retained Assets and Interests” shall mean those assets and interests which are retained by the Debtor or assigned and conveyed to some Entity other than LOH pursuant to Section 5.1(a)(2) of the Plan including: (i) 10.32% of the Debtor’s net revenue interest in all hydrocarbons produced from the Properties until an aggregate quantity of approximately 63 million MMBtu Equivalent of hydrocarbons has been delivered to LOH; (ii) the rights and interests conveyed pursuant to the Farmout; (iii) the right of the Debtor and/or Open Choke Exploration, LLC to use the production facilities associated with the Properties, including platforms “A” and “C” and related facilities, for pipeline connection, processing, separation, metering, etc., on such terms and at such rate as will be agreed by the Debtor and LOH and set forth in the transaction documents executed pursuant to Section 5.1(a)(2) of the Plan; (iv) all Cash on hand as of the Effective Date; and (v) any and all right, title, Claim, or Interest in any other Asset of the Debtor’s Estate which is not conveyed to LOH pursuant to Section 5.1(a)(2) of the Plan. The Retained Assets and Interests shall not include the Conveyed Assets and Interests.

“Schedules” shall mean the schedule of assets and liabilities and the statement of financial affairs filed in the Chapter 11 Case by the Debtor, as such schedules or statements have been or may be amended or supplemented from time to time in accordance with Bankruptcy Rule 1009 or orders of the Bankruptcy Court.

“Secured Claim” shall mean an Allowed Claim secured by a Lien on any property of the Debtor, which Lien is valid, perfected and enforceable under applicable non-bankruptcy law and not subject to avoidance under the Bankruptcy Code or applicable non-bankruptcy law, but only to

the extent that such a Claim is not greater than the value of those of the Debtor's assets which the Court finds, or the Debtor and the Holders of such Secured Claim otherwise agree, are valid security for such Claim.

"Secured Creditor" shall mean the Holder of a Secured Claim.

"Subordinated Unsecured Claim" shall mean an Allowed Unsecured Claim held by the Debtor Partners or the Affiliates.

"Tax Code" shall mean the Internal Revenue Code of 1986, as amended.

"Transfer" shall mean, as appropriate, the creation of a Lien or other encumbrance on property and/or the voluntary or involuntary disposition of property or an interest in property by one party, in favor of another, by any means, including, but not limited to: sale, exchange, giving in payment, assignment, contribution or donation.

"Unexpired Lease" shall mean any lease for which the term has not yet expired and which shall qualify as an Unexpired Lease pursuant to Section 365 of the Bankruptcy Code.

"Unsecured Claim" shall mean an Allowed Claim held by a Creditor of the Debtor other than a Secured Claim, Priority Tax Claim, or Administrative Claim, including Claims arising out of the rejection of Executory Contracts or arising out of any deficiency in the value of the Collateral securing a Secured Claim.

"Unsecured Creditor" shall mean the Holder of an Unsecured Claim.

"Valuation Motion" shall mean a motion filed by the Debtor seeking a determination by the Bankruptcy Court of the value of any Claim and/or Asset.

ARTICLE II

CLASSIFICATION OF CLAIMS AND EXISTING PARTNERSHIP INTERESTS

For the purpose of payment of the Debtor's obligations under this Plan, the Claims and Interests, to the extent Allowed, of the Creditors and Interest Holders of the Debtor, other than Administrative Priority Claims and Priority Tax Claims, are divided into the following classes:

- 2.1 **Class 1: LOH Secured Claim.** This class consists of the LOH Secured Claim.
- 2.2 **Class 2: Other Secured Claims.** This class consists of all other Allowed Secured Claims not otherwise classified herein, if any.
- 2.3 **Class 3: General Unsecured Claims.** This class consists of all Allowed Unsecured Claims against the Debtor not otherwise classified herein.

2.4 **Class 4: LOH Unsecured Claim.** This class consists of any Allowed Unsecured Claim against the Debtor held by LOH.

2.4 **Class 5: Subordinated Unsecured Claims.** This class consists of Allowed Unsecured Claims against the Debtor which are held by Debtor Partners or the Affiliates.

2.5 **Class 6: Existing Partnership Interests.** This class consists of all Partnership Interest Holders.

ARTICLE III **GENERAL PROVISIONS OF THE PLAN**

The Plan classifies all Claims and Interests in and against the Debtor as Administrative Claims, Priority Tax Claims, and into six (6) separate voting classes.

The Plan proposes to satisfy all Claims and Interests of LOH through either (i) payment of the Purchase Price; or (ii) the Transfer of Conveyed Assets and Interests by the *dation en paiement* (or “giving in payment”) of the Conveyed Assets and Interests. The Plan permits LOH to elect one of the above options in satisfaction of the LOH Secured Claim and other rights and interests.

The Plan also provides for Distributions of Cash in satisfaction of all Administrative Claims, Priority Tax Claims, and General Unsecured Claims. Some of the Claims in these classes will receive deferred monthly Cash payments. However, Unsecured Claims held by Debtor Partners or the Affiliates will be voluntarily subordinated and will only receive Distributions in the event that the Exit Loan Facility is obtained and utilized to pay the Purchase Price as contemplated in Section 5.1(a)(1) and all General Unsecured Claims have received Distributions in full satisfaction of those Claims. Moreover, to the extent that the Debtor is entitled to recover monies paid to the Affiliates by the Affiliate Transfers, the Debtor shall be entitled to offset such amounts against said Affiliates’ Subordinated Unsecured Claim.

ARTICLE IV
TREATMENT OF ADMINISTRATIVE PRIORITY
CLAIMS AND PRIORITY TAX CLAIMS

4.1 Administrative Claims. On or as soon as practicable after the later of (i) the Effective Date or (ii) the date that an Administrative Claim becomes an Allowed Administrative Claim, each Administrative Claim that is an Allowed Claim shall be paid in full, in Cash; provided, however, that Administrative Claims, the payment of which are not expressly provided for elsewhere in this Plan and that represent indebtedness incurred in the ordinary course of business by the Debtor, shall be paid by the Debtor either (i) in the ordinary course of business in accordance with the terms and conditions of any agreements related thereto or (ii) as otherwise agreed among the Debtor and the Holder of such Administrative Claim. Additionally, any fees due to the U.S. Trustee's Office pursuant to 28 U.S.C. § 1930 will be paid as they become due by the Debtor or the Reorganized Debtor.

4.2 Professional Compensation and Reimbursement Claims. All Professionals seeking payment of an Administrative Claim pursuant to an award by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses incurred through and including the Effective Date under Sections 503(b)(2), 503(b)(3) or 503(b)(4) of the Bankruptcy Code shall file their respective final applications for allowances of compensation for services rendered and reimbursement of expenses incurred through the Effective Date by the Administrative Claim Bar Date. If granted, such an award by the Bankruptcy Court shall be paid in full in such amounts as are Allowed by the Bankruptcy Court (i) on the date such Administrative Claim becomes an Allowed Administrative Claim, or as soon thereafter as is practicable or (ii) upon such other terms as may be mutually agreed upon between the Holder of an Administrative Claim and the Debtor or, on and after the Effective Date, the Reorganized Debtor.

4.3 Priority Tax Claims. Except to the extent that the Holder of an Allowed Priority Tax Claim agrees to different treatment, the Reorganized Debtor shall pay to each Holder of an Allowed Priority Tax Claim the total amount of such Claim in full in equal quarterly installments beginning on the Initial Distribution Date in deferred cash payments, over a period not exceeding five (5) years after the Petition Date in accordance with Section 1129(a)(9)(C) and Section 511 of the Bankruptcy Code with interest at the rate(s) specified in and in accordance with applicable federal and state law, which rates are subject to periodic adjustment pursuant to applicable law. The first such quarterly installment shall occur at the end of the Quarter which is at least twenty (20) days after the latest of (i) the Effective Date, or (ii) the date a Priority Tax Claim becomes an Allowed Priority Tax Claim.

ARTICLE V
TREATMENT OF CLAIMS

The following treatment will be accorded to Claims and Interests in Class 1 through Class 6:

5.1 Class 1: LOH Secured Claim.

(a) Treatment. Pursuant to the election of LOH, the sole Holder of the Class 1 Claim shall receive satisfaction of that Claim by one of the following means:

(1) Purchase of the LOH Claim and Interests. The Debtor shall, within sixty (60) days of the Confirmation Date, pay to LOH the Purchase Price from the Exit Loan Facility in full and complete satisfaction of the all Interests and Claims against the Debtor. In exchange for the payment of the Purchase Price, LOH shall release all Liens, or other rights in the Properties or other assets of the Debtor. The Confirmation of the Plan shall constitute, and the Confirmation Order shall include, a specific finding that the Purchase Price is the indubitable equivalent of the value of the Class 1 Claim including, but not limited to, all Claims in favor of LOH arising out of or in any way related to the PDMA.

(2) Transfer of Conveyed Assets and Interests. The Debtor shall, within sixty (60) days of the Confirmation Date, execute a *dation en paiement* (or “giving in payment”), or otherwise convey, exchange, and transfer all of the Conveyed Assets and Interests to LOH in exchange for and in satisfaction of the Interests and Claims of LOH against the Debtor. The Debtor will continue to operate the Properties, until such time as the Operator is able to begin operation of the Properties or as otherwise agreed between the Debtor and LOH. In exchange for Transfer of the Conveyed Assets and Interest to LOH, LOH shall release all Liens, or other rights in the Retained Assets and Interests. The Confirmation of the Plan shall constitute, and the Confirmation Order shall include, a specific finding that the value of the Conveyed Assets and Interests are at least the indubitable equivalent of the value of the Class 1 Claim including, but not limited to, all Claims in favor of LOH arising out of or in any way related to the PDMA. The Conveyed Assets and Interests shall not include the Retained Assets and Interests. Drafts of the documents necessary to accomplish and effect the foregoing described Transfer of the Conveyed Assets and Interests may be included in the Plan Supplement.

(b) Impairment. Class 1 is **Impaired** by the Plan. Accordingly, the Class 1 Claimant is entitled to vote on the Plan.

5.2 Class 2: Other Secured Claims.

(a) Treatment.

(i) Each Holder of an Allowed Class 2 Other Secured Claim secured by a Lien on the Debtor's property has, or is deemed to have, an Allowed Other Secured Claim to the extent of the value of its interest in its Collateral as determined by the Bankruptcy Court on or before the Effective Date.

(ii) The Holder of each Allowed Other Secured Claim will receive, at the option of the Debtor, either

(a) payment in Cash in an amount equivalent to the full amount of such Creditor's Allowed Other Secured Claim;

(b) deferred Cash payments of Holder's Allowed Secured Claim over thirty (30) months at the non-default interest rate existing on such Other Secured Claim at the time of the Filing Date or at such other interest rate set by the Court, so that the Holder of such Other Secured Claim will receive or retain on account of such Claim, property with a value, as of the Effective Date, equal to the allowed amount of the Claim pursuant to 11 U.S.C. §1129(b)(2)(B)(i); or

(c) such other treatment as may be agreed to in writing by such Creditor and the Reorganized Debtor.

(iii) If, as the result of a Valuation Motion, it is determined that any Allowed Class 2 Claim exceeds the value of such Creditor's Collateral, any such excess (exclusive of post-petition interest, fees or other charges that such Creditor could otherwise assert) will constitute an Unsecured Claim and be treated in Class 3 for purposes of the Plan. Additionally, if the Holder's Collateral securing the other Secured Claim is sold outside of the Bankruptcy Proceeding, the deficiency, if any, on the Claim shall be treated as a Class 3 Unsecured Claim.

(b) Impairment. Class 2 Other Secured Claims are **Impaired**. Therefore, the Holders of Class 2 Claims are entitled to vote to accept or reject the Plan.

5.3 Class 3: General Unsecured Claims.

(a) Treatment. In full settlement, satisfaction and discharge of their respective Allowed Unsecured Claims, Class 3 Claimants, excluding the Holders of Subordinated Unsecured Claims, will receive thirty (30) monthly payments equal to

the full amount of each such Claim, the first such payment being due and payable on the first day of the first full Quarter which is at least thirty (30) days after the Effective Date. Any failure by the Reorganized Debtor to make any of the above described Distributions will constitute an event of Default under Article XII of the Plan.

(b) Impairment. Class 3 is **Impaired** under the Plan. Therefore, the Holders of Class 3 Claims are entitled to vote to accept or reject the Plan.

5.4 Class 4: LOH Unsecured Claim.

(a) Treatment. If LOH elects satisfaction of the LOH Secured Claim in Class 1 through the payment of Purchase Price, the LOH Unsecured Claim will be released and forever discharged. If LOH elects satisfaction of the LOH Secured Claim in Class 1 through the Transfer of Conveyed Assets and Interests, the LOH Unsecured Claim will likewise be released and forever discharged. Under either election, LOH shall not receive any Distributions whatsoever towards satisfaction of the LOH Unsecured Claim, and the Debtor and the Reorganized Debtor shall be forever discharged and relieved of any liability in connection therewith.

(b) Impairment. Class 4 is **Impaired** under the Plan. Therefore, the Class 4 Claimants are entitled to vote to accept or reject the Plan.

5.5 Class 5: Subordinated Unsecured Claims.

(a) Treatment. The Holders of Subordinated Unsecured Claims shall receive payment in full through thirty (30) monthly deferred Cash Payments. Provided, however, that Holders of Subordinated Unsecured Claims shall only receive Distributions after Holders of all Allowed Claims in Classes 2 and 3 have been paid all amounts due pursuant to the Plan. The first monthly payment to Holders of Subordinated Unsecured Claims shall be made by the Reorganized Debtor within forty-five (45) days after the date on which the full satisfaction of all Allowed Claims in Classes 2 and 3 has occurred.

The vote in favor of confirmation by the Holder of a Subordinated Unsecured Claim shall constitute indisputable proof and evidence of that Holder's voluntary subordination of such Claim to all Allowed Claims in Classes 2 and 3 and Confirmation of this Plan shall constitute approval of the voluntary subordination of the Subordinated Unsecured Claims. Provided, however, that to the extent that the Debtor is entitled to recover monies paid to the Affiliates by the Affiliate Transfers, the Debtor shall be entitled to offset such amounts against said Affiliates' Subordinated Unsecured Claim.

(b) Impairment. Class 5 is **Impaired** under the Plan. Therefore, the Class 5

Claimants are entitled to vote to accept or reject the Plan.

5.6 Class 6: Existing Partnership Interests

(a) Treatment. Class 6 Existing Partnership Interests shall retain their Interests under the Plan, but shall not be entitled to receive any Distributions under the Plan unless and until all Distributions required by the Plan are paid in full. Alternatively, Debtor reserves the right to cancel and extinguish the Existing Partnership Interests at or prior to the Confirmation Hearing.

Although the Class 6 Existing Partnership Interests shall not receive any actual Distributions under the Plan, they may be imputed to have received distributions under the Tax Code and other applicable law as a result of the implementation of the Plan.

(b) Impairment. Class 6 Existing Partnership Interests are **Impaired** and receive or retain nothing on account of their Interests under the Plan. Therefore, Holders of Class 6 Existing Partnership Interests are entitled to vote to accept or reject the Plan.

**ARTICLE VI
IMPLEMENTATION OF THE PLAN AND
MANAGEMENT OF THE REORGANIZED DEBTOR**

6.1 Conditions Precedent to Confirmation. The Plan shall not be confirmed unless and until the Confirmation Order shall be in a form and substance reasonably acceptable to the Debtor or such condition has otherwise been satisfied or waived pursuant to Section 6.3 of the Plan.

6.2 Conditions Precedent to Effectiveness. The following are conditions precedent to the occurrence of the Effective Date, each of which must be satisfied or waived in accordance with Section 6.3 of this Plan:

(a) the Confirmation Order shall: (i) have been entered by the Bankruptcy Court and have become a Final Order; (ii) be in form and substance satisfactory to the Debtor; (iii) provide that the Debtor is authorized and directed to take all actions necessary or appropriate to enter into, implement and consummate any and all contracts, instruments, releases, leases, indentures and other agreements or documents created in connection with this Plan; and (iv) provide that the value of the Conveyed Assets and Interests are of equivalent value to the value of the Class 1 Claim including, but not limited to, all Claims in favor of LOH arising out of or in any way related to the PDMA;

(b) either the Purchase of the LOH Secured Claim and other rights and interests

or the Transfer of Conveyed Assets and Interests will have been concluded; and

(c) any and all modifications made to this Plan, whether made pursuant to Article XIII of this Plan or otherwise, shall be reasonably satisfactory to the Debtor.

6.3 Waiver of Conditions. The Debtor or Reorganized Debtor may waive any of the foregoing conditions set forth in Section 6.1 or 6.2 of this Plan without leave of or notice to parties in interest or to the Bankruptcy Court and without any hearing insofar as the Effective Date occurs no later than ninety (90) days after the Confirmation Date. If the Debtor or Reorganized Debtor wishes to waive of the foregoing conditions and such waiver will result in the Effective Date occurring more than ninety (90) days after the Confirmation Date, such waiver can only be had pursuant to an Order of the Bankruptcy Court after notice and a hearing on an appropriate motion.

6.4 Failure to Satisfy or Waive Conditions Precedent. In the event that any or all of the conditions specified in Section 6.1 or 6.2 of this Plan have not been satisfied or waived in accordance with the provisions of this Section 6.3 on or before ninety (90) days after the Confirmation Order becomes a Final Order (which date may be extended by the Reorganized Debtor only with notification to and approval by the Bankruptcy Court); (a) the Confirmation Order shall be vacated, (b) no Distributions under this Plan shall be made, and (c) the Debtor and all Holders of Claims and Interests shall be restored to the *status quo ante* as of the day immediately preceding the Confirmation Date.

6.5 Means of Implementing the Plan. In addition to the provisions set forth elsewhere in the Plan, the following shall constitute the means of implementing the Plan:

(a) **Effectiveness of Documents and Agreements.** On the Effective Date, all documents and all other agreements entered into or issued pursuant to the Plan shall become effective and binding in accordance with their respective terms and conditions and shall be deemed to become effective simultaneously.

(b) **Partnership Action for the Reorganized Debtor.** On the Effective Date, all the matters provided for under this Plan that would otherwise require the approval of the Debtor Partners, including without limitation, authorization to enter into any of the agreements or documents referenced in this Plan, shall be deemed to have occurred and shall be in effect from and after the Confirmation Date without any requirement of further action by the Debtor Partners, or any one of them, of the Debtor or the Reorganized Debtor.

(c) **Approval of Agreements.** The solicitation of votes on the Plan shall be deemed a solicitation for approval of all transactions contemplated by this Plan. Entry of the Confirmation Order shall constitute approval of those transactions.

(d) **Operation of the Debtor Between the Confirmation Date and the Effective Date.** The Debtor shall continue to operate as Debtor-in-Possession, subject to the supervision of the Bankruptcy Court, pursuant to the Bankruptcy Code during the

period from the Confirmation Date through and until the Effective Date, and any obligation incurred by the Debtor during that period shall be Allowed or disallowed as an Administrative Claim in accordance with Section 503(b) of the Bankruptcy Code as if incurred prior to the Confirmation Date. Such operations shall be consistent with the normal and ordinary business of the Debtor and the Debtor shall not engage in any practice, take any action, or enter into any transaction outside the ordinary course of business.

ARTICLE VII
PROVISIONS REGARDING VOTING, DISTRIBUTIONS,
AND THE DISPUTED CLAIMS RESERVE

7.1 Voting of Claims. Each Holder of an Allowed Claim in an Impaired class of Claims shall be entitled to vote separately to accept or reject the Plan as provided in such Order as is entered by the Bankruptcy Court establishing certain procedures with respect to the solicitation and tabulation of votes to accept or reject the Plan, or any other Order or Orders of the Bankruptcy Court.

7.2 Non-consensual Confirmation. If any Impaired class of Claims entitled to vote does not accept the Plan by the requisite statutory majorities provided in Sections 1126(c) or 1126(d) of the Bankruptcy Code, as applicable, the Debtor reserves the right to amend the Plan as provided herein or undertake to have the Bankruptcy Court confirm the Plan under Section 1129(b) of the Bankruptcy Code, or both.

7.3 Method of Distributions Under the Plan.

(a) In General. Subject to Bankruptcy Rule 9010, and except as otherwise provided herein, all Distributions under the Plan shall be made by the Reorganized Debtor to the Holder of each Allowed Claim at the address of such Holder as listed on the Schedules unless the Debtor or Reorganized Debtor have been notified in writing of a change of address, including, without limitation, by the filing of a Proof of Claim by such Holder that provides an address for such Holder different from the address reflected on the Schedules.

(b) Distributions of Cash. Any payment of Cash made by the Reorganized Debtor pursuant to the Plan shall be made, in the sole discretion of the Reorganized Debtor, by check drawn on a domestic bank, by electronic wire, or by other form of wire transfer.

(c) Timing of Distributions to Unsecured Creditors. No later than five (5) days after the first day of the first full Quarter which is at least thirty (30) days after the Effective Date, the Reorganized Debtor shall make the Initial Distribution to Unsecured Creditors. Any payment or Distribution required to be made under this Plan on a day other than a business day shall be made on the next succeeding business day.

(d) **Minimum Distributions.** No payment of Cash less than one hundred dollars (\$100.00) shall be made by the Reorganized Debtor to any Holder of a Claim unless a request therefor is made in writing to the Reorganized Debtor.

(e) **Unclaimed Distributions.** Any Distributions under this Plan that are unclaimed for a period of six (6) months after Distribution thereof shall vest in the Reorganized Debtor and shall be used to pay any expenses of the Reorganized Debtor and any entitlement of any Holder of any Claim to such Distributions shall be extinguished and forever barred.

(f) **Distributions Withheld for Disputed Claims.**

(i) **Establishment and Maintenance of Disputed Claim Fund.** On the Initial Distribution Date and each Subsequent Distribution Date, the Reorganized Debtor shall reserve from the Distributions to be made on such dates to the Holders of Allowed Claims, an amount of Cash equal to the Disputed Claims Amount, and shall establish a Disputed Claims Fund by depositing the Disputed Claims Amount into a segregated bank account.

(ii) **Property Held in Disputed Claim Fund.** Cash held in the Disputed Claim Fund shall be held in trust by the Reorganized Debtor for the benefit of the potential Claimants of such Cash and shall not constitute property of the Reorganized Debtor.

(g) **Distributions Upon Allowance of Disputed Claims.** The Holder of a Disputed Claim that becomes an Allowed Claim subsequent to the Initial Distribution Date shall receive Distributions of Cash from the Disputed Claim Fund within thirty (30) days after such Disputed Claim becomes an Allowed Claim pursuant to a Final Order. Such Distribution shall be made in accordance with the Plan based upon the Distributions that would have been made to such Holder under the Plan if the Disputed Claim had been an Allowed Claim on or prior to the Effective Date. To the extent that a Disputed Claim is not Allowed or becomes an Allowed Claim in an amount less than the Disputed Claim Amount, the excess of the amount of Cash in the Disputed Claim Fund over the amount of Cash actually distributed on account of such Disputed Claim shall vest in the Reorganized Debtor and shall be used to pay any expenses of the Reorganized Debtor.

(h) **Setoffs and Recoupment.** The Debtor and/or the Reorganized Debtor may, but shall not be required to, setoff against or recoup from any Claim the payments to be made pursuant to the Plan in respect of such Claim, any Claims of any nature whatsoever that the Debtor may have against the Claimant, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtor of any such Claim or right it may have against such Claimant.

ARTICLE VIII
EXECUTORY CONTRACTS AND UNEXPIRED LEASES

8.1 Assumption and Assignment Generally. Except as otherwise provided in this Plan or in any contract, instrument, release or other agreement or document entered into in connection with the Plan, on the Effective Date, pursuant to Section 365 of the Bankruptcy Code, the Debtor will assume or assume and assign, as indicated, each of the Executory Contracts and Unexpired Leases listed on Exhibit A, provided, however, that the Debtor reserves the right at any time prior to the Confirmation Date, to amend Exhibit A to: (a) delete any Executory Contract or Unexpired Lease listed therein, thus providing for its rejection pursuant to Section 8.5 and (b) add any Executory Contract or Unexpired Lease thereto, thus providing for its assumption or assumption and assignment pursuant to this Section. The Debtor will provide notice of any amendments to Exhibit A to the parties to the Executory Contracts or Unexpired Leases affected thereby and to the parties on the then-applicable service list in this case. Each contract and lease listed on Exhibit A will be assumed only to the extent that any such contract or lease constitutes, as of the Effective Date, an Executory Contract or Unexpired Lease. Listing a contract or lease on Exhibit A will not constitute an admission by the Debtor or Reorganized Debtor that such contract or lease is an Executory Contract or Unexpired Lease or that the Debtor or Reorganized Debtor has any liability thereunder.

8.2 Modifications and Amendments of Executory Contracts and Unexpired Leases. Each Executory Contract and Unexpired Lease listed on Exhibit A, including each real property Executory Contract and Unexpired Lease affecting immovable or real property, will include any modifications, amendments, supplements, restatements or other agreements made directly or indirectly by any agreement, instrument or other document that in any manner affects such contract or lease, irrespective of whether such agreement, instrument or other document is listed on Exhibit A, unless any such modification, amendment, supplement, restatement or other agreement is rejected pursuant to Section 8.5 and is listed on Exhibit A.

8.3 Approval of Assumptions and Assignments. The Confirmation Order will constitute an order of the Bankruptcy Court approving the assumptions and assignments described in this Section and Exhibit A to this Plan, pursuant to Section 365 of the Bankruptcy Code, as of the Effective Date. An order of the Bankruptcy Court entered on or prior to the Confirmation Date will specify the procedures for providing notice to each non-Debtor to any Executory Contract or Unexpired Lease being assumed or assumed and assigned pursuant to the Plan of: (a) the contract or lease being assumed or assumed and assigned; (b) the Cure Claim, if any, that the applicable Debtor believes it is obligated to pay in connection with such assumption; and (c) the procedures for such party to object to the assumption or assumption and assignment of the applicable contract or lease or the amount of the proposed Cure Claim.

8.4 Payments Related to the Assumption of Executory Contracts and Unexpired Leases. To the extent that such Claims constitute monetary defaults, the Cure Claims associated with each Executory Contract and Unexpired Lease to be assumed or assumed and assigned

pursuant to the Plan will be satisfied, pursuant to Section 365(b)(1) of the Bankruptcy Code, at the option of the Debtor assuming such contract or lease or the assignee of such Debtor, if any, (1) by payment of the Cure Claim in Cash on the Effective Date or (2) on such other terms as are agreed to be the parties to such Executory Contract or Unexpired Lease. If there is a dispute regarding (1) the amount of any Cure Claim; (2) the ability of the Reorganized Debtor or any assignee to provide "adequate assurance of future performance" (within the meaning of Section 365 of the Bankruptcy Code) under the contract or lease to be assumed; or (3) any other matter pertaining to assumption or assumption and assignment of such contract or lease, the payment of any Cure Claim required by Section 365(b)(1) of the Bankruptcy Code will be made following the entry of a Final Order resolving the dispute and approving the assumption or assumption and assignment.

8.5 Executory Contracts and Unexpired Leases to Be Rejected. On the Effective Date, except for an Executory Contract or Unexpired Lease that was previously assumed, assumed and assigned, or rejected by an order of the Bankruptcy Court or that is assumed or assumed and assigned pursuant to Section 8.1 (including any related agreements assumed or assumed and assigned pursuant to Section 8.3), each Executory Contract and Unexpired Lease entered into by a Debtor prior to the Filing Date that has not previously expired or terminated pursuant to its own terms will be rejected, pursuant to Section 365 of the Bankruptcy Code. The Executory Contracts and Unexpired Leases to be rejected will include the Executory Contracts and Unexpired Leases listed on Exhibit B. Each contract and lease rejected pursuant to this Section will be rejected only to the extent that any such contract or lease constitutes an Executory Contract or Unexpired Lease. Listing a contract or lease on Exhibit B will not constitute an admission by a Debtor or Reorganized Debtor that such contract or lease, is an Executory Contract or Unexpired Lease, or that a Debtor or Reorganized Debtor has any liability thereunder. Any Executory Contract or Unexpired Lease entered into by the Debtor prior to the Filing Date and not listed on Exhibit B and not previously assumed, assumed and assigned or rejected by an order of the Bankruptcy Court will be rejected irrespective of whether such contract is listed on Exhibit B. The Confirmation Order will constitute an order of the Bankruptcy Court approving such rejections, pursuant to Section 365 of the Bankruptcy Code, as of the Effective Date.

8.6 Bar Date for Rejection Damages. Notwithstanding anything in the Confirmation Order as to the Bar Date to the contrary, if the rejection of an Executory Contract or Unexpired Lease pursuant to Section 8.5 gives rise to a Claim by the other party or parties to such contract or lease, such Claim will be forever barred and will not be enforceable against the Reorganized Debtor, its successors or its properties unless a Proof of Claim is filed and served on the Reorganized Debtor pursuant to the procedures specified in the Confirmation Order and the notice of the entry of the Confirmation Order or another order of the Bankruptcy Court, no later than 30 days after the Confirmation Date.

8.7 Contracts and Leases Entered Into After the Filing Date: Assumed Contracts and Leases. Contracts and leases entered into after the Filing Date by the Debtor will be performed by the Reorganized Debtor liable thereunder in the ordinary course of its business. Accordingly, such contracts and leases (including any assumed Executory Contracts and

Unexpired Leases) will survive and remain unaffected by entry of the Confirmation Order.

ARTICLE IX
VESTING OF PROPERTY, DISCHARGE, AND INJUNCTION

9.1 Revesting to Reorganized Debtor. Except as otherwise provided in the Plan, including the payment of the Purchase Price and the Purchase of the LOH Secured Claim and Interests or the Transfer of Conveyed Assets and Interests and any transactional documents related thereto, the property of the Estate of Debtor shall revest in the Reorganized Debtor on the Effective Date.

9.2 Operation by Reorganized Debtor. From and after the Effective Date, the Reorganized Debtor may operate its business, and may use, acquire and dispose of property free of any restrictions imposed under the Bankruptcy Code.

9.3 Free and Clear of Liens. As of the Effective Date, except as otherwise expressly provided in the Plan, all property of the Debtor and the Reorganized Debtor will be free and clear of all Liens, Claims, Interests, and Existing Partnership Interests.

9.4 Discharge.

(a) Except as otherwise specifically provided by this Plan, the confirmation of this Plan shall discharge and release the Debtor, Debtor-in-Possession, and Reorganized Debtor, their successors and assigns and their respective Assets and properties from any debt, charge, liability, encumbrance, Lien, Claim, Interests, or other Cause of Action of any kind, nature or description (including, but not limited to, any Claim of successor liability) that arose before the Confirmation Date, and any debt of the kind specified in Sections 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not a Proof of Claim is filed or is deemed filed, whether or not such Claim is Allowed, and whether or not the Holder of such Claim has voted on this Plan (including, without limitation, any liabilities arising under environmental laws in respect of the Debtor or any of the Debtor's successors or assigns or their respective assets or properties or any such partnership which results, in whole or in part, from any condition, event, occurrence or happening prior to the Confirmation Date, whether or not known or unknown, discovered or undiscovered, asserted or unasserted, latent or patent, and regardless of whether any Claim was, is or could have been asserted for such liability), and upon such discharge and release, no such liabilities shall continue to be obligations of the Debtor, Reorganized Debtor, or their successors or its assets or properties, whether under the doctrine of successor liability or otherwise.

(b) Furthermore, but in no way limiting the generality of the foregoing, except as otherwise specifically provided by this Plan, the rights that are provided in this Plan and the treatment of all Claims will be in exchange for and will be in complete satisfaction, discharge and release of (i) all Claims and Causes of Action against, liabilities of, Liens on, charges,

encumbrances, obligations of any nature whatsoever, against the Debtor, Debtor-in-Possession and Reorganized Debtor or the direct or indirect assets and properties of the Debtor or Reorganized Debtor, whether known or unknown, and (ii) all Causes of Action, whether known or unknown, either directly or derivatively through the Debtor, or the successors and assigns of the Debtor based on the same subject matter as any Claim, Interest, joint venture interest, in each case, regardless of whether a proof of Claim or Interest was filed, whether or not Allowed and whether or not the Holder of the Claim or Interest has voted on this Plan, or based on any act or omission, transaction or other activity or security, instrument or other agreement of any kind or nature occurring, arising or existing prior to the Effective Date that was or could have been the subject of any Claim or Interest, in each case regardless of whether a Proof of Claim or Interest was filed, whether or not Allowed and whether or not the Holder of the Claim or Interest has voted on this Plan.

9.5 Continuance of Automatic Stay and Injunctions. All injunctions, Liens, or stays provided for in this Chapter 11 Case under Sections 105 or 362 of the Bankruptcy Code, pursuant to Orders of the Bankruptcy Court, or otherwise, and in existence on or immediately before the Confirmation Date will remain in full force and effect until the Effective Date. Thereafter, the injunction provisions of Section 9.6 hereof shall take effect.

9.6 Injunction. Except as otherwise expressly provided in the Plan, the Confirmation Order or a separate order of the Bankruptcy Court, all Entities who have held, hold, or may hold a Claim or other debt or liability of Debtor or Interest or other right of any Debtor partner, or any other Cause of Action arising from or related to the Debtor's Chapter 11 Case, shall be permanently enjoined, on and after the Effective Date, from taking any actions on account of such Claims, debts, liabilities, or Interests or rights, including but not limited to: (a) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim or Interest against any of the Debtor, the Reorganized Debtor, or any Professionals employed in the Debtor's case and each of their respective affiliates, current or former officers, directors, agents, members, partners, shareholders, employees and representatives; (b) enforcing, attaching, collecting, or recovering by any manner or means of any judgment, award, decree or order against the Debtor on account of any such Claim or Interest against the Debtor, the Reorganized Debtor, or any Professionals employed in the Debtor's Chapter 11 Case and each of their respective affiliates, current or former officers, directors, agents, members, partners, shareholders, employees and representatives; (c) creating, perfecting or enforcing any Lien or encumbrance of any kind against the Debtor or against the property or interests in property of the Debtor on account of any such Claim or Interest, or the Reorganized Debtor, or any Professionals employed in the Debtor's Chapter 11 Case and each of their respective affiliates, current or former officers, directors, agents, members, partners, shareholders employees and representatives; (d) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due to or from the Debtor, the Reorganized Debtor, or any Professionals employed in the Debtor's Chapter 11 Case and each of their respective affiliates, current or former officers, directors, agents, members, partners, shareholders employees and representatives; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan, unless in any matter involving the

Debtor, the Reorganized Debtor, or any Professional retained in the Debtor's Chapter 11 Case, the matter is brought only in the Bankruptcy Court. Any person or Entity injured by any willful violation of such injunction, including but not limited to filing an action in any other court or forum, shall recover actual damages, including costs and professionals' fees, and, in appropriate circumstances, may recover punitive damages, from the willful violator. The Bankruptcy Court also may impose any additional sanctions as may be appropriate under the circumstances, including contempt sanctions.

ARTICLE X **RESERVATION OF CLAIMS**

Except as otherwise provided herein, the Debtor hereby preserves any and all Causes of Action they may have including, but not limited to, all Claims under Sections 544, 545, 547, 548, 549, 550, 551 and 553 of the Bankruptcy Code. Upon the Effective Date, all Causes of Action and Avoidance Claims shall, pursuant to (i) Bankruptcy Code Section 1123(b)(3)(B), (ii) this Plan and (iii) the Confirmation Order, be retained by the Reorganized Debtor. Subject to the provisions of this Plan, the Reorganized Debtor may, in its sole discretion, prosecute, settle, dismiss, abandon, and convey, sell, or transfer any and all Causes of Action or Avoidance Claims as the Reorganized Debtor sees fit without Bankruptcy Court approval.

ARTICLE XI **OBJECTIONS TO CLAIMS**

All objections to Administrative Claims, Claims and Interests after the Confirmation Date shall be litigated to Final Order; *provided, however*, that the Reorganized Debtor shall have the authority to compromise, settle, otherwise resolve or withdraw any objections, without approval of the Bankruptcy Court. Unless otherwise ordered by the Bankruptcy Court, the Reorganized Debtor may file any objections to Administrative Claims or other Claims that are the subject of Proofs of Claim or requests for payment filed with the Bankruptcy Court and shall serve such objections upon the Holder of the Administrative Claim, Claim, or Interest. Such objections shall be made as soon as is practicable, but in no event later than one hundred and eighty (180) days after the Effective Date or such other date as may be approved by the Bankruptcy Court upon the motion of the Debtor or Reorganized Debtor.

ARTICLE XII **DEFAULT UNDER THE PLAN**

12.1 Default by Reorganized Debtor. Except as otherwise provided in the Plan, any Holder of an Allowed Claim may notify the Debtor or Reorganized Debtor in writing of a default under the Plan. In the event such written notice of a default is transmitted to the Debtor or Reorganized Debtor, the Debtor, Reorganized Debtor or any party in interest will have thirty (30) days from receipt of the notice to cure the alleged default. Absent cure, the aggrieved party may seek relief from the Bankruptcy Court.

12.2 Default by Entities Other than Reorganized Debtor. Any act or omission by an

Entity in contravention of a provision within this Plan shall be deemed an event of default under this Plan. Upon an event of default, the Debtor or Reorganized Debtor may seek to hold the defaulting party in contempt of the Confirmation Order. If such Entity is found to be in default under the Plan, such party shall pay the reasonable attorneys' fees and costs of the Debtor or Reorganized Debtor in pursuing such matter and other appropriate sanctions and penalties.

ARTICLE XIII **AMENDMENTS AND MODIFICATIONS TO THE PLAN**

13.1 Pre-confirmation Amendment. The Debtor may amend or modify the Plan at any time prior to the entry of the Confirmation Order provided that the Plan, as amended or modified, and the Disclosure Statement pertaining thereto, meet applicable Bankruptcy Code requirements of Section 1125 of the Bankruptcy Code, among others.

13.2 Post-confirmation Amendment Not Requiring Resolicitation. After the entry of the Confirmation Order, the Debtor may amend or modify the Plan to remedy any defect or omission or to reconcile any inconsistencies in the Plan or in the Confirmation Order, as may be necessary to carry out the purposes and effects of the Plan, provided that (i) the Debtor obtains approval of the Bankruptcy Court for such modification, after notice and a hearing; and (ii) such modification shall not materially and adversely affect the Interests, rights, treatment or Distributions of any class under the Plan.

13.3 Post-confirmation Amendment Requiring Resolicitation. After the Confirmation Date and before the Effective Date of the Plan, Debtor may modify the Plan in a way that materially or adversely affects the Interests, rights, treatment, or Distributions of a class of Claims provided that: (i) the Plan, as modified, meets applicable Bankruptcy Code requirements; (ii) the Debtor obtains Bankruptcy Court approval for such modification, after notice to all Creditors entitled to receive notice pursuant to the Bankruptcy Code and the Bankruptcy Rules and a hearing; (iii) such modification is accepted by at least two-thirds in amount, and more than one-half in number, of Allowed Claims voting in each class affected by such modification; and (iv) the Debtor complies with Section 1125 of the Bankruptcy Code with respect to the Plan as modified.

ARTICLE XIV **RETENTION OF JURISDICTION**

The Bankruptcy Court will retain exclusive jurisdiction of all matters arising out of the Bankruptcy Case and the Plan as long as necessary for the purposes of Sections 105(a), 1127, 1142(b) and 1144 of the Bankruptcy Code and for, *inter alia*, the following purposes:

- (a) to recover all Assets of the Debtor, wherever located;
- (b) to decide any objections to the allowance, disallowance, or subordination of Claims or a controversy as to the Classification of Claims;

- (c) to decide and fix (i) all Administrative Claims, (ii) Claims arising from the rejection of any Executory Contracts or Unexpired Leases, (iii) Liens on any property or any proceeds thereof, and (iv) any other fee and expense authorized to be paid or reimbursed under the Bankruptcy Code;
- (d) to liquidate or estimate damages or determine the manner and time for such liquidation or estimation in connection with any disputed, contingent or unliquidated Claims;
- (e) to adjudicate any matters as may be provided for in the Confirmation Order;
- (f) to effectuate payments under and enforce the provisions of the Plan;
- (g) to hear and determine any pending applications, adversary proceedings or contested matters including all controversies, suits and disputes that may arise in connection with the interpretation or enforcement of the Plan, and matters concerning state, local and federal taxes according to Sections 346, 505 and 1146 of the Bankruptcy Code;
- (h) to hear and determine all issues relating to the Plan;
- (i) to amend or to correct any defect, cure any omission or reconcile any inconsistency in the Plan or the Confirmation Order as may be necessary to carry out the purposes and intent of the Plan;
- (j) to enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, or vacated;
- (k) to consider any modification of the Plan pursuant to Section 1127 of the Bankruptcy Code or modification of the Plan after substantial Consummation, as such terms are defined in Section 1101(2) of the Bankruptcy Code;
- (l) to determine any Causes of Action reserved to the Reorganized Debtor as specified in Article X of the Plan;
- (m) to determine such other matters as may be provided for in the Confirmation Order or as may be authorized under the provisions of the Bankruptcy Code; and
- (n) to enter a final decree closing the Bankruptcy Case.

ARTICLE XV
GENERAL PROVISIONS

15.1 Exemption from Transfer Taxes. Pursuant to Section 1146(c) of the Bankruptcy Code, any and all sales or transfers of assets, by the Debtor or the Reorganized Debtor, the creation of any mortgage, deed of trust or other security interest or Lien, the making or assignment of any lease or sublease, or the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan or any Asset Purchase Agreement, including, without limitation, any deeds, bills of sale, or assignments executed in connection with any of the sales, transfers, Distributions or transactions contemplated under the Plan and any agreement to purchase an Asset shall not be subject to any stamp, sales, real estate transfer, mortgage recording, or other similar tax.

15.2 Payment of Statutory Fees. All fees payable pursuant to Section 1930 of Title 28 of the United States Code, as determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid in Cash equal to the amount of such fees on the Effective Date.

15.3 Exculpation. Neither the Debtor, the Reorganized Debtor, nor any of their respective partners, members, managers, officers, directors, shareholders employees, advisors or agents shall have or incur any liability to any Holder of a Claim or Interest for any act or omission in connection with, related to, or arising out of, the Chapter 11 Case, the pursuit of confirmation of the Plan, the Consummation of the Plan or the administration of the Plan or the property to be distributed under the Plan, except for fraud, willful misconduct or gross negligence, and, in all respects, the Debtor, the Reorganized Debtor and each of their respective partners, members, managers, officers, directors, shareholders, employees, advisors, and agents shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan; provided, however, that, nothing contained herein shall exculpate, satisfy, discharge, or release any Cause of Action reserved to the Reorganized Debtor as specified in Article X of the Plan against present or former partners, members, managers, officers, directors shareholders, or employees of the Debtor in their capacities other than as present or former partners, members, managers, officers, directors shareholders, or employees.

15.4 Release of Debtor Partners, Managers, and Professionals. Neither (a) the Debtor Partners of the Debtor as of October 16, 2008, nor (b) any Professionals ever employed by the Debtor under Section 327(a) of the Bankruptcy Code during the Chapter 11 Case ("Released Parties"), shall have any responsibility, or have or incur any liability, to any Entity, under any theory of liability (except for any claim based upon fraud, willful misconduct, or intentional acts), for any act taken or omission made during or related to the Chapter 11 Case including, without limitation, the sale of the Debtor's assets, formulating, implementing, confirming, or consummating the Plan, the Disclosure Statement, or any contract, motion, instrument, release, order, or other agreement or document created in connection with the Chapter 11 Case. Furthermore, as specified in Section 1125(e) of the Bankruptcy Code, Entities that solicit acceptances or rejections of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code, shall not be liable, on account of

such solicitation, for violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan.

15.5 Binding Effect. The Plan shall be binding upon and inure to the benefit of the Debtor, all present and former Holders of Claims and Interests, and their respective successors and assigns, including, but not limited to, the Reorganized Debtor.

15.6 Pending Litigation. Except as otherwise provided herein, on the Effective Date, all lawsuits, litigation, administrative actions or other proceedings, judicial or administrative, which were pending on the Petition Date, shall be dismissed as to the Debtor. Such dismissal shall be with prejudice to the assertion of such Claim in any manner.

15.7 Dissolution of Committees. Upon the Confirmation Order becoming a Final Order, any committees appointed in the Chapter 11 Case pursuant to Section 1102 of the Bankruptcy Code shall cease to exist and each such committee's members and employees or agents (including, without limitation, attorneys, investment bankers, financial advisors, accountants, and other professionals) shall be released and discharged from further duties, responsibilities and obligations relating to and arising from and in connection with this Chapter 11 Case.

15.8 Severability. Should the Bankruptcy Court determine that any provision of the Plan is unenforceable either on its face or as applied to any Claim or transaction, the Debtor may modify the Plan in accordance with Article XII of the Plan so that such provision shall not be applicable to the Holder of any Claim. Such a determination of unenforceability shall not (1) limit or affect the enforceability and operative effect of any other provision of the Plan or (2) require the resolicitation of any acceptance or rejection of the Plan.

15.9 Withdrawal of Plan. The Plan may be withdrawn or revoked before the entry of the Confirmation Order at the sole and absolute discretion of the Debtor.

15.10 Notices. All notices, requests, and demands to or upon the Debtor or the Reorganized Debtor shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

If to the Debtor:

East Cameron Partners, L.P.
c/o Stewart F. Peck
Lugenbuhl, Wheaton, Peck, Rankin & Hubbard
601 Poydras Street, Suite 2775
New Orleans, LA 70130
Telephone: (504) 568-1990
Facsimile: (504) 310-9195

with a copy to:

East Cameron Partners, L.P.
c/o Open Choke Energy, LLC, General Partner
2425 Fountain View Drive
Houston, TX 77057

15.11 Governing Law. Except to the extent the Bankruptcy Code, Bankruptcy Rules or other federal law is applicable, or to the extent an exhibit to the Plan provides otherwise, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Louisiana, without giving effect to the principles of conflicts of law of such jurisdiction.

15.12 Headings. Headings are used in the Plan for convenience and reference only, and shall not constitute a part of the Plan for any other purpose.

15.13 No Admissions. Notwithstanding anything herein to the contrary, nothing contained in the Plan shall be deemed an admission by any entity with respect to any matter set forth herein.

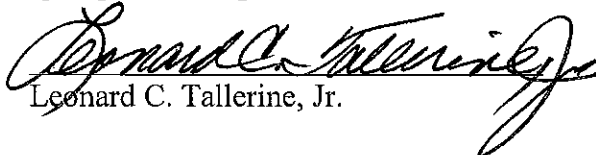
15.14 Section 1129(b) of the Bankruptcy Code. The Debtor hereby requests confirmation of this Plan pursuant to 11 U.S.C. §1129(b).

15.15 Section 1125(e) of the Bankruptcy Code. The Debtor has, and upon confirmation of this Plan shall be deemed to have, solicited acceptances of this Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code, and therefore are not, and on account of such solicitation of acceptances or rejections of this Plan will not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of this Plan.

Respectfully submitted this 3rd day of June 2009.

EAST CAMERON PARTNERS, L.P.
Debtor and Debtor-in-Possession

Through its Chief Restructuring Officer,
Goldking Capital Management, LLC

By: 
Leonard C. Tallerine, Jr.

AND

LUGENBUHL, WHEATON, PECK,
RANKIN & HUBBARD



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