Docket #0026 Date Filed: 11/07/2017

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
ExGen Texas Power, LLC, *et al.*,[1]	:	Case No. 17-12377 (BLS)
Debtors.	:	Joint Administration Requested

DISCLOSURE STATEMENT FOR THE JOINT PLAN OF REORGANIZATION FOR EXGEN TEXAS POWER, LLC; EXGEN TEXAS POWER HOLDINGS, LLC; WOLF HOLLOW I POWER, LLC; COLORADO BEND I POWER, LLC; HANDLEY POWER, LLC; MOUNTAIN CREEK POWER, LLC; AND LAPORTE POWER, LLC UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

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Dated: November 7, 2017

This Disclosure Statement is subject to approval by the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") and other customary conditions. Absent approval by the Bankruptcy Court, this Disclosure Statement is not a solicitation of acceptances or rejections of the *Joint Plan of Reorganization for ExGen Texas Power, LLC, ExGen Texas Power Holdings, LLC, Wolf Hollow I Power, LLC, Colorado Bend I Power, LLC, Handley Power, LLC, Mountain Creek Power, LLC, and LaPorte Power, LLC Under Chapter 11 of the Bankruptcy Code* (the "Plan"), as the same may be amended or modified from time to time in accordance with the terms thereof, a copy of which is attached to this Disclosure Statement as Exhibit A. Acceptances or rejections with respect to the Plan may not be solicited until this Disclosure Statement has been approved by the Bankruptcy Court. Such solicitation will only be made in compliance with applicable provisions of securities and/or bankruptcy laws. Future developments relating to the matters

1 The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: ExGen Texas Power, LLC (4129), ExGen Texas Power Holdings, LLC (2209), Wolf Hollow I Power, LLC (6945), Colorado Bend I Power, LLC (9083), Handley Power, LLC (4091), Mountain Creek Power, LLC (6288), and LaPorte Power, LLC (5101). The mailing address of each of the Debtors, solely for purposes of notices and communications, is: 1310 Point Street, Baltimore, MD 21231.

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described herein may require modifications, additions, or deletions to this Disclosure Statement. This Disclosure Statement is not an offer to sell any securities and is not soliciting an offer to buy any securities.

THE VOTING DEADLINE IS 5:00 P.M. PREVAILING EASTERN TIME ON [_____] [__], 2017 (UNLESS THE DEBTORS EXTEND THE VOTING DEADLINE).

TO BE COUNTED AS A VOTE TO ACCEPT OR REJECT THE PLAN, THE VOTING AND CLAIMS AGENT MUST ACTUALLY RECEIVE YOUR BALLOT ON OR BEFORE THE VOTING DEADLINE AS SET FORTH IN THE DISCLOSURE STATEMENT ORDER.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, THE PLAN AND ANY EXHIBITS ATTACHED THERETO SHOULD NOT BE RELIED UPON IN MAKING INVESTMENT DECISIONS WITH RESPECT TO THE DEBTORS OR ANY OTHER ENTITIES THAT MAY BE AFFECTED BY THE CHAPTER 11 CASES.

IMPORTANT INFORMATION FOR YOU TO READ

THE DEBTORS ARE PROVIDING THE INFORMATION IN THIS DISCLOSURE STATEMENT FOR THE PURPOSE OF SOLICITING VOTES TO ACCEPT THE PLAN. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE RELIED UPON OR USED BY ANY ENTITY FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN.

THIS DISCLOSURE STATEMENT WAS NOT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE AUTHORITY AND NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE AUTHORITY HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE PLAN.

THIS DISCLOSURE STATEMENT CONTAINS "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. SUCH STATEMENTS CONSIST OF ANY STATEMENT OTHER THAN A RECITATION OF HISTORICAL FACT AND CAN BE IDENTIFIED BY THE USE OF FORWARD-LOOKING TERMINOLOGY SUCH AS "MAY," "EXPECT," "ANTICIPATE," "ESTIMATE" OR "CONTINUE" OR THE NEGATIVE THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. THE READER IS CAUTIONED THAT ALL FORWARD-LOOKING STATEMENTS ARE NECESSARILY SPECULATIVE AND THERE ARE CERTAIN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL EVENTS OR RESULTS TO DIFFER MATERIALLY FROM THOSE REFERRED TO IN SUCH FORWARD-LOOKING STATEMENTS. THE LIQUIDATION ANALYSIS, DISTRIBUTION PROJECTIONS AND OTHER INFORMATION CONTAINED HEREIN AND ATTACHED HERETO ARE ESTIMATES ONLY, AND THE TIMING AND AMOUNT OF ACTUAL DISTRIBUTIONS TO HOLDERS OF ALLOWED CLAIMS MAY BE AFFECTED BY MANY FACTORS THAT CANNOT BE PREDICTED. THEREFORE, ANY ANALYSES, ESTIMATES OR RECOVERY PROJECTIONS MAY OR MAY NOT TURN OUT TO BE ACCURATE.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016 AND IS NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER SIMILAR LAWS. THE SECURITIES DESCRIBED HEREIN WILL BE ISSUED TO CREDITORS WITHOUT REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY SIMILAR FEDERAL, STATE OR LOCAL LAW, AND WILL INSTEAD RELY UPON THE EXEMPTIONS SET FORTH IN SECTION 1145 OF THE BANKRUPTCY CODE AND SECTION 4(2) OF THE SECURITIES ACT OR OTHER APPLICABLE EXEMPTIONS. THE DEBTORS RECOMMEND THAT POTENTIAL RECIPIENTS OF ANY SECURITIES PURSUANT TO THE PLAN CONSULT THEIR OWN LEGAL COUNSEL CONCERNING THE SECURITIES LAWS GOVERNING THE TRANSFERABILITY OF ANY SUCH SECURITIES.

NO LEGAL OR TAX ADVICE IS PROVIDED TO YOU BY THIS DISCLOSURE STATEMENT. THE DEBTORS URGE EACH HOLDER OF A CLAIM OR AN EQUITY INTEREST TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY LEGAL, FINANCIAL, SECURITIES, TAX OR BUSINESS ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT, THE PLAN AND EACH OF THE PROPOSED TRANSACTIONS CONTEMPLATED THEREBY. FURTHERMORE, THE BANKRUPTCY COURT'S APPROVAL OF THE ADEQUACY OF DISCLOSURE CONTAINED IN THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL OF THE MERITS OF THE PLAN.

IT IS THE DEBTORS' POSITION THAT THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION OR WAIVER. RATHER, THIS DISCLOSURE STATEMENT SHALL CONSTITUTE A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS RELATED TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER PENDING OR THREATENED LITIGATION OR ACTIONS.

NO RELIANCE SHOULD BE PLACED ON THE FACT THAT A PARTICULAR LITIGATION CLAIM OR PROJECTED OBJECTION TO A PARTICULAR CLAIM IS, OR IS NOT, IDENTIFIED IN THE DISCLOSURE STATEMENT. THE DEBTORS OR THE REORGANIZED DEBTORS MAY SEEK TO INVESTIGATE, FILE AND PROSECUTE CLAIMS AND MAY OBJECT TO CLAIMS AFTER THE CONFIRMATION OR EFFECTIVE DATE OF THE PLAN IRRESPECTIVE OF WHETHER THE DISCLOSURE STATEMENT IDENTIFIES ANY SUCH CLAIMS OR OBJECTIONS TO CLAIMS.

THIS DISCLOSURE STATEMENT CONTAINS, AMONG OTHER THINGS, SUMMARIES OF THE PLAN, CERTAIN STATUTORY PROVISIONS, CERTAIN EVENTS IN THE DEBTORS' CHAPTER 11 CASES AND CERTAIN DOCUMENTS RELATED TO THE PLAN THAT ARE ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE. ALTHOUGH THE DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE, THESE SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY TO THE EXTENT THAT THE SUMMARIES DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS OR EVERY DETAIL OF SUCH EVENTS. IN THE EVENT OF ANY CONFLICT, INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR ANY OTHER DOCUMENTS INCORPORATED HEREIN BY REFERENCE, THE PLAN OR SUCH OTHER DOCUMENTS WILL GOVERN AND CONTROL FOR ALL PURPOSES. EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED, FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTORS' MANAGEMENT, WHICH INCLUDES MANAGEMENT PERSONNEL AND EMPLOYEES OF NON-DEBTOR EXELON GENERATION COMPANY, LLC (THE "SPONSOR" OR "EXGEN"). NEITHER THE DEBTORS NOR THE SPONSOR REPRESENT OR WARRANT THAT THE INFORMATION CONTAINED HEREIN OR ATTACHED HERETO IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.

THE DEBTORS' MANAGEMENT, WHICH INCLUDES MANAGEMENT PERSONNEL AND EMPLOYEES OF THE SPONSOR, HAVE REVIEWED THE FINANCIAL INFORMATION PROVIDED IN THIS DISCLOSURE STATEMENT. ALTHOUGH THE DEBTORS HAVE USED THEIR REASONABLE BUSINESS JUDGMENT TO ENSURE THE ACCURACY OF THE FINANCIAL INFORMATION PROVIDED IN THIS DISCLOSURE STATEMENT, THE FINANCIAL INFORMATION CONTAINED IN, OR INCORPORATED BY REFERENCE INTO, THIS DISCLOSURE STATEMENT HAS NOT BEEN AUDITED (UNLESS EXPRESSLY PROVIDED HEREIN).

THE DEBTORS ARE GENERALLY MAKING THE STATEMENTS AND PROVIDING THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AS OF THE DATE HEREOF WHERE FEASIBLE, UNLESS OTHERWISE SPECIFICALLY NOTED. ALTHOUGH THE DEBTORS MAY SUBSEQUENTLY UPDATE THE INFORMATION IN THIS DISCLOSURE STATEMENT, THE DEBTORS HAVE NO AFFIRMATIVE DUTY TO DO SO. HOLDERS OF CLAIMS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER THAT, AT THE TIME OF THEIR REVIEW, THE FACTS SET FORTH HEREIN HAVE NOT CHANGED SINCE THE DISCLOSURE STATEMENT WAS FILED. THE DEBTORS HAVE NOT AUTHORIZED ANY ENTITY TO GIVE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. THE DEBTORS HAVE NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING THE DEBTORS OR THE VALUE OF THEIR PROPERTY OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.

HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN MUST RELY ON THEIR OWN EVALUATION OF THE DEBTORS AND THEIR OWN ANALYSES OF THE TERMS OF THE PLAN IN DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN. IMPORTANTLY, PRIOR TO DECIDING WHETHER AND HOW TO VOTE ON THE PLAN, EACH HOLDER OF A CLAIM IN A VOTING CLASS SHOULD REVIEW THE PLAN IN ITS ENTIRETY AND CONSIDER CAREFULLY ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT AND ANY EXHIBITS HERETO, INCLUDING THE RISK FACTORS DESCRIBED IN GREATER DETAIL IN SECTION VI HEREIN, "PLAN-RELATED RISK FACTORS."

THE PLAN IS SUPPORTED BY THE DEBTORS, AN AD HOC COMMITTEE OF SECURED LENDERS CURRENTLY CONSTITUTING REQUIRED LENDERS AND THE SPONSOR. ALL SUCH PARTIES URGE HOLDERS OF CLAIMS WHOSE VOTES ARE BEING SOLICITED TO ACCEPT THE PLAN.

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THE DEBTORS HEREBY ADOPT AND INCORPORATE EACH EXHIBIT ATTACHED TO THIS DISCLOSURE STATEMENT BY REFERENCE AS THOUGH FULLY SET FORTH HEREIN.

I.
EXECUTIVE SUMMARY

ExGen Texas Power, LLC ("**EGTP**"), ExGen Texas Power Holdings, LLC ("**Parent**"), Wolf Hollow I Power, LLC ("**Wolf Hollow I**"), Colorado Bend I Power, LLC ("**Colorado Bend I**"), Handley Power, LLC ("**Handley**"), Mountain Creek Power, LLC ("**Mountain Creek**") and LaPorte Power, LLC ("**LaPorte**") as debtors and debtors-in-possession (each a "**Debtor**" and, collectively, the "**Debtors**" or the "**Company**"), submit this Disclosure Statement pursuant to section 1125 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended from time to time, the "**Bankruptcy Code**"), in connection with the solicitation of votes on the Joint Plan of Reorganization for ExGen Texas Power, LLC, ExGen Texas Power Holdings, LLC , Wolf Hollow I Power, LLC, Colorado Bend I Power, LLC, Handley Power, LLC, Mountain Creek Power, LLC and LaPorte Power, LLC Under Chapter 11 of the Bankruptcy Code dated November [__] , 2017 (the "**Plan**"),[2] which was filed by the Debtors with the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**"). The Confirmation Hearing on the Plan is scheduled to commence at [__:__] _.m. prevailing Eastern Time on [_____] [__], 2018 before the Bankruptcy Court. A copy of the Plan is attached hereto as Exhibit A.

Prior to soliciting votes on a proposed plan of reorganization, section 1125 of the Bankruptcy Code requires debtors to prepare a disclosure statement containing information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance or rejection of the plan of reorganization. As such, this Disclosure Statement is being submitted in accordance with the requirements of section 1125 of the Bankruptcy Code.

This Executive Summary is being provided as an overview of the material items addressed in the Disclosure Statement and the Plan, which is qualified by reference to the entire Disclosure Statement and by the actual terms of the Plan (and including all exhibits attached hereto and to the Plan), and should not be relied upon for a comprehensive discussion of the Disclosure Statement and/or the Plan. This Disclosure Statement includes, without limitation, information about:

- the Debtors' prepetition operating and financial history;
- the events leading up to the commencement of the above-captioned chapter 11 cases (collectively, the "**Chapter 11 Cases**");
- the significant events that have occurred during the Chapter 11 Cases;
- the solicitation procedures for voting on the Plan;
- the Confirmation process and the voting procedures that Holders of Claims who are entitled to vote on the Plan must follow for their votes to be counted;
- the terms and provisions of the Plan, including certain effects of confirmation of the Plan, certain risk factors relating to the Debtors or the Reorganized Debtors, the Plan and the securities to be issued under the Plan and the manner in which distributions will be made under the Plan; and
- the proposed organization, operations and financing of the Reorganized Debtors if the Plan is confirmed and becomes effective.

[2] All capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan. To the extent that a definition of a term in the text of this Disclosure Statement and the definition of such term in the Plan are inconsistent, the definition included in the Plan shall control and govern.

A. PURPOSE AND EFFECT OF THE PLAN

1. Plan of Reorganization Under Chapter 11 of the Bankruptcy Code

The Debtors are reorganizing pursuant to chapter 11 of the Bankruptcy Code, which is the principal business reorganization chapter of the Bankruptcy Code. As a result, the confirmation of the Plan means that the Reorganized Debtors will continue to operate their businesses going forward and does not mean that the Debtors will be liquidated or forced to go out of business. Additionally, as discussed in greater detail in Section IV.J herein and Article X.H of the Plan, titled "Binding Nature of Plan," a bankruptcy court's confirmation of a plan binds debtors, any entity acquiring property under the plan, any holder of a claim or equity interest in a debtor and all other entities as may be ordered by the bankruptcy court in accordance with the applicable provisions of the Bankruptcy Code to the terms and conditions of the confirmed plan, whether or not such entity voted on the particular plan or affirmatively voted to reject the plan.

2. Financial Restructurings Under the Plan

The Plan contemplates certain transactions, including, without limitation, the following transactions (described in greater detail in Section IV herein):

- With respect to each Prepetition Revolving Facility Claim, subject to Article VIII of the Plan, on, or as soon as reasonably practicable after, the later of (i) the Initial Distribution Date if such Claim is allowed as of the Effective Date or (ii) the date on which such Claim becomes allowed, each Holder of an Allowed Prepetition Revolving Facility Claim will receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Claim, at the election of (x) prior to the Effective Date, the Debtors (with the consent of the Required Lenders or (y) on or after the Effective date, the Reorganized Debtors, as applicable: (A) Cash equal to the allowed amount of such Claim; (B) such other less favorable treatment as to which the Debtors (with the consent of the Required Lenders) or Reorganized Debtors, as applicable, and the Holder of such Claim shall have agreed upon in writing; or (C) such other treatment such that it will not be impaired pursuant to section 1124 of the Bankruptcy Code.

- The Secured Sponsor Claims are deemed Allowed Claims in the aggregate principal amount of $[_____]. Upon effectiveness of the Sponsor Compromise (subject to the conditions precedent to the Sponsor Compromise set forth in Article V.D of the Plan being satisfied), the aggregate amount of Secured Sponsor Claims shall be waived and shall be deemed forever waived and discharged pursuant to the Sponsor Compromise. In the event that the Effective Date occurs but the conditions precedent to the Sponsor Compromise set forth in Article V.D of the Plan are not satisfied, then the Secured Sponsor Claims shall be deemed to be Class 6 Prepetition Credit Agreement Claims (Secured Portion), and shall be entitled to the voting and treatment accorded to Class 6 Prepetition Credit Agreement Claims (Secured Portion).

- The Prepetition Credit Agreement Claims (Secured Portion) will be deemed allowed in the aggregate principal amount of $[_____], plus any accrued and unpaid interest payable on such amounts as of the Petition Date. On the Effective Date and in addition to the reimbursement described in Article V of the Plan, each Holder of a Prepetition Credit Agreement Claim (Secured Portion) will receive, in full satisfaction, settlement, discharge and release of, and in exchange for, such Prepetition Credit Agreement Claim (Secured Portion) its respective Pro Rata share of the New Equity Interests Pool. Pre-Petition Credit Agreement Claims include all claims (other than Prepetition Revolving Facility Claims, Commodity Hedge Agreement Claims, Prepetition Agent Fees and Expenses and Ad Hoc Committee Fees and Expenses) arising from, under or in connection with the Prepetition Credit Agreement (including, without limitation, any and all Loans (as defined in the Prepetition Credit Agreement)), the Financing and Hedge Documents, the Permitted Secured Affiliate Agreements and any other Prepetition Loan Document.

- With respect to each General Unsecured Claim (which includes, but is not limited to, any Prepetition Credit Agreement Claim (Unsecured Deficiency Portion)), subject to Article VIII of the Plan, on, or as soon as reasonably practicable after, the later of (i) the Initial Distribution Date if such Class is allowed as of the Effective Date or (ii) the date on which such Claim becomes allowed, each Holder of an Allowed General Unsecured Claim will receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Claim, at the election of (x) prior to the Effective Date, the Debtors (with the consent of the Required Lenders) or (y) on or after the Effective Date, the Reorganized Debtors, as applicable: (A) its Pro Rata share of the General Unsecured Claims Cash Amount or (B) such other less favorable treatment as to which the Debtors (with the consent of the Required Lenders) or Reorganized Debtors, as applicable, and the Holder of such Claim shall have agreed upon in writing.

- Subject to the Restructuring Transactions, each Intercompany Claim will be reinstated, compromised, or cancelled, at the option of the relevant Holder of such Intercompany Claim with the consent of the Required Lenders. Intercompany Claims include any Claim against any of the Debtors held by another Debtor, other than an Administrative Claim. Intercompany Claims do not include any Claims that a non-Debtor affiliate (including, without limitation, the Sponsor) may have against the Debtors.

- Old Parent Interests will be cancelled without further notice to, approval of or action by any Person or Entity, and each Holder of an Old Parent Interest will not receive any distribution or retain any property on account of such Old Parent Interest.

- Subject to the Restructuring Transactions, the Old Intercompany Interests will remain effective and outstanding on the Effective Date and will be owned and held by Reorganized Parent and/or another applicable Entity as set forth in greater detail in the Description of Structure as of the Effective Date

- The legal, equitable, and contractual rights of the Holders of Allowed Other Priority Claims, Allowed Other Secured Claims, and Allowed Secured Tax Claims will be unaltered by the Plan.

B. ADMINISTRATIVE, PRIORITY TAX AND COMMODITY HEDGE CLAIMS

The following is a summary of the treatment of Administrative and Priority Tax Claims under the Plan. For a more detailed description of the treatment of such Claims under the Plan, please see Article II of the Plan.

1. Administrative Claims

Subject to sub-paragraph (a) below, on the later of the Effective Date and the date on which an Administrative Claim becomes an Allowed Administrative Claim, or, in each such case, as soon as practicable thereafter, each Holder of an Allowed Administrative Claim (other than an Allowed Professional Fee Claim (the treatment of which is set forth in Article II.B of the Plan) or a Commodity Hedge Agreement Claim (the treatment of which is set forth in Article II.C of the Plan)) will receive, in full satisfaction, settlement, discharge and release of, and in exchange for, such Claim either (i) Cash equal to the amount of such Allowed Administrative Claim; or (ii) such other less favorable treatment as to which (x) prior to the Effective Date, the Debtors (with the consent of the Required Lenders) or (y) on or after the Effective Date, the Reorganized Debtors, as applicable, and the Holder of such Allowed Administrative Claim shall have agreed upon; provided, however, that Administrative Claims incurred by any Debtor in the ordinary course of business may be paid in the ordinary course of business by such applicable Debtor or Reorganized Debtor in accordance with such applicable terms and conditions relating thereto without further notice to or order of the Bankruptcy Court.

(a) Bar Date for Administrative Claims

Except as otherwise provided in the Plan and section 503(b)(1)(D) of the Bankruptcy Code, unless previously Filed or paid, (i) requests for payment of Administrative Claims arising prior to the Initial Administrative Claims Record Date must be Filed and served on the Debtors or the Reorganized Debtors, as applicable, pursuant to the procedures specified in the Administrative Claims Order no later than the Initial Administrative Claims Bar Date, and (ii) requests for payment of Administrative Claims arising in the time period between the Initial Administrative Claims Record Date and the Effective Date must be Filed and served on the Debtors or the Reorganized Debtors, as applicable, pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order or the occurrence of the Effective Date (as applicable) no later than the Final Administrative Claims Bar Date; provided that the foregoing shall not apply to either the Holders of Claims arising under section 503(b)(1)(D) of the Bankruptcy Code or the Bankruptcy Court or United States Trustee as the Holders of Administrative Claims. Holders of Administrative Claims that are required to File and serve a request for payment of such Administrative Claims that do not File and serve such a request by the applicable Administrative Claims Bar Date shall be forever barred, estopped and enjoined from asserting such Administrative Claims against the Debtors, the Reorganized Debtors and their respective Estates and property and such Administrative Claims shall be deemed discharged as of the Effective Date. All such Claims shall, as of the Effective Date, be subject to the permanent injunction set forth in Article X.G of the Plan. Nothing in the Plan shall limit, alter, or impair the terms and conditions of the Claims Bar Date Order with respect to the Claims Bar Date for filing administrative expense claims arising under Section 503(b)(9) of the Bankruptcy Code.

Objections to such requests must be Filed and served on the Reorganized Debtors and the requesting party by the later of (a) the Claims Objection Deadline and (b) 60 days after the Filing of the applicable request for payment of Administrative Claims, if applicable, as the same may be modified or extended from time to time by Final Order of the Bankruptcy Court.

For the avoidance of doubt, all fees and expenses of the (x) Ad Hoc Committee Professionals and (y) Prepetition Agents shall be paid in full, in Cash, on the Effective Date or as soon as reasonably practicable thereafter (to the extent not previously paid during the course of the Chapter 11 Cases) by the Debtors or the Reorganized Debtors, without the requirement to file a fee application with the Bankruptcy Court or a formal request for payment by either Administrative Claims Bar Date.

(b) Professional Fee Claims

Professionals asserting a Professional Fee Claim for services rendered before the Effective Date must File and serve on the Reorganized Debtors and such other Entities who are designated in the Confirmation Order an application for final allowance of such Professional Fee Claim no later than the Professional Fees Bar Date; provided that the Reorganized Debtors shall pay Professionals in the ordinary course of business for any work performed after the Effective Date, including those reasonable and documented fees and expenses incurred by Professionals in connection with the implementation and consummation of the Plan, in each case without further application or notice to or order of the Bankruptcy Court; provided, further, that any professional who may receive compensation or reimbursement of expenses pursuant to the Ordinary Course Professionals Order may continue to receive such compensation and reimbursement of expenses from the Debtors and Reorganized Debtors for services rendered before the Effective Date pursuant to the Ordinary Course Professionals Order, in each case without further application or notice to or order of the Bankruptcy Court.

Objections to any Professional Fee Claim must be Filed and served on the Reorganized Debtors and the requesting party by no later than twenty (20) days after the Filing of the applicable final request for payment of the Professional Fee Claim. Each Holder of an Allowed Professional Fee Claim shall be paid in full in Cash by the Reorganized Debtors within five (5) Business Days after entry of the order approving such Allowed Professional Fee Claim.

2. Priority Tax Claims

Subject to Article VIII of the Plan, on, on, or as soon as reasonably practicable after, the later of (i) the Initial Distribution Date if such Priority Tax Claim is an Allowed Priority Tax Claim as of the Effective Date or (ii) the date on which such Priority Tax Claim becomes an Allowed Priority Tax Claim, each Holder of an Allowed Priority Tax Claim shall receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Priority Tax Claim, at the election of (x) prior to the Effective Date, the Debtors (with the consent of the Required Lenders) or (y) on or after the Effective Date, the Reorganized Debtors, as applicable: (A) Cash equal to the amount of such Allowed Priority Tax Claim; (B) such other less favorable treatment as to which the Debtors (with the consent of the Required Lenders) or Reorganized Debtors, as applicable, and the Holder of such Allowed Priority Tax Claim shall have agreed upon in writing; (C) such other treatment such that it will not be Impaired pursuant to section 1124 of the Bankruptcy Code or (D) pursuant to and in accordance with sections 1129(a)(9)(C) and 1129(a)(9)(D) of the Bankruptcy Code, Cash in an aggregate amount of such Allowed Priority Tax Claim payable in regular installment payments over a period ending not more than five (5) years after the Petition Date, plus simple interest at the rate required by applicable non-bankruptcy law on any outstanding balance from the Effective Date, or such lesser rate as is agreed to in writing by a particular taxing authority and the Debtors (with consent of the Required Lenders) or Reorganized Debtors, as applicable, pursuant to section 1129(a)(9)(C) of the Bankruptcy Code; provided, however, that Priority Tax Claims incurred by any Debtor in the ordinary course of business may be paid in the ordinary course of business by such applicable Debtor or Reorganized Debtor in accordance with such applicable terms and conditions relating thereto without further notice to or order of the Bankruptcy Court. Any installment payments to be made under clause (C) or (D) above shall be made in equal quarterly Cash payments beginning on the first applicable Subsequent Distribution Date, and continuing on each Subsequent Distribution Date thereafter until payment in full of the applicable Allowed Priority Tax Claim.

3. Commodity Hedge Agreement Claims

On the Effective Date, all Commodity Hedge Agreement Claims due and owing by any of the Debtors as of the Effective Date shall be paid in full in Cash.

In accordance with the terms of Articles V.E and V.F of the Plan, upon the Effective Date, and notwithstanding anything in the Plan to the contrary, the Amended Hedge Agreements shall remain legal, valid, binding and authorized indebtedness and obligations of the applicable Reorganized Debtors and the Commodity Hedge Counterparty enforceable in accordance with their terms and shall not be discharged or released as a result of the effectiveness of the Plan.

C. CLASSIFICATION AND TREATMENT OF CLASSIFIED CLAIMS AND EQUITY INTERESTS UNDER THE PLAN

The following table provides a summary of the classification and treatment of Claims and Equity Interests and the potential distributions to Holders of Allowed Claims and Equity Interests under the Plan.

THE PROJECTED RECOVERIES SET FORTH IN THE TABLE BELOW ARE ESTIMATES ONLY AND THEREFORE ARE SUBJECT TO CHANGE. FOR A COMPLETE DESCRIPTION OF THE DEBTORS' CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS, REFERENCE SHOULD BE MADE TO THE ENTIRE PLAN AND THE RISK FACTORS DESCRIBED BELOW. THE TABLE IS INTENDED FOR ILLUSTRATIVE PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR A REVIEW OF THE PLAN AND DISCLOSURE STATEMENT IN THEIR ENTIRETY. FOR CERTAIN CLASSES OF CLAIMS, THE ACTUAL AMOUNT OF ALLOWED CLAIMS COULD BE MATERIALLY DIFFERENT THAN THE ESTIMATED AMOUNTS SHOWN IN THE TABLE BELOW.

SUMMARY OF EXPECTED RECOVERIES

Class	Claim/Equity Interest[3]	Treatment of Claim/Equity Interest	Projected Recovery Under the Plan
1	Other Priority Claims Expected Amount: **[$___]**	Each Holder of an Allowed Class 1 Claim will receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Class 1 Claim: • Cash equal to the amount of such Allowed Class 1 Claim; • Such other less favorable treatment as to which (x) prior to the Effective Date, the Debtors (with the consent of the Required Lenders) or (y) on or after the Effective Date, the Reorganized Debtors, as applicable, and the Holder of such Allowed Class 1 Claim will have agreed upon in writing; or • Such other treatment such that it will not be Impaired pursuant to section 1124 of the Bankruptcy Code.	100%
2	Other Secured Claims Expected Amount: **[$___]**	Each Holder of an Allowed Class 2 Claim will receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Class 2 Claim: • Cash equal to the amount of such Allowed Class 2 Claim; • Such other less favorable treatment as to which (x) prior to the Effective Date, the Debtors (with the consent of the Required Lenders) or (y) on or after the Effective Date, the Reorganized Debtors, as applicable, and the Holder of such Allowed Class 2 Claim will have agreed upon in writing; • The Collateral securing such Allowed Class 2 Claim; or • Such other treatment such that it will not be Impaired pursuant to section 1124 of the Bankruptcy Code.	100%
3	Secured Tax Claims Expected Amount: **[$___]**	Each Holder of an Allowed Class 3 Claim will receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Class 3 Claim: • Cash equal to the amount of such Allowed Class 3 Claim; • Such other less favorable treatment as to which (x) prior to the Effective Date, the Debtors (with the consent of the Required Lenders) or (y) on or after the Effective Date, the Reorganized Debtors, as applicable, and the Holder of such Allowed Class 3 Claim will have agreed upon in writing; • The Collateral securing such Allowed Class 3 Claim; • Such other treatment such that it will not be Impaired pursuant to section 1124 of the Bankruptcy Code; or • Pursuant to and in accordance with sections 1129(a)(9)(C) and 1129(a)(9)(D) of the Bankruptcy Code, Cash in an aggregate amount of such Allowed Class 3 Claim payable in regular installment payments over a period ending not more than five (5) years after the Petition Date, plus simple interest at the rate required by applicable non-bankruptcy law on any outstanding balance from the Effective Date, or such lesser rate as is agreed to in writing by a particular taxing authority and the Debtors (with the consent of the Required Lenders) or Reorganized Debtors, as applicable, pursuant to section 1129(a)(9)(C) of the Bankruptcy Code.	100%
4	Prepetition Revolving Facility Claims	• Cash equal to the amount of such Allowed Class 4 Claim; • Such other less favorable treatment as to which (x) prior to the Effective Date, the Debtors (with the consent of the Required Lenders) or (y) on or after the Effective Date, the Reorganized Debtors, as applicable, and the Holder of such	100%

3 Claim/Equity Interest Amounts are estimated based on the Debtors' books and records as of the date of this Disclosure Statement and are subject to change.

SUMMARY OF EXPECTED RECOVERIES

Class	Claim/Equity Interest[3]	Treatment of Claim/Equity Interest	Projected Recovery Under the Plan
		Allowed Class 4 Claim shall have agreed upon in writing; • Such other treatment such that it will not be impaired pursuant to section 1124 of the Bankruptcy Code.	
5	Secured Sponsor Claims	• The Secured Sponsor Claims are deemed Allowed Claims in the aggregate principal amount of **$[_____]**. Upon effectiveness of the Sponsor Compromise (subject to the conditions precedent to the Sponsor Compromise set forth in Article V.D of the Plan being satisfied), the aggregate amount of Secured Sponsor Claims shall be waived and shall be deemed forever waived and discharged pursuant to the Sponsor Compromise. In the event that the Effective Date occurs but the conditions precedent to the Sponsor Compromise set forth in Article V.D of the Plan are not satisfied, then the Secured Sponsor Claims shall be deemed to be Class 6 Prepetition Credit Agreement Claims (Secured Portion), and shall be entitled to the voting and treatment contained in Article III.B.6 of the Plan.	100%
6	Prepetition Credit Agreement Claims (Secured Portion)	• On the Effective Date and in addition to the reimbursement described in Article V of the Plan, each Holder of a Prepetition Credit Agreement Claim (Secured Portion) will receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Prepetition Credit Agreement Claim (Secured Portion) its respective Pro Rata share of the New Equity Interests Pool.	**[___%]**
7	General Unsecured Claims Expected Amount: **[$_____]**	The Prepetition Credit Agreement Claims (Unsecured Deficiency Portion) are deemed Allowed Claims in the aggregate principal amount of **$[_____]**. Subject to Article VIII of the Plan, on, or as soon as reasonably practicable after, the later of (i) the Initial Distribution Date if such Class 7 Claim is an Allowed Class 7 Claim as of the Effective Date or (ii) the date on which such Class 7 Claim becomes an Allowed Class 7 Claim, each Holder of an Allowed Class 7 Claim shall receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Class 7 Claim, at the election of (x) prior to the Effective Date, the Debtors (with the consent of the Required Lenders) or (y) on or after the Effective Date, the Reorganized Debtors, as applicable: (A) its Pro Rata share of the General Unsecured Claims Cash Amount or (B) such other less favorable treatment as to which the Debtors (with the consent of the Required Lenders) or Reorganized Debtors, as applicable, and the Holder of such Allowed Class 7 Claim shall have agreed upon in writing.	**[___%]**
8	Intercompany Claims	Subject to the Restructuring Transactions, the Intercompany Claims shall be reinstated, compromised, or cancelled, at the option of the relevant Holder of such Intercompany Claims with the consent of the Required Lenders.	N/A
9	Old Parent Interests	On the Effective Date, the Old Parent Interests will be cancelled without further notice to, approval of or action by any Person or Entity, and each Holder of an Old Parent Interest will not receive any distribution or retain any property on account of such Old Parent Interest.	0%
10	Old Intercompany Interests	Subject to the Restructuring Transactions, the Old Intercompany Interests will remain effective and outstanding on the Effective Date and shall be owned and held by Reorganized Parent and/or another applicable Entity as set forth in greater detail in the Description of Structure as of the Effective Date.	100%

D. SOLICITATION PROCEDURES

1. The Solicitation and Voting Procedures

On [_____] [__], 2017 the Bankruptcy Court entered the Disclosure Statement Order which, among other things, (a) approved the dates, procedures and forms applicable to the process of soliciting votes on and providing notice of the Plan, as well as certain vote tabulation procedures and (b) established the deadline for filing objections to the Plan and scheduling the hearing to consider confirmation of the Plan.

The discussion of the procedures below is a summary of the solicitation and voting process. Detailed voting instructions will be provided with each ballot and are also set forth in greater detail in Disclosure Statement Order.

PLEASE REFER TO THE INSTRUCTIONS ACCOMPANYING THE BALLOTS AND THE DISCLOSURE STATEMENT ORDER FOR MORE INFORMATION REGARDING VOTING REQUIREMENTS TO ENSURE THAT YOUR BALLOT IS PROPERLY AND TIMELY SUBMITTED SUCH THAT YOUR VOTE MAY BE COUNTED.

2. The Voting and Claims Agent

On [November __], 2017, the Bankruptcy Court entered an order approving the retention of Kurtzman Carson Consultants, LLC to, among other things, act as Voting and Claims Agent.

Specifically, the Voting and Claims Agent will assist the Debtors with: (a) mailing Confirmation Hearing Notices (as defined in the Disclosure Statement Order); (b) mailing Solicitation Packages (as defined in the Disclosure Statement Order and as described below); (c) soliciting votes on the Plan; (d) receiving, tabulating, and reporting on ballots cast for or against the Plan by Holders of Claims against the Debtors; (e) responding to inquiries from creditors and stakeholders relating to the Plan, the Disclosure Statement, the Ballots and matters related thereto, including, without limitation, the procedures and requirements for voting to accept or reject the Plan and objecting to the Plan; and (f) if necessary, contacting creditors regarding the Plan and their Ballots.

3. Holders of Claims Entitled to Vote on the Plan

Under the provisions of the Bankruptcy Code, not all holders of claims against and equity interests in a debtor are entitled to vote on a chapter 11 plan. The following table provides a summary of the status and voting rights of each Class (and, therefore, of each Holder of a Claim or Equity Interest within such Class) under the Plan:

SUMMARY OF STATUS AND VOTING RIGHTS

Class	Claim/Equity Interest	Status	Voting Rights
1	Other Priority Claims	Unimpaired	Deemed to Accept
2	Other Secured Claims	Unimpaired	Deemed to Accept
3	Secured Tax Claims	Unimpaired	Deemed to Accept
4	Prepetition Revolving Credit Facility Claims	Unimpaired	Deemed to Accept
5	Secured Sponsor Claims	Unimpaired	Deemed to Accept
6	Prepetition Credit Agreement Claims (Secured Portion)	Impaired	Entitled to Vote
7	General Unsecured Claims	Impaired	Entitled to Vote

SUMMARY OF STATUS AND VOTING RIGHTS

Class	Claim/Equity Interest	Status	Voting Rights
8	Intercompany Claims	Impaired	Deemed to Reject
9	Old Parent Interests	Impaired	Deemed to Reject
10	Old Intercompany Interests	Unimpaired	Deemed to Accept

Based on the foregoing, the Debtors are soliciting votes to accept the Plan only from Holders of Claims in Classes 6 and 7 (the "**Voting Classes**") because Holders of Claims in the Voting Classes are Impaired under the Plan and, therefore, have the right to vote to accept or reject the Plan. The Debtors are **not** soliciting votes from (a) Holders of Unimpaired Claims in Classes 1-5, and Holders of Old Intercompany Interests in Class 10, because such parties are conclusively presumed to have accepted the Plan, and Holders of Intercompany Claims in Class 8, and Holders of Old Parent Interests and Old Intercompany Interests in Classes 9 because such parties are conclusively presumed to have rejected the Plan (collectively, the "**Non-Voting Classes**").

4. The Voting Record Date

The Bankruptcy Court has approved [_____ __], 2017 as the voting record date (the "**Voting Record Date**") with respect to all Claims and Equity Interests. The Voting Record Date is the date on which it will be determined: (a) which Holders of Claims in the Voting Classes are entitled to vote to accept or reject the Plan and receive Solicitation Packages in accordance with the Disclosure Statement Order and (b) which Holders of Claims and Equity Interests in the Non-Voting Classes are entitled to receive the Confirmation Hearing Notice, in accordance with the Disclosure Statement Order.

5. Contents of the Solicitation Package

The following documents and materials will collectively constitute the Solicitation Package:

- a cover letter from the Debtors explaining the solicitation process and urging Holders of Claims in the Voting Classes to vote to accept the Plan;
- the Confirmation Hearing Notice, attached to the Disclosure Statement Order;
- this Disclosure Statement (and exhibits annexed thereto, including the Plan);
- the Disclosure Statement Order;
- to the extent applicable, one or more ballots and/or notices, appropriate for the specific creditor or equity holder, in substantially the forms attached to the Disclosure Statement Order (as may be modified for particular classes and with instruction attached thereto); and
- such other materials as the Bankruptcy Court may direct.

6. Distribution of the Solicitation Package to Holders of Claims Entitled to Vote on the Plan

With the assistance of the Voting and Claims Agent, the Debtors intend to distribute Solicitation Packages on or before [_____ __], 2017 (the "**Solicitation Mailing Date**"). The Debtors submit that the timing of such distribution will provide such Holders of Claims with adequate time within which to review the materials required to allow such parties to make informed decisions with respect to voting on the Plan in accordance with Bankruptcy Rules 3017(d) and 2002(b).

7. Distribution of Notices to Holders of Claims in Non-Voting Classes and Holders of Disputed Claims

As set forth above, certain Holders of Claims and Equity Interests are **not** entitled to vote on the Plan. As a result, such parties will not receive Solicitation Packages and, instead, will receive the appropriate form of ballot or notice as follows:

- Unimpaired Claims / Equity Interests – Deemed to Accept. Administrative Claims and Priority Tax Claims are unclassified, non-voting Claims and Claims in Classes 1, 2, 3, 4 and 5 and Equity Interests in Class 10 are treated as Unimpaired under the Plan and, therefore, are presumed to have accepted the Plan. As such, Holders of such Claims and Equity Interests will receive, in lieu of a Solicitation Package, an "Unimpaired Claims/Equity Notice" attached as Exhibit [ ] to the Disclosure Statement Order.

- Disputed Claims.

  (a) Any Holder of a Claim for which the Debtors have filed an objection on or before [_____ __], 2017, whether such objection related to the entire Claim or a portion thereof, will not be entitled to vote on the Plan and will not be counted in determining whether the requirements of section 1126(c) of the Bankruptcy Code have been met with respect to the Plan. Such Holders will receive a "Notice of Non-Voting Status: Disputed Claims," attached as Exhibit [ ] to the Disclosure Statement Order.

  (b) Any Holder of a Claim in the Voting Classes for which such Holder has timely filed a Proof of Claim (or an untimely Proof of Claim which has been allowed as timely by the Bankruptcy Court under applicable law on or before the Voting Record Date), which is marked, in whole or in part, as contingent or unliquidated, and that is not subject to an objection filed by the Debtors, will have such Claim temporarily allowed for voting purposes only, and not for purposes of allowance or distribution, at $1.00. Such Holders will receive (a) a Solicitation Package that contains the Ballot, (b) a "Confirmation Hearing Notice," and (c) a "Notice of Limited Voting Status to Holders of Contingent or Unliquidated Claims for Which No Objection Has Been Filed by the Debtors," attached as Exhibit [ ] to the Disclosure Statement Order, which notice informs such person or entity that its entire Claim has been allowed temporarily for voting purposes only and not for purposes of allowance or distribution, at $1.00.

  If any Holder described in the preceding two subparagraphs disagrees with the Debtors' classification or status of its Claim, then such Holder MUST file and serve a motion requesting temporary allowance of its Claim solely for voting purposes in accordance with the procedures set forth in the Disclosure Statement Order.

- Impaired Claims and Interests Deemed to Reject. Holders of Class 8 Intercompany Claims and Class 9 Old Parent Interests are Impaired and not expected to receive any distributions pursuant to the Plan, and therefore are conclusively deemed to have rejected the Plan and are not entitled to vote to accept or reject the Plan. As such Holders of such Claims and Interests will not receive a Solicitation Package and, instead, will only receive a Confirmation Hearing Notice.

- Contract and Lease Counterparties. Parties to certain of the Debtors' Executory Contracts and Unexpired Leases may not have scheduled Claims or Claims based upon Proofs of Claim pending the disposition of their contracts or leases by assumption or rejection. Without amending or altering any prior order of the Bankruptcy Court approving the assumption or rejection of any Executory Contract or Unexpired Lease, to ensure that such parties nevertheless receive notice of the Plan, counterparties to the Debtors' Executory Contracts and Unexpired Leases will receive, in lieu of a Solicitation Package, a "Contract/Lease Party Notice" attached as Exhibit [ ] to the Disclosure Statement Order.

8. Additional Distribution of Solicitation Documents

In addition to the distribution of Solicitation Packages to Holders of Claims in the Voting Classes, the Debtors will also provide parties who have filed requests for notices under Bankruptcy Rule 2002 as of the Voting Record Date with the Disclosure Statement, Disclosure Statement Order and Plan. Additionally, parties may request (and obtain at the Debtors' expense) a copy of the Disclosure Statement (and any exhibits thereto, including the Plan) by: (a) calling the Voting and Claims Agent at (877) 573-3984; (b) writing to the Company, c/o Kurtzman Carson Consultants, LLC, 2335 Alaska Ave., El Segundo, CA 90245; and/or (c) visiting the Debtors' restructuring website at: http://www.kccllc.net/EGTP. Parties may also obtain any documents filed in the Chapter 11 Cases for a fee via PACER at http://www.deb.uscourts.gov.

9. Filing of the Plan Supplement

The Debtors will file the Plan Supplement by [____ __], 201_. The Debtors will transmit a copy of the Plan Supplement to the Distribution List, as defined in this Section I.D.9. Additionally, parties may request (and obtain at the Debtors' expense) a copy of the Plan Supplement by: (a) calling the Voting and Claims Agent at (877) 573-3984; (b) writing to the Company, c/o Kurtzman Carson Consultants, LLC, 2335 Alaska Ave., El Segundo, CA 90245; and/or (c) visiting the Debtors' restructuring website at: http://www.kccllc.net/EGTP. Parties may also obtain any documents filed in the Chapter 11 Cases for a fee via PACER at http://www.deb.uscourts.gov.

The Plan Supplement will include all Exhibits and Plan Schedules that were not already filed as exhibits to the Plan or this Disclosure Statement, all of which are incorporated by reference into, and are an integral part of, the Plan, as all of the same may be amended, supplemented, or modified from time to time.

As used herein, the term "**Distribution List**" means (a) the U.S. Trustee; (b) Wachtell, Lipton, Rosen & Katz, counsel to the Ad Hoc Committee; (c) Norton Rose Fulbright US LLP, counsel to the Secured Agent; (d) DLA Piper LLP (US), counsel to Exelon Generation Company, LLC; (e) Davis Polk & Wardwell LLP, counsel to the Initial Secured Commodity Hedge Counterparty; (f) Perkins Coie LLP, as counsel to the Depositary Agent; (g) Norton Rose Fulbright US LLP, as counsel to the Secured Financial Hedge Counterparty; (h) the Federal Energy Regulatory Commission; (i) the Environmental Protection Agency and similar state environmental agencies for states in which the Debtors conduct business; (j) the Electric Reliability Council of Texas; (k) the Public Utility Commission of Texas; (l) the United States Attorney's Office of the District of Delaware; (m) the parties included on the Debtors' consolidated list of thirty (30) largest unsecured creditors; and (n) all parties that have requested notice pursuant to Bankruptcy Rule 2002 as of the date of mailing the Solicitation Package or filing the Plan Supplement (as applicable), subject to the terms of the Disclosure Statement Order.

E. VOTING PROCEDURES

Holders of Claims entitled to vote on the Plan are advised to read the Disclosure Statement Order, which sets forth in greater detail the voting instructions summarized herein.

1. The Voting Deadline

The Bankruptcy Court has approved 5:00 p.m. prevailing Eastern Time on [_____ __], 2017 as the Voting Deadline. The Voting Deadline is the date by which all Ballots must be properly executed, completed and delivered to the Voting and Claims Agent in order to be counted as votes to accept or reject the Plan.

2. The Ballots

The Debtors will provide voting "Ballots", the forms of which are attached to the Disclosure Statement Order as Exhibit [_]-A and [_]-B, to Holders of Claims in the Voting Classes (*i.e.*, Classes 6 and 7).

Each Ballot will include an option for the applicable Holder of Claims to affirmatively opt out of the Third Party Release contained in Article X of the Plan.

3. Voting Instructions

Under the Plan, Holders of Claims in the Voting Classes are entitled to vote to accept or reject the Plan. Those Holders may so vote by completing a Ballot and returning it to the Voting and Claims Agent prior to the Voting Deadline. Each Ballot will also allow Holders of Claims in the Voting Classes to opt-out of the Third Party Release set forth in Article X of the Plan.

PLEASE REFER TO THE INSTRUCTIONS ATTACHED TO THE BALLOT THAT YOU HAVE RECEIVED FOR MORE DETAILED INFORMATION REGARDING THE VOTING REQUIREMENTS, RULES AND PROCEDURES APPLICABLE TO VOTING YOUR CLAIM.

To be counted as votes to accept or reject the Plan, all Ballots (all of which will clearly indicate the appropriate return address) must be properly executed, completed, dated and delivered by using the return envelope provided by (a) first class mail, (b) overnight courier or (c) personal delivery, so that they are **actually received** on or before the Voting Deadline by the Voting and Claims Agent at the following address:

EGTP Balloting Center
c/o Kurtzman Carson Consultants, LLC
2335 Alaska Ave., El Segundo, CA 90245

If you have any questions on the procedures for voting on the Plan, please call the Voting and Claims Agent at: (877) 573-3984

4. Tabulation of Votes

THE FOLLOWING IS IMPORTANT INFORMATION REGARDING VOTING THAT SHOULD BE READ CAREFULLY BY ALL HOLDERS OF CLAIMS IN THE VOTING CLASSES.

- FOR YOUR VOTE TO BE COUNTED, YOUR BALLOT MUST BE PROPERLY EXECUTED, COMPLETED, DATED AND DELIVERED SUCH THAT IT IS **ACTUALLY RECEIVED** ON OR BEFORE THE VOTING DEADLINE BY THE VOTING AND CLAIMS AGENT.

- A HOLDER OF A CLAIM MAY CAST ONLY ONE VOTE PER EACH CLAIM SO HELD. BY SIGNING AND RETURNING A BALLOT, EACH HOLDER OF A CLAIM WILL CERTIFY TO THE BANKRUPTCY COURT AND THE DEBTORS THAT NO OTHER BALLOTS WITH RESPECT TO SUCH CLAIM HAS BEEN CAST OR, IF ANY OTHER BALLOT HAS BEEN CAST WITH RESPECT TO SUCH CLAIM, SUCH EARLIER BALLOT IS THEREBY SUPERSEDED AND REVOKED.

- **ANY BALLOT THAT IS RECEIVED AFTER THE VOTING DEADLINE WILL NOT BE COUNTED TOWARD CONFIRMATION OF THE PLAN UNLESS THE DEBTORS HAVE GRANTED AN EXTENSION OF THE VOTING DEADLINE IN WRITING WITH RESPECT TO SUCH BALLOT.**

- **ADDITIONALLY, UNLESS THE COURT ORDERS OTHERWISE, THE FOLLOWING BALLOTS WILL NOT BE COUNTED:**

    - any Ballot that is illegible or contains insufficient information to permit the identification of the Holder of the Claim;

    - any Ballot cast by or on behalf of an entity that does not hold a Claim in one of the Voting Classes;

- any Ballot cast for a Claim listed in the Schedules as contingent or unliquidated for which the applicable bar date has passed and no proof of claim was timely filed;
- any Ballot that (a) is properly completed, executed and timely filed, but does not indicate an acceptance or rejection of the Plan, or (b) indicates both an acceptance and rejection of the Plan, or (c) partially accepts and partially rejects the Plan;
- any Ballot cast for a Claim that is subject to an objection pending as of the Voting Record Date (except as otherwise provided in the Disclosure Statement Order);
- any Ballot sent to the Debtors, the Debtors' agents/representatives (other than the Voting and Claims Agent), any administrative agent or the Debtors' financial or legal advisors;
- any Ballot transmitted by facsimile, telecopy or electronic mail;
- any unsigned Ballot; or
- any Ballot not cast in accordance with the procedures approved in the Disclosure Statement Order.

F. CONFIRMATION OF THE PLAN

1. The Confirmation Hearing

The Confirmation Hearing will commence at [__:__ [_]..m. prevailing Eastern Time on [_____ __], 2017 before the Honorable [judge's name], United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Delaware, located at 824 Market Street, [_]th Floor, Courtroom #[_], Wilmington, Delaware 19801-3024. The Confirmation Hearing may be continued from time to time by the Bankruptcy Court or the Debtors without further notice other than by such adjournment being announced in open court or by filing a notice indicating such adjournment with the Bankruptcy Court. Moreover, the Plan may be modified or amended, if necessary, pursuant to section 1127 of the Bankruptcy Code, prior to, during or as a result of the Confirmation Hearing, without further notice to parties-in-interest.

2. The Deadline for Objecting to Confirmation of the Plan

The Plan Objection Deadline is 4:00 p.m. prevailing Eastern Time on [____ __], 2017. Any objection to confirmation of the Plan must: (i) be in writing; (ii) conform to the Bankruptcy Rules and the Local Rules; (iii) state the name and address of the objecting party and the amount and nature of the Claim or Equity Interest of such Entity; (iv) state with particularity the legal and factual bases and nature of any objection to the Plan; and (v) be filed, contemporaneously with a proof of service, with the Bankruptcy Court and served so that it is **actually received** no later than the Plan Objection Deadline by the parties set forth below (the "**Notice Parties**").

(a) Counsel to the Debtors, Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 (Attn: Daniel J. DeFranceschi, Esq. and Paul N. Heath, Esq.);

(b) Counsel to the Administrative Agent for the Debtors' Prepetition Credit Agreement, Norton Rose Fulbright US LLP, 2200 Ross Avenue, Suite 3600, Dallas, Texas 75201 (Attn: Louis Strubeck, Esq. and Greg Wilkes, Esq.);

(c) Counsel to the Ad Hoc Committee, Wachtell, Lipton, Rosen & Katz, 51 West 52nd Street, New York, New York, 10019 (Attn: Scott K. Charles, Esq. and Neil M. Snyder, Esq.) and

(d) Counsel to the Sponsor, DLA Piper LLP (US), 444 W. Lake Street, Suite 900, Chicago, Illinois 60606 (Attn: Richard Chesley, Esq. and Daniel Simon, Esq.); and

(d) The Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: Benjamin A. Hackman, Esq.).

CONFIRMATION OBJECTIONS NOT TIMELY FILED AND SERVED IN THE MANNER SET FORTH HEREIN MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT AND MAY BE OVERRULED WITHOUT FURTHER NOTICE.

3. Effect of Confirmation of the Plan

Article X of the Plan contains certain provisions relating to (a) the compromise and settlement of Claims, (b) the release of the Released Parties by the Debtors and certain Holders of Claims, and each of their respective Related Persons, and (c) exculpation of certain parties. **It is important to read such provisions carefully so that you understand the implications of these provisions with respect to your Claim such that you may cast your vote accordingly**.

THE PLAN SHALL BIND ALL HOLDERS OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE DEBTORS TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NOTWITHSTANDING WHETHER OR NOT SUCH HOLDER (A) WILL RECEIVE OR RETAIN ANY PROPERTY OR INTEREST IN PROPERTY UNDER THE PLAN, (B) HAS FILED A PROOF OF CLAIM OR INTEREST IN THE CHAPTER 11 CASES OR (C) FAILED TO VOTE TO ACCEPT OR REJECT THE PLAN OR VOTED TO REJECT THE PLAN.

G. CONSUMMATION OF THE PLAN

It will be a condition to confirmation of the Plan that all provisions, terms and conditions of the Plan are approved in the Confirmation Order unless otherwise satisfied or waived pursuant to the provisions of Article IX of the Plan. Following confirmation, the Plan will be consummated on the Effective Date.

H. RISK FACTORS

PRIOR TO DECIDING WHETHER AND HOW TO VOTE ON THE PLAN, EACH HOLDER OF A CLAIM IN THE VOTING CLASSES SHOULD CONSIDER CAREFULLY ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS DESCRIBED IN SECTION VI HEREIN TITLED, "PLAN-RELATED RISK FACTORS."

II.
BACKGROUND TO THE CHAPTER 11 CASES

A. DESCRIPTION OF THE DEBTORS AND BUSINESS OPERATIONS

1. The Project Companies

ExGen Texas Power, LLC ("**EGTP**") owns 100% of the equity in five direct subsidiaries, each of which is a Debtor in these Chapter 11 Cases (collectively, the "**Project Companies**"). Each Project Company, in turn, owns a separate gas-fired generation project (the "**Projects**" or the "**EGTP Portfolio**") in the State of Texas, as set forth in the table below.

Project	Debtor	Summer Capacity[1]	Commercial Operation Date	Location	ERCOT Zones
Wolf Hollow I	Wolf Hollow I Power, LLC	639 MW	2003	Granbury, TX	North
Colorado Bend I Power	Colorado Bend I Power, LLC	454 MW	2007/2008	Wharton, TX	Houston
Handley Power	Handley Power, LLC	1,265 MW	1963-1977	Fort Worth, TX	North
Mountain Creek Power	Mountain Creek Power, LLC	808 MW	1956-1957	Dallas, TX	North
LaPorte Power	LaPorte Power, LLC	147 MW	2001	LaPorte, TX	Houston
Total		**3,313 MW**			

[1] *The stated capacities of "Wolf Hollow I" and "Colorado Bend I" do not include duct firing.*

EGTP also owns a 50% interest in each of two non-debtor service companies (the "**Non-Debtor Service Companies**") which own certain infrastructure assets and hold certain permits and contracts that are used jointly by (i) Wolf Hollow I, a Debtor Project, and a neighboring non-Debtor owned project and (ii) Colorado Bend I, a Debtor Project, and a neighboring non-Debtor owned project. As more fully described below, EGTP's 50% equity interest in each of the Non-Debtor Service Companies was pledged as collateral to the Secured Lenders (as defined below). The other 50% owner of each of the Non-Debtor Service Companies is ExGen Texas II Power, LLC, a non-Debtor affiliate of the Debtors, which is wholly-owned by ExGen.

2. ERCOT

Collectively, the Debtors provide 3,313 MW of natural gas-fired power generation located in the North and Houston zones of the Electric Reliability Council of Texas ("**ERCOT**") power market. These Projects represent a technologically diverse mix of natural gas-fired combined cycle, peaking, and steam turbine capacity, providing the ability to capture energy margins operating as both baseload and peaking assets near the growing metropolitan load centers of Dallas and Houston.

The ERCOT power market spans the substantial majority of the state of Texas, managing the flow of electric power to 24 million Texas customers, representing approximately 90% of the state's electric load. ERCOT is a membership-based 501(c)(4) nonprofit corporation, subject to oversight by the Public Utility Commission of Texas and the Texas Legislature. Unlike most deregulated markets in the United States, ERCOT is primarily electrically isolated with limited transmission connections to adjacent U.S. power markets. As a result, power pricing in ERCOT is driven primarily by the supply and demand dynamics within the market.

3. Intercompany Agreements

The Debtors were formed in 2014 as a limited recourse project finance by non-debtor ExGen, which owns, directly or indirectly, 100% of the equity interests in each of the Debtors, and acts as sponsor to the Project Companies (the "**Project Financing**"). In connection with the Project Financing, ExGen has undertaken various

roles in support of EGTP and the Project Companies pursuant to various agreements described below (collectively, the "**Intercompany Agreements**").

The Debtors have no employees. Instead, they contract with ExGen to operate, manage, and maintain the Projects under various affiliate arrangements. Pursuant to separate Operation and Maintenance Agreements between ExGen and each of the Project Companies (collectively, the "**O&M Agreements**"),[4] ExGen employs approximately 129 individuals to perform the day-to-day business operations at each of the Projects. Pursuant to the O&M Agreements, ExGen is required to provide the Projects with, among other things, staff and qualified personnel responsible for the operation of the Projects 24 hours a day, 7 days a week; maintenance and capital modification/improvements; budget, cost control and accounting; energy billing; purchasing; and performance monitoring. The O&M Agreements provide for the payment by the Debtors to ExGen of certain "Reimbursable Costs" (certain of which are without mark-up) incurred by ExGen during its performance of services under the O&M Agreements. The scope of such costs is set forth in each O&M Agreement but they generally include, without limitation, all labor costs for employees on site and standard hourly rates for personnel off-site, certain costs incurred by ExGen to insure the Projects, and amounts paid by ExGen on behalf of the applicable Projects in connection with the procurement of services, materials and parts. Further, through the O&M Agreements, ExGen provides procurement services for inventory required by the Projects, obtains all necessary permits on behalf of the Projects, and provides waste management and other critical operation and maintenance tasks to each of the Projects. In 2016, EGTP paid ExGen approximately $28 million in connection with the Reimbursable Costs incurred by ExGen in connection with its performance of services under the various O&M Agreements.

In addition to the O&M Agreements, EGTP and ExGen are party to the Global Management Services Agreement ("**GMSA**"), under which ExGen provides management, scheduling and reporting services for the entire EGTP Portfolio. Pursuant to the GMSA, ExGen provides (i) various management services, including accounting, legal, tax, risk management and other services to EGTP; (ii) scheduling services in coordination with the Qualified Scheduling Entity ("**QSE**")[5] (as discussed below), including for gas and power agreements, and coordination to submit bids on behalf of the Projects in the ERCOT energy markets; and (iii) various reporting services, including all financial, tax, regulatory, operations and maintenance reports on behalf of EGTP and the Projects. Pursuant to the GMSA, ExGen is entitled to receive an annual fee of $7,250,000 (escalated in accordance with the Consumer Pricing Index) that is paid monthly in 12 equal installments.

ExGen and EGTP are also parties to a QSE Services Agreement ("**QSE Agreement**"). Under the QSE Agreement, ExGen provides various services to EGTP by acting as the QSE on behalf of EGTP, which is required for the Debtors to participate in the ERCOT. Additional services under the QSE Agreement include: (i) coordination to submit bids and offers in the ERCOT market; (ii) submission of an operating plan in accordance with ERCOT requirements; (iii) transmission of ERCOT deployment messages and notices; (iv) provision of EGTP billable meter data as recorded by ERCOT; (v) submission of claims to ERCOT on behalf of EGTP; and (vi) responsibility for all ERCOT protocols, governmental rules and other duties typically performed by a QSE. In exchange for these and other services under the QSE Agreement, EGTP pays ExGen $250,000 per year (escalated in accordance with the Consumer Pricing Index).

In addition to the foregoing agreements, and in order to properly manage and operate the Projects, ExGen is also party to various fuel contracts (the "**Fuel Contracts**"), in the form of International Swaps and Derivatives Association, Inc. 2002 Master Agreements and related confirmations, which provide for the sale of natural gas by ExGen to EGTP in exchange for the payment of an agreed price which is based on a published index. Separate confirmations provide for the supply of natural gas by EGTP to each Project in exchange for the supply of power by

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4 Debtor LaPorte Power, LLC ("**LaPorte Power**") is also a party to an Operation and Maintenance Agreement (the "**Air Products O&M Agreement**") with Air Products, LLC ("**Air Products**"), which is a third party that is not affiliated with the Debtors. Pursuant to the Air Products O&M Agreement, Air Products serves as the operator of the LaPorte Power Project and provides such Project with an off-site control room and staffs a control room operator and an outside operator. Pursuant to the O&M Agreement between ExGen and LaPorte Power, ExGen supervises the services and staff that Air Products provides to LaPorte Power.

5 In general, QSEs submit offers to sell and/or bids to buy energy on behalf of retail electric providers and similar market participants. *See* ERCOT: Qualified Scheduling Entities, www.ercot.com/services/rq/qse.

each Project to EGTP. In addition, there are various additional confirmations in place between ExGen and EGTP to facilitate risk mitigation among the portfolio.

B. THE DEBTORS' ORGANIZATIONAL AND CAPITAL STRUCTURE

1. The Debtors' Organizational Structure

Each of the Debtors are direct or indirect wholly-owned subsidiaries of non-Debtor ExGen, which, itself, is a wholly-owned subsidiary of Exelon Corporation. Exelon Corporation, whose stock is publically traded on the New York Stock Exchange under the ticker "EXC", is a Fortune 100 company with annual revenues in excess of $30 billion and approximately 34,000 employees around the globe.

2. The Debtors' Prepetition Capital Structure

On September 18, 2014, EGTP, as borrower, Debtor ExGen Texas Power Holdings, LLC, as parent guarantor, and each of the Project Companies, as subsidiary guarantors, entered into a Credit Agreement with Bank of America, N.A. as, among other things, administrative agent and collateral agent, Wilmington Trust, National Association, as depositary agent, and the lenders (the "**Secured Lenders**") party thereto from time to time (the "**Credit Agreement**"). The Credit Agreement contemplated the advance of term loans in the amount of $675 million pursuant to the term facility (the "**Term Loans**") and the issuance of up to $20 million in revolving loans (the "**Revolving Loans**"). As of the Petition Date, there is approximately $660 million in aggregate principal amount (excluding any accrued and unpaid interest, fees and costs) of Term Loans owed to the Secured Lenders outstanding under the Credit Agreement. On October 31, 2017, the Revolving Loans were repaid in full and the revolving facility was terminated. Therefore, as of the Petition Date, there are no Revolving Loans outstanding.

To satisfy the requirements of the Credit Agreement, EGTP executed interest rate hedge agreements with Bank of America, N.A. expiring September 30, 2019. The notional amount of the agreements varies, starting at $504,984,375 on December 31, 2014, and ending at $481,179,563 on June 30, 2019. EGTP also has certain commodity hedge agreements in place with Merrill Lynch Commodities Inc. Further, as noted above, in connection with the Project Financing, each of the Debtors pledged its assets, including their collective equity interests in the other Debtors and the Non-Debtor Service Companies, as collateral for their obligations under the Credit Agreement.

Pursuant to a Collateral Agency and Intercreditor Agreement (the "**Intercreditor Agreement**") by and between ExGen and the Secured Lenders, certain obligations owing to ExGen are secured obligations of EGTP on a *pari passu* basis with the obligations to the Secured Lenders, subject to a $75 million cap. Specifically, amounts payable to ExGen under the Fuel Contracts, the GMSA and the QSE Agreement (but excluding the O&M Agreements) fall in the $75 million *pari passu* basket.[6] As of the Petition Date, the Debtors estimate that approximately $13 is outstanding under the Intercompany Agreements (other than the O&M Agreements), all of which is subject to the $75 million *pari passu* basket. In addition, as of the Petition Date, the Debtors estimate that approximately $2.1 is outstanding under the O&M Agreements, which are unsecured obligations of the Debtors. Finally, as of the Petition Date, exclusive of any obligations owing to ExGen, the Debtors estimate that they have approximately $9.7 in outstanding unsecured obligations, which primarily consist of trade debt owing to third-party vendors.

C. EVENTS LEADING UP TO THE COMMENCEMENT OF THE CHAPTER 11 CASES

As described above, the Debtors participate in the highly competitive electricity market operated by ERCOT. ERCOT is responsible for the reliability of the power market by managing the balance between electrical supply and demand and regulating the power generated by the power plants. ERCOT's views on future projections are set forth in its biannual reports containing short- and long-term forecasts of electric use and resources within the

6 Under the Intercreditor Agreement, fees, costs, indemnification obligations and other expenses owing to the Secured Lenders are senior in priority of payment to any obligations owing to ExGen, including any such obligations that fall into the $75 million *pari passu* basket.

ERCOT market. As a result of the downturn in the energy sector over the past few years, market prices have declined due largely to a confluence of modest demand growth being outpaced by new supply and declining natural gas prices. As a result, since the closing of the Project Financing, the Debtors have experienced significant negative impacts on their revenue, cash flow and liquidity.

Public policy initiatives and incentives continue to promote the development of additional wind capacity, placing downward pressure on wholesale power prices. Such additional capacity, coupled with low natural gas prices and mild and windy weather, have exacerbated the Debtors' financial struggles. By way of example, the cost per megawatt hour in 2008 was more than $70; in 2016, it was less than $25, and just prior to the Petition Date, it was approximately $25. These factors have persisted, as additional wind and other capacity is being added to the grid, which has driven down prices in light of relatively flat demand, thereby further constricting the Debtors' revenues and cash flow profile.

These liquidity constraints are further exacerbated by the highly cyclical nature of the Projects' revenue. In 2016, the Debtors generated approximately $298 million in revenue. Of that amount, a significant portion was generated in the summer months. This is due to the fact that revenues generated by the Projects are almost entirely driven by ERCOT market prices which, in turn, are derived based on demand for electricity, which is at its peak in the summer months (i.e., June, July and August). Historically, this results in several profitable months followed by many months where the Debtors operate at a loss. However, this past summer was less profitable than prior summers for the Debtors due to decreased demand resulting from unseasonably mild weather and power outages caused by Hurricane Harvey. This confluence of events further constrained the Debtors' liquidity leading into the shoulder months where demand for electricity is lower as cooler temperatures prevail relative to summer months. In sum, the cyclical nature of their business has further complicated and constrained the Debtors' liquidity and cash flow profile.

To this end, beginning in January 2017, the Debtors and ExGen began discussions with certain of the Secured Lenders regarding a potential short-term liquidity solution as well as potential long term solutions, including a refinancing, sale or other disposition of the Projects. Recognizing that the critical summer months were approaching and the Debtors were running out of available liquidity, the parties engaged in extensive negotiations regarding strategic actions to allow the Debtors to continue operating through the summer.

On May 2, 2017, the Debtors, Bank of America, N.A., in its capacity as administrative agent and collateral agent for the Secured Lenders, and various Secured Lenders, entered into a Consent, Waiver and Amendment Agreement (as amended, the "**Waiver Agreement**"). The Waiver Agreement provided additional liquidity to the Debtors by, among other things, waiving the solvency representation required under the Credit Agreement in order to allow EGTP to draw and access the Revolving Loans, and providing the Secured Lenders' consent to ExGen's provision of credit to EGTP by continuing month-to-month deferrals of fuel payments payable by EGTP to ExGen. These concessions afforded necessary additional liquidity to the Debtors, allowing them to operate through the critical summer months.

In addition to providing the Debtors with the available liquidity necessary to continue operations, the Waiver Agreement also set forth various milestones relating to a comprehensive process to market and sell the Projects. Among other things, the Waiver Agreement required the Debtors to (i) retain an investment banker to assist with the marketing and sale process and (ii) enter into one or more binding agreements for the sale of the Projects by September 5, 2017 (which date was subsequently extended through November 6, 2017).

Around this time, to aid in the potential restructuring process, ExGen, as the sole member of EGTP Holdings, caused Alan Carr to be appointed as an independent director (the "**Independent Director**") to the boards of EGTP and EGTP Holdings (the "**Board**")[7] effective as of April 21, 2017. To aid in the sale process, and because ExGen was considered to be a potential bidder for one or more of the Projects, on May 8, 2017, the Board unanimously resolved to create a sale process committee (the "**Sale Process Committee**") consisting of the Independent Director. The Board delegated to the Sale Process Committee the full power and authority to, among other things, (i) engage an investment banking firm on behalf of EGTP, (ii) review and analyze any bids to acquire the Projects and (iii) subject to the approval of the necessary Secured Parties, approve and authorize the Debtors to enter into one or more purchase agreements with potential acquirers to acquire the Projects.[8]

On or around May 22, 2017, the Sale Process Committee retained Scotia Capital (USA) Inc. ("**Scotiabank**") to serve as the Debtors' investment banker and to conduct the sale process. Immediately upon being engaged, Scotiabank began facilitating a marketing process for the potential purchase of all, or certain of, the Projects (each, a "**Potential Transaction**"). Scotiabank identified potential acquirers (collectively, the "**Interested Parties**") to garner interest in pursuing a Potential Transaction. Commencing on May 23, 2017, Scotiabank contacted 145 Interested Parties to alert them of the Debtors' interest in pursuing a Potential Transaction and sent teasers and non-disclosure agreements to 129 of them. Twenty-eight (28) Interested Parties executed non-disclosure agreements and twenty-nine (29) Interested Parties were invited to submit initial, non-binding letters of intent ("**Initial LOIs**")[9] by June 28, 2017 (which was extended for certain Interested Parties).

The Interested Parties which had executed non-disclosure agreements were given the opportunity to access certain documents in an electronic data room. Nine (9) Interested Parties submitted Initial LOIs and, of those nine (9), seven (7) were invited to submit binding, final offers (each, a "**Final Bid**") by September 15, 2017, attend management presentations, submit lists of questions regarding the Projects and gain access to a more comprehensive data room (the "**Final Bid Data Room**"). Of those seven (7), four (4) actively participated in the Final Bid process. Of those four (4), three (3) conducted site visits at the Projects, accessed the Final Bid Data Room and submitted question lists and two (2) participated in management presentations. Ultimately, the sole Final Bid was submitted by ExGen, which sought to purchase substantially all of the assets of Handley Power, LLC (the "**Handley Project**") for $60 million in cash (subject to certain adjustments) and the assumption of certain liabilities (the "**ExGen Bid**").

32. Thereafter, the Debtors (through the Sale Process Committee), in consultation with their advisors and an ad hoc committee of certain of the Secured Lenders (the "**Ad Hoc Committee**") and its advisors, decided to pursue the ExGen Bid as a stalking horse bid for the Handley Project, subject to definitive documentation. In addition, in the absence of other Final Bids, certain of the Secured Lenders, including the Ad Hoc Committee, informed the Debtors that they intended to take ownership of the Projects (other than the Handley Project) pursuant to a chapter 11 plan of reorganization pursuant to which the outstanding Loans will be converted into new equity in the reorganized Debtors (the "**Proposed Plan**").

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7 The balance of the Debtors are member-managed (rather than board managed) and are managed by EGTP as sole member.

8 In addition, on November 7, 2017, the Board unanimously resolved to create a restructuring committee (the "**Restructuring Committee**") consisting of the Independent Director. The Board delegated to the Restructuring Committee the full power and authority to, among other things, (i) authorize the Debtors to commence the Chapter 11 Cases and (ii) approve and authorize the Filing of the Plan.

9 One (1) Interested Party submitted an Initial LOI without executing a non-disclosure agreement. That party subsequently entered into a non-disclosure agreement after submitting an Initial LOI but did not submit a Final Bid (as defined below). Another Interested Party executed a non-disclosure agreement after the deadline to submit Initial LOIs and engaged in some limited diligence regarding one of the Projects but, ultimately, did not submit an Initial LOI or a Final Bid.

On November 7, 2017, after extensive diligence and arms' length negotiations between the parties and in consultation with their advisors and key stakeholders, (i) certain of the Debtors entered into a stalking horse purchase agreement (the "**Stalking Horse Agreement**") with ExGen pursuant to which ExGen will acquire the Handley Project, subject to higher and better offers, on terms substantially similar to those set forth in the ExGen Bid and (ii) the Debtors approved the Proposed Plan. The Debtors have determined that maximizing the value of the Debtors' estates is best accomplished through a competitive bidding and auction process for the Handley Project with the Stalking Horse Agreement serving as the stalking horse bid and transferring their ownership in the other Projects to the Secured Lenders pursuant to the Plan.

III.
EVENTS DURING THE CHAPTER 11 CASE

A. CONTINUATION OF THE BUSINESS AFTER THE PETITION DATE

The Debtors are operating their business in the ordinary course as debtors in possession pursuant to section 1107 and 1108 of the Bankruptcy Code. Immediately following the Petition Date, the Debtors devoted substantial efforts to stabilizing their operations and preserving and restoring their relationships with, among others, vendors that the Debtors believed could be impacted by the commencement of the Chapter 11 Cases. As a result of these initial efforts, the Debtors were able to minimize, as much as practicable, the negative impacts of the commencement of the Chapter 11 Cases.

B. FIRST AND SECOND DAY PLEADINGS AND CERTAIN RELATED RELIEF

Commencing on the Petition Date, the Debtors filed a number of motions and applications (collectively referred to herein as "**First and Second Day Pleadings**") with the Bankruptcy Court. At hearings conducted on [November __], 2017 and [_____ __], 2017, the Bankruptcy Court entered several orders in connection with the First and Second Day Pleadings to, among other things: (i) prevent interruptions to the Debtors' businesses; (ii) ease the strain on the Debtors' relationships with certain essential constituents, including critical vendors; (iii) provide access to cash collateral and capital; and (iv) allow the Debtors to retain certain advisors to assist with the administration of the Chapter 11 Cases (collectively, the "**First and Second Day Orders**").

1. Procedural Motions

To facilitate a smooth and efficient administration of the Chapter 11 Cases, the Bankruptcy Court entered certain "procedural" First and Second Day Orders, by which the Bankruptcy Court (a) approved joint administration of the Chapter 11 Cases, (b) approved an extension of time to file the Debtors' Schedules (which were initially filed on [_____ __], 2017), and (c) established procedures with respect to interim compensation of the Debtors' bankruptcy-related advisors.

2. Stabilizing Operations

Recognizing that any interruption of the Debtors' businesses, even for a brief period of time, would negatively impact their operations, relationships with the vendors, revenue and profits, the Debtors filed a number of First and Second Day Pleadings to help facilitate the stabilization of its operations and effectuate, as much as possible, a smooth transition into operations as debtors in possession. Specifically, the Debtors sought and obtained First and Second Day Orders authorizing the Debtors to:

- determine adequate assurance for future utility service and establish procedures for utility providers to object to such assurance;
- maintain the existing cash management system; with certain modifications; and
- remit and pay certain taxes and fees.

In order to prevent the imposition of the automatic stay from disrupting their businesses and to ensure continued services on favorable terms, the Debtors sought and obtained Bankruptcy Court approval to pay the prepetition claims of certain vendors, potential lien claimants and other third-party service providers who the Debtors believe are essential to the ongoing operation of their businesses. The Debtors' ability to pay the claims of these vendors, potential lien claimants and service providers was and remains critical to maintaining ongoing business operations due to, among other things, the Debtors' inability to acquire essential replacement goods and services of the same quality, reliability, cost or availability from other sources, and obtaining such relief is critical to the success of the Debtors' Chapter 11 Cases.

3. Use of Cash Collateral

A critical goal of the Debtors' business stabilization efforts was to ensure the Debtors maintained sufficient liquidity to operate their businesses during the pendency of the Chapter 11 Cases. On the Petition Date, the Debtors filed the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing Debtors to Utilize Cash Collateral Pursuant to 11 U.S.C. § 363; (II) Granting Adequate Protection to Secured Parties Pursuant to 11 U.S.C. §§ 361, 362 and 363; (III) Authorizing the Assumption of the Amended Hedge Agreement Pursuant to 11 U.S.C. § 365 and Granting Related Liens and Superpriority Claims Pursuant to 11 U.S.C. § 364; and (IV) Scheduling a Final Hearing Pursuant to Bankruptcy Rule 4001(b)* [Docket No. __] (the "**Cash Collateral Motion**"). By the Cash Collateral Motion, the Debtors sought authorization to, among other things, (a) use cash collateral to afford the Debtors necessary liquidity to continue operating during the Chapter 11 Cases; (b) amend the Commodity Hedge Agreement (as amended, the "**Amended Hedge Agreement**") and perform under the Amended Hedge Agreement; and (c) subject to entry of a final order approving the Cash Collateral Motion, assume the Amended Hedge Agreement.

At the hearing held on [November __], 2017, the Bankruptcy Court entered an interim order approving the Cash Collateral Motion to the extent set forth therein, which, among other things, (a) authorized the Debtors to use cash collateral; (b) provided certain secured parties with adequate protection; and (c) authorized the Debtors to enter into the Amended Hedge Agreement and perform their obligations thereunder. On [____ __], 2017, the Bankruptcy Court entered a final order approving the Cash Collateral Motion to the extent set forth therein, which included the assumption of the Amended Hedge Agreement.

The consensual use of cash collateral and the amendment and assumption of the Amended Hedge Agreement has allowed the Debtors to, among other things, (a) continue their businesses in an orderly manner; (b) maintain their valuable relationships with vendors and service providers; (c) make payments in respect of labor costs under the O&M Agreements (as defined in the Prepetition Credit Agreement) incurred thereunder after the Petition Date; (d) effectively manage the financial risks inherent in the Debtors' businesses and fluctuating price of energy; and (e) support their working capital, general corporate and overall operational needs. The use of cash collateral and the amendment and assumption of the Amended Hedge Agreement has been essential to the preservation and maintenance of the going-concern value of the Debtors' businesses and, ultimately, a successful reorganization.

4. Employment of Advisors

To assist the Debtors in carrying out their duties as debtors in possession and to represent their interests in the Chapter 11 Cases, the Bankruptcy Court entered orders on [____ __], 2017, authorizing the Debtors to retain and employ the following advisors: (a) Richards, Layton & Finger, P.A., as counsel; (b) FTI Consulting, Inc. to provide restructuring and interim management services; (c) Scotia Capital (USA) Inc. as investment banker, and (d) Kurtzman Carson Consultants, LLC as the Voting and Claims Agent. The Debtors also sought and obtained orders approving and establishing procedures for the retention of professionals utilized in the ordinary course of the Debtors' businesses.

C. FILING OF THE SCHEDULES AND ESTABLISHMENT OF THE CLAIMS BAR DATE

1. Filing of the Schedules

The Debtors filed their schedules of assets and liabilities, schedules of executory contracts, and statements of financial affairs (collectively, the "**Schedules**") with the Bankruptcy Court pursuant to section 521 of the Bankruptcy Code on [November __], 2017 [Docket Nos. _____].

2. Establishment of the Bar Dates

On [_____], 2017, the Debtors filed the *Debtors' Motion for Entry of an Order Pursuant to Bankruptcy Rule 3003(c)(3) and Local Rule 2002-1(e) Establishing Bar Dates and Related Procedures for Filing Proofs of Claim (Including for Administrative Expense Claims Arising Under Section 503(b)(9) of the Bankruptcy Code) and Approving the Form and Manner of Notice Thereof* [Docket No. __] (the "**Bar Date Motion**"). On [____ __], 2017, the Bankruptcy Court entered an order granting the Bar Date Motion and establishing [____ __], 2017 at [__]:00 p.m. (Eastern Time) as the General Bar Date (as defined under the Bar Date Motion) and establishing [_____ __], 2017 at [__]:00 p.m. (Eastern Time) as the Governmental Bar Date (as defined under the Bar Date Motion).

On [_____], 2017, the Debtors filed the *[Administrative Bar Date Motion]* [Docket No. __] (the "**Administrative Claims Motion**"). On [_____], 2017, the Bankruptcy Court entered an order granting the Administrative Claims Motion, which set forth certain procedures for Filing and serving requests for payment of Administrative Claims arising in the time period between the Petition Date and [____], 2017 (and establishing the deadline to make such requests for payment as [_____], 2017).

D. EXCLUSIVE PERIOD FOR FILING A PLAN AND SOLICITING VOTES

Under the Bankruptcy Code, a debtor has the exclusive right to file and solicit acceptance of a plan or plans of reorganization for an initial period of 120 days from the date on which the debtor filed for voluntary relief. If a debtor files a plan within this exclusive period, then the debtor has the exclusive right for 180 days from the petition date to solicit acceptances to the plan. During these exclusive periods, no other party in interest may file a competing plan of reorganization; however, a court may extend these periods upon request of a party in interest and "for cause."

The Debtors' initial exclusive periods to file a plan and solicit acceptances of a plan will expire on [_____], 2017 and [_____], 2017, respectively.

E. DEADLINE TO ASSUME OR REJECT LEASES OF NONRESIDENTIAL REAL PROPERTY

Pursuant to section 365(d)(4) of the Bankruptcy Code, the time within which the Debtors have to assume or reject unexpired leases of non-residential real property is scheduled to expire on [_____], 2017, unless extended by order of the Bankruptcy Court.

IV.
SUMMARY OF THE PLAN

THIS SECTION IV IS INTENDED ONLY TO PROVIDE A SUMMARY OF THE MATERIAL TERMS OF THE PLAN AND IS QUALIFIED BY REFERENCE TO THE ENTIRE DISCLOSURE STATEMENT AND THE PLAN AND SHOULD NOT BE RELIED ON FOR A COMPREHENSIVE DISCUSSION OF THE PLAN. TO THE EXTENT THERE ARE ANY INCONSISTENCIES OR CONFLICTS BETWEEN THIS SECTION IV AND THE PLAN, THE TERMS AND CONDITIONS SET FORTH IN THE PLAN SHALL CONTROL AND GOVERN.

A. ADMINISTRATIVE, PRIORITY TAX AND COMMODITY HEDGE CLAIMS

1. Administrative Claims

Subject to sub-paragraph (a) below, on the later of the Effective Date and the date on which an Administrative Claim becomes an Allowed Administrative Claim, or, in each such case, as soon as practicable thereafter, each Holder of an Allowed Administrative Claim (other than an Allowed Professional Fee Claim (the treatment of which is set forth in Article II.B of the Plan) or a Commodity Hedge Agreement Claim (the treatment of which is set forth in Article II.C of the Plan)) will receive, in full satisfaction, settlement, discharge and release of, and in exchange for, such Claim either (i) Cash equal to the amount of such Allowed Administrative Claim; or (ii) such other less favorable treatment as to which (x) prior to the Effective Date, the Debtors (with the consent of the Required Lenders), or (y) on or after the Effective Date, the Reorganized Debtors, as applicable, and the Holder of such Allowed Administrative Claim shall have agreed upon; *provided*, *however*, that Administrative Claims incurred by any Debtor in the ordinary course of business may be paid in the ordinary course of business by such applicable Debtor or Reorganized Debtor in accordance with such applicable terms and conditions relating thereto without further notice to or order of the Bankruptcy Court.

(a) Bar Date for Administrative Claims

Except as otherwise provided in Article II.A of the Plan and section 503(b)(1)(D) of the Bankruptcy Code, unless previously Filed or paid, (i) requests for payment of Administrative Claims arising prior to the Initial Administrative Claims Record Date must be Filed and served on the Debtors or the Reorganized Debtors, as applicable, pursuant to the procedures specified in the Administrative Claims Order no later than the Initial Administrative Claims Bar Date, and (ii) requests for payment of Administrative Claims arising in the time period between the Initial Administrative Claims Record Date and the Effective Date must be Filed and served on the Debtors or the Reorganized Debtors, as applicable, pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order or the occurrence of the Effective Date (as applicable) no later than the Final Administrative Claims Bar Date; provided that the foregoing shall not apply to either the Holders of Claims arising under section 503(b)(1)(D) of the Bankruptcy Code or the Bankruptcy Court or United States Trustee as the Holders of Administrative Claims. Holders of Administrative Claims that are required to File and serve a request for payment of such Administrative Claims that do not File and serve such a request by the applicable Administrative Claims Bar Date shall be forever barred, estopped and enjoined from asserting such Administrative Claims against the Debtors, the Reorganized Debtors and their respective Estates and property and such Administrative Claims shall be deemed discharged as of the Effective Date. All such Claims shall, as of the Effective Date, be subject to the permanent injunction set forth in Article X.G of the Plan. Nothing in Article II.A of the Plan shall limit, alter, or impair the terms and conditions of the Claims Bar Date Order with respect to the Claims Bar Date for filing administrative expense claims arising under Section 503(b)(9) of the Bankruptcy Code.

Objections to such requests must be Filed and served on the Reorganized Debtors and the requesting party by the later of (a) the Claims Objection Deadline and (b) 60 days after the Filing of the applicable request for payment of Administrative Claims, if applicable, as the same may be modified or extended from time to time by Final Order of the Bankruptcy Court.

For the avoidance of doubt, all fees and expenses of the (x) Ad Hoc Committee Professionals and (y) Prepetition Agents shall be paid in full, in Cash, on the Effective Date or as soon as reasonably practicable thereafter (to the extent not previously paid during the course of the Chapter 11 Cases) by the Debtors or the Reorganized Debtors, without the requirement to file a fee application with the Bankruptcy Court or a formal request for payment by either Administrative Claims Bar Date.

(b) Professional Fee Claims

Professionals asserting a Professional Fee Claim for services rendered before the Effective Date must File and serve on the Reorganized Debtors and such other Entities who are designated in the Confirmation Order an application for final allowance of such Professional Fee Claim no later than the Professional Fees Bar Date; provided that the Reorganized Debtors shall pay Professionals in the ordinary course of business for any work performed after the Effective Date, including those reasonable and documented fees and expenses incurred by Professionals in connection with the implementation and consummation of the Plan, in each case without further application or notice to or order of the Bankruptcy Court; provided, further, that any professional who may receive compensation or reimbursement of expenses pursuant to the Ordinary Course Professionals Order may continue to receive such compensation and reimbursement of expenses from the Debtors and Reorganized Debtors for services rendered before the Effective Date pursuant to the Ordinary Course Professionals Order, in each case without further application or notice to or order of the Bankruptcy Court.

Objections to any Professional Fee Claim must be Filed and served on the Reorganized Debtors and the requesting party by no later than twenty (20) days after the Filing of the applicable final request for payment of the Professional Fee Claim. Each Holder of an Allowed Professional Fee Claim shall be paid in full in Cash by the Reorganized Debtors within five (5) Business Days after entry of the order approving such Allowed Professional Fee Claim.

2. Priority Tax Claims

Subject to Article VIII of the Plan, on, or as soon as reasonably practicable after, the later of (i) the Initial Distribution Date if such Priority Tax Claim is an Allowed Priority Tax Claim as of the Effective Date or (ii) the date on which such Priority Tax Claim becomes an Allowed Priority Tax Claim, each Holder of an Allowed Priority Tax Claim shall receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Priority Tax Claim, at the election of (x) prior to the Effective Date, the Debtors (with the consent of the Required Lenders) or (y) on or after the Effective Date, the Reorganized Debtors, as applicable: (A) Cash equal to the amount of such Allowed Priority Tax Claim; (B) such other less favorable treatment as to which the Debtors (with the consent of the Required Lenders) or Reorganized Debtors, as applicable, and the Holder of such Allowed Priority Tax Claim shall have agreed upon in writing; (C) such other treatment such that it will not be Impaired pursuant to section 1124 of the Bankruptcy Code or (D) pursuant to and in accordance with sections 1129(a)(9)(C) and 1129(a)(9)(D) of the Bankruptcy Code, Cash in an aggregate amount of such Allowed Priority Tax Claim payable in regular installment payments over a period ending not more than five (5) years after the Petition Date, plus simple interest at the rate required by applicable non-bankruptcy law on any outstanding balance from the Effective Date, or such lesser rate as is agreed to in writing by a particular taxing authority and the Debtors (with the consent of the Required Lenders) or Reorganized Debtors, as applicable, pursuant to section 1129(a)(9)(C) of the Bankruptcy Code; provided, however, that Priority Tax Claims incurred by any Debtor in the ordinary course of business may be paid in the ordinary course of business by such applicable Debtor or Reorganized Debtor in accordance with such applicable terms and conditions relating thereto without further notice to or order of the Bankruptcy Court. Any installment payments to be made under clause (C) or (D) above shall be made in equal quarterly Cash payments beginning on the first applicable Subsequent Distribution Date, and continuing on each Subsequent Distribution Date thereafter until payment in full of the applicable Allowed Priority Tax Claim.

3. Commodity Hedge Agreement Claims

On the Effective Date, all Commodity Hedge Agreement Claims due and owing by any of the Debtors as of the Effective Date shall be paid in full in Cash.

In accordance with the terms of Articles V.E and V.F of the Plan, upon the Effective Date, and notwithstanding anything in the Plan to the contrary, the Amended Hedge Agreements shall remain legal, valid, binding and authorized indebtedness and obligations of the applicable Reorganized Debtors and the Commodity Hedge Counterparty enforceable in accordance with their terms and shall not be discharged or released as a result of the effectiveness of the Plan.

B. CLASSIFICATION AND TREATMENT OF CLASSIFIED CLAIMS AND EQUITY INTERESTS

1. Summary

The Plan constitutes a separate plan of reorganization for each Debtor. All Claims and Equity Interests, except Administrative Claims and Priority Tax Claims, are placed in the Classes set forth below. For all purposes under the Plan, each Class will contain sub-Classes for each of the Debtors (i.e., there will be 10 Classes for each Debtor); provided, that any Class that is vacant as to a particular Debtor will be treated in accordance with Article III.D of the Plan.

The categories of Claims and Equity Interests listed below classify Claims and Equity Interests for all purposes, including, without limitation, for voting, confirmation and distribution pursuant hereto and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. The Plan deems a Claim or Equity Interest to be 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 remaining portion of such 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 any such Claim or Equity Interest is Allowed in that Class and has not been paid, released, Disallowed or otherwise settled prior to the Effective Date.

2. Classification and Treatment of Claims and Equity Interests

(a) Class 1 – Other Priority Claims

- *Classification*: Class 1 consists of the Other Priority Claims.

- *Treatment*: Subject to Article VIII of the Plan, on, or as soon as reasonably practicable after, the later of (i) the Initial Distribution Date if such Class 1 Claim is an Allowed Class 1 Claim as of the Effective Date or (ii) the date on which such Class 1 Claim becomes an Allowed Class 1 Claim, each Holder of an Allowed Class 1 Claim shall receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Class 1 Claim, at the election of (x) prior to the Effective Date, the Debtors (with the consent of the Required Lenders) or (y) on or after the Effective Date, Reorganized Debtors, as applicable: (A) Cash equal to the amount of such Allowed Class 1 Claim; (B) such other less favorable treatment as to which the Debtors (with the consent of the Required Lenders) or Reorganized Debtors, as applicable, and the Holder of such Allowed Class 1 Claim shall have agreed upon in writing; or (C) such other treatment such that it will not be impaired pursuant to section 1124 of the Bankruptcy Code; provided, however, that Class 1 Claims incurred by any Debtor in the ordinary course of business may be paid in the ordinary course of business by such applicable Debtor or Reorganized Debtor in accordance with the terms and conditions of any agreements relating thereto without further notice to or order of the Bankruptcy Court.

- *Voting*: Class 1 is an Unimpaired Class, and the Holders of Claims in Class 1 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Claims in Class 1 are not entitled to vote to accept or reject the Plan.

(b) Class 2 - Other Secured Claims

- *Classification*: Class 2 consists of the Other Secured Claims. Class 2 consists of separate subclasses for each Other Secured Claim.

- *Treatment*: Subject to Article VIII of the Plan, on, or as soon as reasonably practicable after, the later of (i) the Initial Distribution Date if such Class 2 Claim is an Allowed Class 2 Claim as of the Effective Date or (ii) the date on which such Class 2 Claim becomes an Allowed Class 2 Claim, each Holder of an Allowed Class 2 Claim shall receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Class 2 Claim, at the election of (x) prior to the Effective Date, the Debtors (with the consent of the Required Lenders) or (y) on or after the Effective Date, the Reorganized Debtors, as applicable: (A) Cash equal to the amount of such Allowed Class 2 Claim; (B) such other less favorable treatment as to which the Debtors (with the consent of the Required Lenders) or Reorganized Debtors, as applicable, and the Holder of such Allowed Class 2 Claim shall have agreed upon in writing; (C) the Collateral securing such Allowed Class 2 Claim; or (D) such other treatment such that it will not be impaired pursuant to section 1124 of the Bankruptcy Code; provided, however, that Class 2 Claims incurred by any Debtor in the ordinary course of business may be paid in the ordinary course of business by such applicable Debtor or Reorganized Debtor in accordance with the terms and conditions of any agreements relating thereto without further notice to or order of the Bankruptcy Court.

- *Voting*: Class 2 is an Unimpaired Class, and the Holders of Claims in Class 2 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Claims in Class 2 are not entitled to vote to accept or reject the Plan.

(c) Class 3 - Secured Tax Claims

- *Classification*: Class 3 consists of the Secured Tax Claims.

- *Treatment*: Subject to Article VIII of the Plan, on, or as soon as reasonably practicable after, the later of (i) the Initial Distribution Date if such Class 3 Claim is an Allowed Class 3 Claim as of the Effective Date or (ii) the date on which such Class 3 Claim becomes an Allowed Class 3 Claim, each Holder of an Allowed Class 3 Claim shall receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Class 3 Claim, at the election of (x) prior to the Effective Date, the Debtors (with the consent of the Required Lenders) or (y) on or after the Effective Date, the Reorganized Debtors, as applicable: (A) Cash equal to the amount of such Allowed Class 3 Claim; (B) such other less favorable treatment as to which the Debtors (with the consent of the Required Lenders) or Reorganized Debtors, as applicable, and the Holder of such Allowed Class 3 Claim shall have agreed upon in writing; (C) the Collateral securing such Allowed Class 3 Claim; (D) such other treatment such that it will not be impaired pursuant to section 1124 of the Bankruptcy Code or (E) pursuant to and in accordance with sections 1129(a)(9)(C) and 1129(a)(9)(D) of the Bankruptcy Code, Cash in an aggregate amount of such Allowed Class 3 Claim payable in regular installment payments over a period ending not more than five (5) years after the Petition Date, plus simple interest at the rate required by applicable non-bankruptcy law on any outstanding balance from the Effective Date, or such lesser rate as is agreed to in writing by a particular taxing authority and the Debtors (with the consent of the Required Lenders) or Reorganized Debtors, as applicable, pursuant to section 1129(a)(9)(C) of the Bankruptcy Code; provided, however, that Class 3 Claims incurred by any Debtor in the ordinary

course of business may be paid in the ordinary course of business by such applicable Debtor or Reorganized Debtor in accordance with such applicable terms and conditions relating thereto without further notice to or order of the Bankruptcy Court. Any installment payments to be made under clause (E) above shall be made in equal quarterly Cash payments beginning on the first applicable Subsequent Distribution Date, and continuing on each Subsequent Distribution Date thereafter until payment in full of the applicable Allowed Class 3 Claim.

- *Voting:* Class 3 is an Unimpaired Class, and the Holders of Claims in Class 3 shall be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Claims in Class 3 are not entitled to vote to accept or reject the Plan.

(d) Class 4 – Prepetition Revolving Facility Claims

- *Classification*: Class 4 consists of the Prepetition Revolving Facility Claims.

- *Treatment*: Subject to Article VIII of the Plan, on, or as soon as reasonably practicable after, the later of (i) the Initial Distribution Date if such Class 4 Claim is an Allowed Class 4 Claim as of the Effective Date or (ii) the date on which such Class 4 Claim becomes an Allowed Class 4 Claim, each Holder of an Allowed Class 4 Claim shall receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Class 4 Claim, at the election of (x) prior to the Effective Date, the Debtors (with the consent of the Required Lenders) or (y) on or after the Effective Date, the Reorganized Debtors, as applicable: (A) Cash equal to the amount of such Allowed Class 4 Claim; (B) such other less favorable treatment as to which the Debtors (with the consent of the Required Lenders) or Reorganized Debtors, as applicable, and the Holder of such Allowed Class 4 Claim shall have agreed upon in writing; or (C) such other treatment such that it will not be impaired pursuant to section 1124 of the Bankruptcy Code.

- *Voting:* Class 4 is an Unimpaired Class, and the Holders of Claims in Class 4 shall be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Claims in Class 4 are not entitled to vote to accept or reject the Plan.

(e) Class 5 – Secured Sponsor Claims

- *Classification*: Class 5 consists of the Secured Sponsor Claims.

- *Treatment*: The Secured Sponsor Claims are deemed Allowed Claims in the aggregate principal amount of $[_____]. Upon effectiveness of the Sponsor Compromise (subject to the conditions precedent to the Sponsor Compromise set forth in Article V.D of the Plan being satisfied), the aggregate amount of Secured Sponsor Claims shall be waived and shall be deemed forever waived and discharged pursuant to the Sponsor Compromise. In the event that the Effective Date occurs but the conditions precedent to the Sponsor Compromise set forth in Article V.D of the Plan are not satisfied, then the Secured Sponsor Claims shall be deemed to be Class 6 Prepetition Credit Agreement Claims (Secured Portion), and shall be entitled to the voting and treatment contained in Article III.B.6 of the Plan.

- *Voting:* Class 5 is an Unimpaired Class, and the Holders of Claims in Class 5 shall be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Claims in Class 5 are not entitled to vote to accept or reject the Plan.

(f) Class 6 - Prepetition Credit Agreement Claims (Secured Portion)

- *Classification*: Class 6 consists of the Prepetition Credit Agreement Claims (Secured Portion).

- *Allowance*: The Prepetition Credit Agreement Claims (Secured Portion) are deemed Allowed Claims in the aggregate principal amount of $[_____], plus any accrued and unpaid interest payable on such amounts as of the Petition Date.[10]

- *Treatment*: On the Effective Date and in addition to the reimbursement described in Article V of the Plan, each Holder of a Prepetition Credit Agreement Claim (Secured Portion) shall receive, in full satisfaction, settlement, discharge and release of, and in exchange for, such Prepetition Credit Agreement Claim (Secured Portion) its respective Pro Rata share of the New Equity Interests Pool.

- *Voting*: Class 6 is Impaired, and Holders of Claims in Class 6 are entitled to vote to accept or reject the Plan.

(g) Class 7 – General Unsecured Claims

- *Classification:* Class 7 consists of the General Unsecured Claims, including, but not limited to, the Prepetition Credit Agreement Claims (Unsecured Deficiency Portion).

- *Allowance*: The Prepetition Credit Agreement Claims (Unsecured Deficiency Portion) are deemed Allowed Claims in the aggregate principal amount of $[_____].

- *Treatment*: Subject to Article VIII of the Plan, on, or as soon as reasonably practicable after, the later of (i) the Initial Distribution Date if such Class 7 Claim is an Allowed Class 7 Claim as of the Effective Date or (ii) the date on which such Class 7 Claim becomes an Allowed Class 7 Claim, each Holder of an Allowed Class 7 Claim shall receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Class 7 Claim, at the election of (x) prior to the Effective Date, the Debtors (with the consent of the Required Lenders) or (y) on or after the Effective Date, the Reorganized Debtors, as applicable: (A) its Pro Rata share of the General Unsecured Claims Cash Amount or (B) such other less favorable treatment as to which the Debtors (with the consent of the Required Lenders) or Reorganized Debtors, as applicable, and the Holder of such Allowed Class 7 Claim shall have agreed upon in writing.

- *Voting:* Class 7 is Impaired, and Holders of Claims in Class 7 (including, for the avoidance of doubt, Holders of the Prepetition Credit Agreement Claims (Unsecured Deficiency Portion)) are entitled to vote to accept or reject the Plan.

(h) Class 8 – Intercompany Claims

- *Classification*: Class 8 consists of the Intercompany Claims.

- *Treatment:* Subject to the Restructuring Transactions, the Intercompany Claims shall be reinstated, compromised, or cancelled, at the option of the relevant Holder of such Intercompany Claims with the consent of the Required Lenders.

[10] The Allowed amount excludes any accrued fees, costs, and expenses that will be paid in Cash on the Effective Date pursuant to the Plan.

- *Voting:* Class 8 is an Impaired Class. Because the Holders of such Intercompany Claims are not expected to receive any distributions pursuant to the Plan, they are therefore conclusively deemed, pursuant to Section 1126(g) of the Bankruptcy Code, to have rejected the Plan and are not entitled to vote to accept or reject the Plan.

(i) Class 9 - Old Parent Interests

- *Classification*: Class 9 consists of the Old Parent Interests.

- *Treatment*: On the Effective Date, the Old Parent Interests will be cancelled without further notice to, approval of or action by any Person or Entity, and each Holder of an Old Parent Interest shall not receive any distribution or retain any property on account of such Old Parent Interest.

- *Voting*: Class 9 is an Impaired Class. Because the sole Holder of such Old Parent Interests (Sponsor) is not expected to receive any distributions pursuant to the Plan, it is therefore conclusively deemed, pursuant to Section 1126(g) of the Bankruptcy Code, to have rejected the Plan and is not entitled to vote to accept or reject the Plan.

(j) Class 10 - Old Intercompany Interests

- *Classification*: Class 10 consists of any and all Intercompany Interests.

- *Treatment*: Subject to the Restructuring Transactions, the Old Intercompany Interests shall remain effective and outstanding on the Effective Date and shall be owned and held by Reorganized Parent and/or another applicable Entity as set forth in greater detail in the Description of Structure as of the Effective Date.

- *Voting*: Class 10 is an Unimpaired Class, and the Holders of the Old Intercompany Interests in Class 10 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of the Old Intercompany Interests in Class 8 are not entitled to vote to accept or reject the Plan.

3. Special Provision Governing Unimpaired Claims

Except as otherwise provided in the Plan, nothing under the Plan shall affect or limit the Debtors' or the Reorganized Debtors' rights and defenses (whether legal or equitable) in respect of any Unimpaired Claims, including, without limitation, all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Unimpaired Claims.

4. Elimination of Vacant Classes

Any Class of Claims that is not occupied as of the commencement of the Confirmation Hearing by an Allowed Claim or a claim temporarily allowed under Bankruptcy Rule 3018, or as to which no vote is cast, shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

C. ACCEPTANCE OR REJECTION OF THE PLAN

1. Presumed Acceptance of Plan

Classes 1-5, and 10 are Unimpaired under the Plan. Therefore, the Holders of Claims or Equity Interests in such Classes are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan.

2. Presumed Rejection of Plan

Classes 8 and 9 are Impaired under the Plan. Because the Holders of Claims or Equity Interests in such Classes are not expected to receive any distributions pursuant to the Plan, they are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan.

3. Voting Classes

Classes 6 and 7 are Impaired under the Plan. The Holders of Claims in such Classes as of the Voting Record Date are entitled to vote to accept or reject the Plan.

4. Acceptance by Impaired Classes of Claims

Pursuant to section 1126(c) of the Bankruptcy Code and except as otherwise provided in section 1126(e) of the Bankruptcy Code, an Impaired Class of Claims has accepted the Plan if the Holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims in such Class actually voting have voted to accept the Plan.

5. Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by either Class 6 or Class 7. The Debtors request confirmation of the Plan under section 1129(b) of the Bankruptcy Code with respect to any Impaired Class that does not accept the Plan pursuant to section 1126 of the Bankruptcy Code. The Debtors reserve the right to modify the Plan or any Exhibit or Plan Schedule in order to satisfy the requirements of section 1129(b) of the Bankruptcy Code, if necessary.

6. Votes Solicited in Good Faith

The Debtors have, and upon the Confirmation Date shall be deemed to have, solicited votes on the Plan from the Voting Classes in good faith and in compliance with the applicable provisions of the Bankruptcy Code, including, without limitation, sections 1125 and 1126 of the Bankruptcy Code, and any applicable non-bankruptcy law, rule, or regulation governing the adequacy of disclosure in connection with the solicitation. Accordingly, the Debtors, the Reorganized Debtors, and each of their respective Related Persons shall be entitled to, and upon the Confirmation Date will be granted by the Plan, the protections of section 1125(e) of the Bankruptcy Code.

D. MEANS FOR IMPLEMENTATION OF THE PLAN

1. Restructuring Transactions

Without limiting any rights and remedies of the Debtors or Reorganized Debtors under the Plan or applicable law, but in all cases subject to the terms and conditions of the Restructuring Documents and any consents or approvals required thereunder, the entry of the Confirmation Order shall constitute authorization for the Reorganized Debtors to take, or to cause to be taken, all actions necessary or appropriate to consummate and implement the provisions of the Plan prior to, on and after the Effective Date, including such actions as may be necessary or appropriate to effectuate a corporate restructuring of their respective businesses (whether for tax purposes or otherwise), to simplify the overall corporate structure of the Reorganized Debtors, to transfer or re-domesticate certain of the Affiliate Debtors, from their existing jurisdiction of formation to other jurisdictions for purposes of continuing their formation, organization or incorporation, as applicable, or to change the classification of any of the Reorganized Debtors or Affiliates of the Debtors for United States federal income tax purposes. Such restructuring may include one or more mergers, consolidations, conversions, transfers, restructures, dispositions, liquidations or dissolutions, creations of one or more new Entities, or the making of any tax classification elections, in each case, as may be determined by (i) prior to the Effective Date, the Debtors (with the consent of the Required Lenders) or (ii) on or after the Effective Date, the Reorganized Debtors, to be necessary or appropriate (collectively, the "**Restructuring Transactions**"). To the extent known, any such Restructuring Transactions will be summarized

in the Description of Structure, and in all cases, such transactions shall be subject to the terms and conditions of the Plan and the Restructuring Documents and any consents or approvals required hereunder or thereunder. Notwithstanding the foregoing, the Reorganized Debtors shall be authorized to take all commercially reasonable steps to wind down or otherwise effectuate a state law dissolution of Handley Power, LLC following the closing of the transactions contemplated by the Handley Sale Order and Handley APA and (ii) remove any reference to "ExGen" in the corporate names of the Reorganized Debtors.

All such Restructuring Transactions taken, or caused to be taken, shall be deemed to have been authorized and approved by the Bankruptcy Court subject to the Confirmation Order. The actions to effectuate the Restructuring Transactions may include: (i) the execution and delivery of appropriate agreements or other documents of merger, consolidation, restructuring, disposition, liquidation, or dissolution containing terms that are consistent with the terms of the Plan and that satisfy the applicable requirements of applicable state law and such other terms to which the applicable Entities may agree; (ii) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, duty, or obligation on terms consistent with the terms of the Plan and having such other terms to which the applicable Entities may agree; (iii) the filing of appropriate certificates or articles of merger, consolidation, conversion, transfer or dissolution pursuant to applicable state law; (iv) the creation of one or more new Entities; (v) the filing of appropriate election forms with the IRS or other tax authorities; and (vi) all other actions that the applicable Entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable state law in connection with such transactions, but in all cases subject to the terms and conditions of the Plan and the Restructuring Documents and any consents or approvals required thereunder.

2. Continued Corporate Existence

Subject to the Restructuring Transactions permitted by Article V.A of the Plan, after the Effective Date, the Reorganized Debtors shall continue to exist as separate legal entities in accordance with the applicable law in the respective jurisdiction in which they are incorporated, organized or formed and pursuant to their respective certificates of formation and limited liability company agreements, or other applicable organizational documents, in effect immediately prior to the Effective Date, except to the extent such certificates of formation and limited liability company agreements, or other applicable organizational documents, are amended, restated or otherwise modified under the Plan, or as otherwise contemplated in the Description of Structure. Notwithstanding anything to the contrary herein, the Claims against a particular Debtor or Reorganized Debtor shall remain the obligations solely of such Debtor or Reorganized Debtor and shall not become obligations of any other Debtor or Reorganized Debtor solely by virtue of the Plan or the Chapter 11 Cases.

3. Vesting of Assets in the Reorganized Debtors Free and Clear of Liens and Claims

Except as otherwise expressly provided in the Plan, the Confirmation Order, or any Restructuring Document, pursuant to sections 1123(a)(5), 1123(b)(3), 1141(b) and (c) and other applicable provisions of the Bankruptcy Code, on and after the Effective Date, all property and assets of the Estates of the Debtors, including all claims, rights, and Litigation Claims of the Debtors, and any other assets or property acquired by the Debtors or the Reorganized Debtors during the Chapter 11 Cases or under or in connection with the Plan (other than the assets sold or contemplated to be sold by the Handley APA and the Handley Sale Order), shall automatically, without the notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, rule or any requirement of further action, vote or other approval or authorization of the security holders, equity owners, members, managers, officers or directors of the Debtors, the Reorganized Debtors or the other applicable Entity or by any other person (except for those expressly required pursuant hereto or by the Restructuring Documents), vest in the Reorganized Debtors free and clear of all Claims, Liens, charges, and other encumbrances, subject to the Restructuring Transactions and Liens which survive the occurrence of the Effective Date as described in the Plan. Notwithstanding anything to the contrary in Article V.C of the Plan or otherwise, on and after the Effective Date, the obligations under the Amended Hedge Agreement shall be secured in accordance with the Exit Security Documents. On and after the Effective Date, the Reorganized Debtors may (i) operate their respective businesses, (ii) use, acquire, and dispose of their respective property and (iii) compromise or settle any Claims, in each case without notice to, supervision of or approval by the Bankruptcy Court and free and clear of any restrictions of the Bankruptcy Code or the Bankruptcy Rules, other than restrictions expressly imposed by the Plan or the Confirmation Order.

For the avoidance of doubt, and notwithstanding anything to the contrary contained in the Plan, the Debtors shall not transfer or be deemed to have transferred to (or otherwise vest in) the Reorganized Debtors the Settled Claims or any other claims or Causes of Action (i) released pursuant to Article X.B.1 of the Plan or (ii) exculpated pursuant to Article X.E of the Plan to the extent of any such exculpation.

4. Sponsor Compromise

In exchange for the releases, exculpations, injunctions and other consideration set forth in Article X of the Plan, the Sponsor agrees (subject to the conditions precedent to the Sponsor Compromise set forth in this section being satisfied), on the Effective Date, to: (i) pay the Sponsor Compromise Payment to the Debtors; (ii) enter into the Amended Shared Assets Agreements and the Transition Services Agreement, each in form and substance acceptable to the Debtors, the Sponsor and the Required Lenders and in accordance with the Shared Asset Term Sheet annexed as Exhibit G to the Disclosure Statement; (iii) contribute the shared assets at no cost to the Debtors or Reorganized Debtors pursuant to the Contribution Agreements; and (iv) waive (A) the Secured Sponsor Claims and (B) any Claim (other than an Administrative Claim) of the Sponsor accruing under any of the O&M Agreements (as defined in the Prepetition Credit Agreement); provided, however that: (w) if the amount of Secured Sponsor Claims (before giving effect to such waiver) is less than $10,800,000.00, then the Sponsor shall pay (or otherwise credit the Debtors on account of post-petition amounts outstanding to the Sponsor) the difference between $10,800,000.00 and the amount of such Secured Sponsor Claims, (x) if the amount of Secured Sponsor Claims (before giving effect to such waiver) is more than $10,800,000.00 then the Sponsor Compromise Payment shall be reduced by the difference between the amount of such Secured Sponsor Claims and $10,800,000.00, (y) if the amount of General Unsecured Claims (other than Administrative Claims) of the Sponsor accruing under any of the O&M Agreements (before giving effect to such waiver) is less than $1,900,000.00, then the Sponsor shall pay (or otherwise credit the Debtors on account of post-petition amounts outstanding to the Sponsor) the difference between $1,900,000.00 and the amount of such Claims and (z) if the amount of General Unsecured Claims (other than Administrative Claims) of the Sponsor accruing under any of the O&M Agreements (before giving effect to such waiver) is more than $1,900,000.00 then the Sponsor Compromise Payment shall be reduced by the difference between the amount of such General Unsecured Claims and $1,900,000.00 (but, in no event, shall such reduction in the Sponsor Compromise Payment on account of the O&M Agreements be more than $150,000.00).

Subject to the conditions precedent to the Sponsor Compromise set forth in Article V.D of the Plan being satisfied, beginning on the Petition Date and until the Effective Date, the Sponsor shall be obligated to perform under, and shall receive post-petition payments in the ordinary course pursuant to, the Sponsor Affiliate Agreements in accordance with the terms therein; provided; however, that the Sponsor shall provide the GMSA Services at no cost to the Debtors until the earlier of (i) February 28, 2018; and (ii) the Effective Date.

Beginning on the Petition Date and ending on the Effective Date, the Sponsor shall be obligated to maintain all existing credit support with respect to the Debtors' agreements in existence as of the Petition Date, to or for the benefit of the Debtors.

Subject to the conditions precedent to the Sponsor Compromise set forth in Article V.D of the Plan being satisfied on the Effective Date, the Reorganized Debtors and the Sponsor shall enter into the Transition Services Agreement for ninety (90) days (or such lesser time as determined by the Reorganized Debtors), and, subject to the Term Sheet annexed to the Disclosure Statement as Exhibit H, the Reorganized Debtors shall have no obligation to pay, and the Sponsor shall not earn any fees thereunder during such period. Thereafter, the Reorganized Debtors shall have the option, in their sole discretion, to extend the provision of transition services by the Sponsor for an additional sixty (60) days, in thirty (30) day increments, in exchange for payment of the applicable portion of the fees set forth in the Transition Services Agreement, or such other fees that may otherwise be agreed upon between the parties.

On the Effective Date, the Debtors and Reorganized Debtors are authorized to execute and deliver, and to consummate the transactions contemplated by, the Amended Shared Assets Agreements, the Contribution Agreements, and the Transition Services Agreement without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or vote, consent, authorization, or approval of any Person.

Notwithstanding anything to the contrary contained in the Plan, the Sponsor Compromise shall not be effective unless and until the following conditions precedent are satisfied: (i) the Plan is confirmed and the Effective Date occurs; and (ii) all conditions to the application of the release provisions of Article X of the Plan to the Settled Claims and to the Sponsor and its Related Persons contained in Article X.A of the Plan are satisfied, and the release provisions in Article X of the Plan shall apply to the Settled Claims and to the Sponsor and its Related Persons (subject to such modifications as may be set forth in the Confirmation Order); provided, however, that for the avoidance of doubt, the conditions set forth in this paragraph and the conditions set forth in Article X.A of the Plan may occur concurrently. In the event the Sponsor Compromise is not effective pursuant to the foregoing: (i) the Sponsor shall not be obligated to perform under the Sponsor Affiliate Agreements except as required under applicable law (including, without limitation, the Bankruptcy Code); (ii) the Sponsor shall not be required to provide any of the consideration provided under the Sponsor Compromise and shall be entitled to seek payment of any amounts outstanding that were otherwise waived or credited under the Sponsor Compromise; (iii) the agreements reached under the Sponsor Compromise shall not be deemed a waiver or admission of any kind; and (iv) the Sponsor reserves all rights in connection with any claims or defenses in connection with the foregoing.

For the avoidance of doubt, the Sponsor Compromise is made as a settlement, without admitting any wrongdoing of any kind, of any potential claims, known or unknown, that could be asserted against the Sponsor and any of its Related Persons.

5. Letter of Credit Facility Documents, Amended Hedge Agreements and Exit Security Documents

On the Effective Date, the Debtors and the Reorganized Debtors, as applicable, shall be authorized to execute and deliver, and to consummate the transactions contemplated by, the Letter of Credit Facility Documents (in form and substance acceptable to the Debtors and the Required Lenders) and the Exit Security Documents (in form and substance acceptable to the Debtors and the Required Lenders and reasonably acceptable to the Commodity Hedge Counterparty) and without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization or approval of any Entity (other than as expressly required by the Letter of Credit Facility Documents or the Exit Security Documents). On the Effective Date, the Reorganized Debtors shall remain parties to the Amended Hedge Agreements. On the Effective Date, the Letter of Credit Facility Documents, the Amended Hedge Agreements and the Exit Security Documents shall constitute legal, valid, binding and authorized indebtedness and obligations of the Reorganized Debtors and/or one or more other applicable Entities as set forth in greater detail in the Description of Structure, enforceable in accordance with their respective terms and such indebtedness and obligations shall not be, and shall not be deemed to be, enjoined or subject to discharge, impairment, release or avoidance under the Plan, the Confirmation Order or on account of the Confirmation or Consummation of the Plan.

6. No Discharge or Release of Certain Claims

Notwithstanding anything in the Plan to the contrary, the Debtors and Reorganized Debtors have waived discharge or release of the Commodity Hedge Agreement Claims.

7. New Equity Interests

On the Effective Date, subject to the terms and conditions of the Restructuring Transactions, Reorganized Parent and/or another applicable Person or Entity, as set forth in greater detail in the Description of Structure, shall issue the New Equity Interests pursuant to the Plan and the New Governance Documents. Except as otherwise expressly provided in the Restructuring Documents, the Reorganized Parent shall not be obligated to register the New Equity Interests under the Securities Act or to list the New Equity Interests for public trading on any securities exchange.

Distributions of the New Equity Interests may be made by delivery or book-entry thereof by the applicable Distribution Agent in accordance with the Plan and the New Governance Documents. Upon the Effective Date, after giving effect to the transactions contemplated by the Plan, the authorized units or other equity securities of Reorganized Parent shall be that number of units of New Equity Interests as may be designated in the New Governance Documents.

8. New Governance Documents

Subject to the Restructuring Transactions permitted by Article V.A of the Plan, on or before the Effective Date, the Debtors and/or the Reorganized Debtors (as applicable), and/or any applicable Entity as set forth in the Description of Structure, as applicable, shall enter into the New Governance Documents, which shall become effective and binding in accordance with its terms and conditions upon the parties thereto, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization or approval of any Entity (other than as expressly required by the New Governance Documents).

On and as of the Effective Date, all of the Holders of New Equity Interests shall be deemed to be parties to the applicable New Governance Documents, without the need for execution by such Holder. The New Governance Documents, as applicable, shall be binding on all Persons receiving, or to which the New Equity Interests are issued or distributed and all Holders of the New Equity Interests (and such Persons' or Holders' respective successors and assigns), whether such New Equity Interest is received or to be received on or after the Effective Date and regardless of whether such Person executes or delivers a signature page to the New Governance Documents.

9. [New Management Incentive Plan

On and after the Effective Date, Reorganized Parent and/or another applicable Entity as set forth in the Description of Structure, as applicable, may adopt and implement the New Management Incentive Plan, whose terms and conditions, including recipients, individual awards and vesting periods, shall be determined by the New Board. The New Management Incentive Plan Equity will dilute all of the New Equity Interests equally.]

10. Plan Securities and Related Documentation; Exemption from Securities Laws

On and after the Effective Date, the Debtors, the Reorganized Debtors and any other applicable Entity as set forth in the Description of Structure, as applicable, are authorized to and shall provide or issue, as applicable, the New Equity Interests and any and all other securities to be distributed or issued under the Plan (collectively, the "**Plan Securities**") and any and all other notes, units, instruments, certificates, and other documents or agreements required to be distributed, issued, executed or delivered pursuant to or in connection with the Plan (collectively, the "**Plan Securities and Documents**"), in each case in form and substance acceptable to the Debtors and the Required Lenders, and without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization or approval of any Entity.

The distribution and issuance, as applicable, of the Plan Securities and Documents under the Plan shall be exempt from registration under applicable securities laws (including Section 5 of the Securities Act or any similar state or local law requiring the registration for offer or sale of a security or registration or licensing of an issuer of a security) pursuant to section 1145(a) of the Bankruptcy Code, Section 4(a)(2) of the Securities Act and/or other applicable exemptions. An offering of Plan Securities provided in reliance on the exemption from registration under the Securities Act pursuant to section 1145(a) of the Bankruptcy Code may be sold without registration to the extent permitted under section 1145 of the Bankruptcy Code and is deemed to be a public offering, and such Plan Securities may be resold without registration to the extent permitted under section 1145 of the Bankruptcy Code. Any Plan Securities and Documents provided in reliance on the exemption from registration under the Securities Act provided by Section 4(a)(2) of such act will be provided in a private placement.

All units of New Equity Interests issued to Holders of Allowed Claims on account of their respective Claims will be issued without registration under the Securities Act or any similar federal, state, or local law in reliance on Section 1145(a) of the Bankruptcy Code (or to the extent required, in reliance on Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder).

Resales by Persons who receive any Plan Securities that are offered pursuant to an exemption under section 1145(a) of the Bankruptcy Code, who are deemed to be "underwriters" (as such term is defined in the Bankruptcy Code) (collectively, the "**Restricted Holders**") would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act. Restricted Holders would, however, be permitted to resell the New Equity Interests or Plan Securities that are offered pursuant to an exemption under section 1145(a) of the Bankruptcy Code, as applicable, without registration if they are able to comply with the provisions of Rule 144 under the Securities Act, or if such securities are registered with the Commission pursuant to a registration statement or otherwise.

Persons who purchase securities pursuant to the exemption from registration set forth in section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder will hold "restricted securities." Resales of such restricted securities would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law. Holders of restricted securities would, however, be permitted to resell Plan Securities without registration if they are able to comply with the applicable provisions of Rule 144 or Rule 144A or any other applicable registration exemption under the Securities Act, or if such securities are registered with the Commission.

11. Release of Liens and Claims

To the fullest extent provided under section 1141(c) and other applicable provisions of the Bankruptcy Code, except as otherwise expressly provided herein or in any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to Article VII of the Plan, all Liens and Claims against the assets or property of the Debtors or the Estates shall be fully released, canceled, terminated, extinguished and discharged, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization or approval of any Person or Entity. The filing of the Confirmation Order with any federal, state, or local agency or department shall constitute good and sufficient evidence of, but shall not be required in order to effect, the termination of such Liens or Claims and other interests to the extent provided in the immediately preceding sentence. Any Entity holding such Liens, Claims or interests shall, pursuant to section 1142 of the Bankruptcy Code, promptly execute and deliver to the Reorganized Debtors such instruments of termination, release, satisfaction and/or assignment (in recordable form) as may be reasonably requested by the Reorganized Debtors. For the avoidance of doubt, the release set forth in this Article V.K shall not apply to obligations under the Amended Hedge Agreements (other than Commodity Hedge Agreement Claims due and owing by any of the Debtors as of the Effective Date that have been paid in full in Cash on or prior to the Effective Date) or to any liens granted pursuant to the Exit Security Documents (but shall apply to any liens securing the obligations under the Amended Hedge Agreements other than the liens granted pursuant to the Exit Security Documents).

12. Organizational Documents of the Reorganized Debtors

The respective organizational documents of each of the Debtors shall be amended and restated or replaced (as applicable) in form and substance satisfactory to the Debtors and the Required Lenders as necessary to satisfy the provisions of the Plan and the Bankruptcy Code. Such organizational documents shall: (i) to the extent required by section 1123(a)(6) of the Bankruptcy Code, include a provision prohibiting the issuance of non-voting equity securities; (ii) authorize the issuance of New Equity Interests in an amount not less than the amount necessary to permit the distributions thereof required or contemplated by the Plan; (iii) to the extent necessary or appropriate, include restrictions on the transfer of New Equity Interests; and (iv) to the extent necessary or appropriate, include such provisions as may be needed to effectuate and consummate the Plan and the transactions contemplated herein. After the Effective Date, the Reorganized Debtors may, subject to the terms and conditions of the Restructuring Documents, amend and restate their respective organizational documents as permitted by applicable law.

13. New Board and Officers of the Reorganized Debtors

The New Board or other governing body of the Reorganized Debtors and/or one or more applicable Entities as set forth in the Description of Structure shall be identified in the Plan Supplement as Plan Schedule 2 and shall be subject to approval of the Bankruptcy Court pursuant to section 1129(a)(5) of the Bankruptcy Code. Pursuant to and

to the extent required by section 1129(a)(5) of the Bankruptcy Code, the Debtors will disclose, at or prior to the Confirmation Hearing, the identity and affiliations of any Person proposed to serve on the initial board or other governing body or as an officer of each of the Reorganized Debtors and/or applicable Entities, and, to the extent such Person is an insider other than by virtue of being a managing member, manager, director or an officer, the nature of any compensation for such Person. Each such manager, director, managing member and/or officer shall serve from and after the Effective Date pursuant to applicable law and the terms of the New Governance Documents and the other constituent and organizational documents of the applicable Reorganized Debtors and/or Entity. The existing boards of director, manager or members and other governing bodies of the Debtors will be deemed to have resigned on and as of the Effective Date, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization or approval of any Person or Entity.

14. Corporate Action

Each of the Debtors, the Reorganized Debtors and/or any other applicable Entity as set forth in the Description of Structure may take any and all actions to execute, deliver, File or record such contracts, instruments, releases and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and implement the provisions of the Plan, including, without limitation, the approval and implementation of the Sponsor Compromise, the issuance and the distribution of the securities to be issued pursuant hereto, in each case in form and substance acceptable to the Required Lenders, and without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or any requirement of further action, vote or other approval or authorization by the security holders, equity owners, members, managers, officers or directors of the Debtors, the Reorganized Debtors or other applicable Entity or by any other Person (except for those expressly required pursuant hereto or by the Restructuring Documents).

Prior to, on or after the Effective Date (as appropriate), all matters provided for pursuant to the Plan that would otherwise require approval of the unitholders, equity owners, directors, officers, managers or members of the Debtors (as of prior to the Effective Date) shall be deemed to have been so approved and shall be in effect prior to, on or after the Effective Date (as appropriate) pursuant to applicable law and without any requirement of further action by the unitholders, equity owners, directors, officers, managers or members of the Debtors, the Reorganized Debtors or other applicable Entity, or the need for any approvals, authorizations, actions or consents of any Person.

As of the Effective Date, all matters provided for in the Plan involving the legal or corporate structure of the Debtors, the Reorganized Debtors or other applicable Entity (including, without limitation, the adoption of the New Governance Documents and similar constituent and organizational documents, and the selection of directors, managers, managing members and/or officers for, each of the Reorganized Debtors), and any legal or corporate action required by the Debtors, the Reorganized Debtors or other applicable Person or Entity in connection with the Plan, shall be deemed to have occurred and shall be in full force and effect in all respects, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or any requirement of further action, vote or other approval or authorization by the unitholders, equity owners, directors, officers, managers or members of the Debtors, the Reorganized Debtors or other applicable Entity or by any other Person.

On and after the Effective Date, the appropriate officers of the Debtors, the Reorganized Debtors and any other applicable Entity are authorized to issue, execute, and deliver, and consummate the transactions contemplated by, the contracts, agreements, documents, guarantees, pledges, consents, securities, certificates, resolutions and instruments contemplated by or described in the Plan in the name of and on behalf of the Debtors, the Reorganized Debtors or other applicable Entity, in each case in form and substance acceptable to the Reorganized Debtors, and without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or any requirement of further action, vote or other approval or authorization by any Person. The secretary and any assistant secretary of the Debtors, the Reorganized Debtors and such other applicable Entity shall be authorized to certify or attest to any of the foregoing actions.

15. Cancellation of Notes, Certificates and Instruments

On the Effective Date, except to the extent otherwise expressly provided in the Plan, all notes, units, equity interests, indentures, instruments, certificates, agreements and other documents evidencing or relating to any Impaired Claim (other than the Prepetition Credit Agreement Claims) and/or the Old Parent Interests and the Old Parent Interests themselves, shall be canceled, and the obligations of the Debtors thereunder or in any way related thereto shall be fully released, terminated, extinguished and discharged, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or any requirement of further action, vote or other approval or authorization by any Person.

16. Old Intercompany Interests

On the Effective Date, subject to any changes described in the Description of Structure, the Old Intercompany Interests shall remain effective and outstanding, and shall be owned and held by Reorganized Parent. and/or another applicable Entity as set forth in greater detail in the Description of Structure as of the Effective Date. EGTP, Wolf Hollow I, Colorado Bend I, Handley, Mountain Creek and LaPorte shall continue to be governed by the terms and conditions of their applicable organizational documents as in effect immediately prior to the Effective Date, except as amended or modified by the Plan or the Description of Structure or amended or amended and restated organizational documents.

17. Sources of Consideration for Plan Distributions

The Debtors shall make distributions under the Plan, as applicable, with: (1) the New Equity Interests; (2) the Sponsor Compromise Payment; (3) the Debtors' encumbered and unencumbered Cash on hand; and (4) the sale proceeds generated from the sale contemplated by the Handley APA and the Handley Sale Order. Each distribution and issuance referred to in Article III of the Plan shall be governed by the terms and conditions set forth in the Plan applicable to such distribution or issuance and by the terms and conditions of the instruments or other documents evidencing or relating to such distribution or issuance, and which terms and conditions shall bind each Entity receiving such distribution or issuance.

18. Continuing Effectiveness of Final Orders

Payment authorization granted to the Debtors under any prior Final Order entered by the Bankruptcy Court shall continue in effect after the Effective Date. Accordingly, the Debtors or the Reorganized Debtors may pay or otherwise satisfy any Claim to the extent permitted by, and subject to, the applicable Final Order without regard to the treatment that would otherwise be applicable to such Claim under the Plan.

19. Payment of Fees and Expenses of Certain Creditors

Subject to the procedures under the Cash Collateral Orders, the Debtors shall, on and after the Effective Date and to the extent invoiced, pay the Prepetition Agent Fees and Expenses and the Ad Hoc Committee Fees and Expenses (in each case whether accrued prepetition or postpetition and to the extent not otherwise paid during the Chapter 11 Cases), without application by any such parties to the Bankruptcy Court, and without notice and a hearing pursuant to section 1129(a)(4) of the Bankruptcy Code or otherwise; provided, however, if the Debtors or Reorganized Debtors and any such Entity cannot agree with respect to the reasonableness of the fees and expenses (incurred prior to the Effective Date) to be paid to such party, the reasonableness of any such fees and expenses shall be determined by the Bankruptcy Court (with any undisputed amounts to be paid by the Debtors on or after the Effective Date (as applicable) and any disputed amounts to be escrowed by the Reorganized Debtors). Notwithstanding anything to the contrary in the Plan, the fees and expenses described in this paragraph shall not be subject to either Administrative Claims Bar Date.

22. General Unsecured Claims Cash Escrow

Notwithstanding any other provision of the Plan to the contrary, the Debtors and the Reorganized Debtors shall only be obligated to satisfy Allowed General Unsecured Claims from the General Unsecured Claims Cash Escrow and no other asset or property of the Debtors, the Reorganized Debtors or their respective Estates shall be required to be used or otherwise monetized to pay or otherwise fund such Allowed Claims.

E. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

1. Assumption of Executory Contracts and Unexpired Leases

On the Effective Date, all Executory Contracts and Unexpired Leases of the Debtors will be assumed by the Debtors in accordance with, and subject to, the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, except for those Executory Contracts and Unexpired Leases that:

(i) have been assumed or rejected by the Debtors by prior order of the Bankruptcy Court, including (i) the Amended Hedge Agreements that have been assumed pursuant to the Final Cash Collateral Order and (ii) those Executory Contracts and Unexpired Leases that have been, or are contemplated to be, assumed and assigned pursuant to the Handley Sale Order;

(ii) are the subject of a motion to reject by the Debtors (with the consent of the Required Lenders) pending on the Effective Date;

(iii) are identified by the Debtors (with the consent of the Required Lenders) on Plan Schedule 3 or in the Plan Supplement, in either case which Plan Schedule may be amended by the Debtors (with the consent of the Required Lenders) to add or remove Executory Contracts and Unexpired Leases by filing with the Bankruptcy Court an amended Plan Schedule and serving it on the affected non-Debtor contract parties any time prior to the Effective Date;

(iv) are Sponsor Affiliate Agreements; or

(v) are rejected or terminated by the Debtors (with the consent of the Required Lenders) pursuant to the terms of the Plan.

Without amending or altering any prior order of the Bankruptcy Court approving the assumption or rejection of any Executory Contract or Unexpired Lease, entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such assumptions or rejections pursuant to sections 365(a) and 1123 of the Bankruptcy Code.

To the extent any provision in any Executory Contract or Unexpired Lease assumed or assumed and assigned (as applicable) pursuant to the Plan or any prior order of the Bankruptcy Court (including, without limitation, any "change of control" provision) prohibits, restricts or conditions, or purports to prohibit, restrict or condition, or is modified, breached or terminated, or deemed modified, breached or terminated by, (i) the commencement of these Chapter 11 Cases or the insolvency or financial condition of any Debtor at any time before the closing of its respective Chapter 11 Case, (ii) any Debtor's or any Reorganized Debtor's assumption or assumption and assignment (as applicable) of such Executory Contract or Unexpired Lease or (iii) the Confirmation or Consummation of the Plan, then such provision shall be deemed modified such that the transactions contemplated by the Plan shall not entitle the non-debtor party thereto to modify or terminate such Executory Contract or Unexpired Lease or to exercise any other default-related rights or remedies with respect thereto, and any required consent under any such contract or lease shall be deemed satisfied by the Confirmation of the Plan.

Each Executory Contract and Unexpired Lease assumed and/or assigned pursuant to the Plan shall revest in and be fully enforceable by the applicable Reorganized Debtor or the applicable assignee in accordance with its terms and conditions, except as modified by the provisions of the Plan, any order of the Bankruptcy Court approving its assumption and/or assignment, or applicable law.

The inclusion or exclusion of a contract or lease on any schedule or exhibit shall not constitute an admission by any Debtor that such contract or lease is an Executory Contract or Unexpired Lease or that any Debtor has any liability thereunder.

2. Cure of Defaults; Assignment of Executory Contracts and Unexpired Leases

Any defaults under each Executory Contract and Unexpired Lease to be assumed, or assumed and assigned, pursuant to the Plan shall be satisfied, pursuant to and to the extent required by section 365(b)(1) of the Bankruptcy Code, by payment of the applicable default amount in Cash on the Effective Date or on such other terms as the Bankruptcy Court may order or the parties to such Executory Contracts or Unexpired Leases may otherwise agree in writing (the "**Cure Claim Amount**"); provided however, that the foregoing shall not include Executory Contracts or Unexpired Leases assumed and assigned (or are contemplated to be assumed and assigned) pursuant to the Handley Sale Order.

In the event of an assumption, or an assumption and assignment, of an Executory Contract or Unexpired Lease under the Plan, at least seven (7) days prior to the Plan Objection Deadline, the Debtors shall File and serve upon counterparties to such Executory Contracts and Unexpired Leases, a notice (each, an "**Assumption Notice**") of the proposed assumption, or proposed assumption and assignment, which will: (a) list the applicable Cure Claim Amount, if any; (b) if applicable, identify the party to which the Executory Contract or Unexpired Lease will be assigned; (c) describe the procedures for filing objections thereto; and (d) explain the process by which related disputes will be resolved by the Bankruptcy Court. The Filing and service of any such Assumption Notice shall not obligate the Debtors to assume or assume and assign any Executory Contract or Unexpired Lease set forth in such Assumption Notice.

Any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assumption, or proposed assumption and assignment under the Plan, or any related cure amount, must be Filed, served and actually received by the Debtors on or prior to the later of (i) the Plan Objection Deadline or (ii) seven (7) days after the filing and service of an Assumption Notice that first identifies such Executory Contract or Unexpired Lease. Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption, or proposed assumption and assignment, or cure amount will be deemed to have consented to such matters and will be deemed to have forever released and waived any objection to such proposed assumption, proposed assumption and assignment, and cure amount. The Confirmation Order shall constitute an order of the Bankruptcy Court approving each proposed assumption, or proposed assumption and assignment, of Executory Contracts and Unexpired Leases pursuant to sections 365 and 1123 of the Bankruptcy Code as of the Effective Date.

In the event of a dispute regarding (a) the amount of any Cure Claim Amount, (b) the ability of any Debtor or assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed, or assumed and assigned or (c) any other matter pertaining to assumption or assignment, the applicable payment of the Cure Claim Amount required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order resolving the dispute and approving such assumption, or assumption and assignment. If such objection is sustained by Final Order of the Bankruptcy Court, the Debtors (with the consent of the Required Lenders) or the Reorganized Debtors, as applicable, may elect to reject such Executory Contract or Unexpired Lease in lieu of assuming or assigning it. The Debtors (with the consent of the Required Lenders) or the Reorganized Debtors, as applicable, shall be authorized to effect such rejection by filing a written notice of rejection with the Bankruptcy Court and serving such notice on the applicable counterparty within thirty (30) days of the entry of such Final Order.

Subject to any cure claims Filed with respect thereto, assumption or assumption and assignment of any Executory Contract or Unexpired Lease pursuant to the Plan shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time prior to the effective date of assumption or assumption and assignment, in each case as provided in section 365 of the Bankruptcy Code. Any Proofs of Claim filed with respect to an Executory Contract or Unexpired Lease that has been assumed or assumed and assigned by Final Order shall be deemed disallowed and expunged (subject to any cure claims Filed with respect thereto), without further notice to or action, order, or approval of the Bankruptcy Court.

With respect to any Executory Contract or Unexpired Lease assumed and assigned pursuant to the Plan, upon and as of the Effective Date, the applicable assignee shall be deemed to be substituted as a party thereto for the applicable Debtor party to such assigned Executory Contract or Unexpired Lease and, accordingly, the Debtors and the Reorganized Debtors shall be relieved, pursuant to and to the extent set forth in section 365(k) of the Bankruptcy Code, from any further liability under such assigned Executory Contract or Unexpired Lease.

3. Rejection of Executory Contracts and Unexpired Leases

The Debtors reserve the right (subject to the consent of the Required Lenders), at any time prior to the Effective Date, except as otherwise specifically provided herein, to seek to reject any Executory Contract (other than the Amended Hedge Agreements) or Unexpired Lease and to add such contract or lease to Plan Schedule 3 or to file a motion requesting authorization for the rejection of any such contract or lease. All Executory Contracts and Unexpired Leases listed on Plan Schedule 3 shall be deemed rejected as of the Effective Date. The Confirmation Order shall constitute an order of the Bankruptcy Court approving the rejections described in Article VI of the Plan pursuant to sections 365 and 1123 of the Bankruptcy Code as of the Effective Date. Rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of any preexisting obligations owed to the Debtors or the Reorganized Debtors, as applicable, under such Executory Contracts or Unexpired Leases.

4. Claims on Account of the Rejection of Executory Contracts or Unexpired Leases

All Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, pursuant to the Plan or the Confirmation Order, if any, must be filed with the Bankruptcy Court within thirty (30) days after service of an order of the Bankruptcy Court (including the Confirmation Order) approving such rejection.

Any Entity that is required to file a Proof of Claim arising from the rejection of an Executory Contract or an Unexpired Lease that fails to timely do so shall be forever barred, estopped and enjoined from asserting such Claim, and such Claim shall not be enforceable, against the Debtors, the Reorganized Debtors or the Estates, and the Debtors, the Reorganized Debtors and their Estates and their respective assets and property shall be forever discharged from any and all indebtedness and liability with respect to such Claim unless otherwise ordered by the Bankruptcy Court or as otherwise provided in the Plan. All such Claims shall, as of the Effective Date, be subject to the permanent injunction set forth in Article X.G of the Plan.

5. Extension of Time to Assume or Reject

Notwithstanding anything to the contrary set forth in Article VI of the Plan, in the event of a dispute as to whether a contract is executory or a lease is unexpired, the right of the Reorganized Debtors to move to assume or reject such contract or lease shall be extended until the date that is thirty (30) days after entry of a Final Order by the Bankruptcy Court determining that the contract is executory or the lease is unexpired. The deemed assumption provided for in Article VI.A of the Plan shall not apply to any such contract or lease, and any such contract or lease shall be assumed or rejected only upon motion of the Reorganized Debtors or the filing of a notice following the Bankruptcy Court's determination that the contract is executory or the lease is unexpired.

6. Modifications, Amendments, Supplements, Restatements, or Other Agreements

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed by the Debtors or the Reorganized Debtors pursuant to the Plan shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and all rights related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing has been previously rejected or repudiated or is rejected or repudiated under the Plan. Modifications, amendments, supplements, and restatements to prepetition Executory Contracts (other than the Amended Hedge Agreements) and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

F. PROVISIONS GOVERNING DISTRIBUTIONS

1. Distributions for Claims Allowed as of the Effective Date

Except as otherwise provided in the "Treatment" sections in Article III of the Plan or as ordered by the Bankruptcy Court, initial distributions to be made on account of Claims that are Allowed Claims as of the Effective Date shall be made on the Initial Distribution Date or as soon thereafter as is practicable. Any payment or distribution required to be made under the Plan on a day other than a Business Day shall be made on the next succeeding Business Day. Distributions on account of Disputed Claims that first become Allowed Claims after the Effective Date shall be made pursuant to Article VIII of the Plan.

2. No Postpetition Interest, Fees, and Costs on Claims

Unless otherwise specifically provided for in the Plan, the Confirmation Order or Final Order of the Bankruptcy Court, or required by applicable bankruptcy law (including, without limitation, as required pursuant to section 506(b) or section 511 of the Bankruptcy Code), postpetition interest, fees (including attorneys' fees), costs or charges shall not accrue or be paid on any Claims and no Holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim.

3. Distributions by the Reorganized Debtors or Other Applicable Distribution Agent

Other than as specifically set forth below, the Reorganized Debtors or other applicable Distribution Agent shall make all distributions required to be distributed under the Plan. Distributions on account of the Allowed Prepetition Credit Agreement Claims shall be made to the Prepetition Administrative Agent, or, as applicable, any successor agent as provided by the Prepetition Credit Agreement, and such agent will be, and shall act as, the Distribution Agent with respect to its respective Class of Claims in accordance with the terms and conditions of the Plan and the applicable loan documents. All distributions to Holders of Prepetition Credit Agreement Claims shall be deemed completed when made by the Reorganized Debtors to the Prepetition Administrative Agent, or, as applicable, any successor agent as provided by the Prepetition Credit Agreement. The Reorganized Debtors may employ or contract with other entities to assist in or make the distributions required by the Plan and may pay the reasonable fees and expenses of such entities and the Distribution Agents in the ordinary course of business. No Distribution Agent shall be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court.

From and after the Effective Date, any Distribution Agent, solely in its capacity as Distribution Agent, shall be exculpated by all Persons and Entities, including, without limitation, holders of Claims and Equity Interests and other parties in interest, from any and all claims, Causes of Action, and other assertions of liability arising out of the discharge of the powers and duties conferred upon such Distribution Agent by the Plan or any order of the Bankruptcy Court entered pursuant to or in furtherance of the Plan, or applicable law, except for actions or omissions to act arising out of the Distribution Agent's gross negligence, willful misconduct, fraud, malpractice, criminal conduct, or ultra vires acts. No holder of a Claim or Equity Interest or other party in interest shall have or pursue any claim or Cause of Action against a Distribution Agent, solely in its capacity as Distribution Agent, for making payments in accordance with the Plan or for implementing provisions of the Plan, except for actions or omissions to act arising out of such Distribution Agent's gross negligence, willful misconduct, fraud, malpractice, criminal conduct, or *ultra vires* acts.

4. Delivery and Distributions; Undeliverable or Unclaimed Distributions

(a) Record Date for Distributions

On the Distribution Record Date, the Claims Register shall be closed. Accordingly, the Debtors, the Reorganized Debtors or other applicable Distribution Agent will have no obligation to recognize the assignment, transfer or other disposition of, or the sale of any participation in, any Allowed Claim (other than Prepetition Credit Agreement Claims) that occurs after the close of business on the Distribution Record Date, and will be entitled for all purposes herein to recognize and distribute securities, property, notices and other documents only to those Holders of Allowed Claims (other than Prepetition Credit Agreement Claims) who are Holders of such Claims, or participants therein, as of the close of business on the Distribution Record Date. The Reorganized Debtors or other applicable Distribution Agent shall be entitled to recognize and deal for all purposes under the Plan with only those record holders stated on the Claims Register, or their books and records, as of the close of business on the Distribution Record Date; provided, however, that the Distribution Record Date shall not apply to the Prepetition Credit Agreement Claims.

(b) Delivery of Distributions in General

Except as otherwise provided herein, the Debtors, the Reorganized Debtors or other applicable Distribution Agent, as applicable, shall make distributions to Holders of Allowed Claims, or in care of their authorized agents, as appropriate, at the address for each such Holder or agent as indicated on the Debtors' or other applicable Distribution Agent's books and records as of the date of any such distribution; provided, however, that the manner of such distributions shall be determined in the discretion of the applicable Distribution Agent (subject to the terms and conditions of the relevant Prepetition Loan Documents, if applicable); provided further, that the address for each Holder of an Allowed Claim shall be deemed to be the address set forth in the latest Proof of Claim Filed by such Holder pursuant to Bankruptcy Rule 3001 as of the Distribution Record Date.

(c) Minimum Distributions

Notwithstanding anything herein to the contrary, no Distribution Agent shall be required to make distributions or payments of less than $25.00 (whether in Cash or otherwise) or to make partial distributions or payments of fractions of dollars or New Equity Interests, in each case with respect to Impaired Claims. With respect to Impaired Claims, whenever any payment or distribution of a fraction of a dollar or share of New Equity Interest under the Plan would otherwise be called for, the actual payment or distribution will reflect a rounding of such fraction to the nearest whole dollar or share of New Equity Interest (up or down), with half dollars and half units of New Equity Interest or more being rounded up to the next higher whole number and with less than half dollars and half units of New Equity Interest being rounded down to the next lower whole number (and no Cash shall be distributed in lieu of such fractional New Equity Interest).

No Distribution Agent shall have any obligation to make a distribution on account of an Allowed Claim that is Impaired under the Plan if: (a) the aggregate amount of all distributions authorized to be made on the Subsequent Distribution Date in question is or has an economic value less than $25,000.00, unless such distribution is a final distribution; or (b) the amount to be distributed to the specific Holder of an Allowed Claim on such Subsequent Distribution Date does not constitute a final distribution to such Holder and is or has an economic value less than $25.00, which shall be treated as an undeliverable distribution under Article VII.D.4 of the Plan, summarized in Section IV.F.4(d) below.

(d) Undeliverable Distributions

Holding of Certain Undeliverable Distributions. If the distribution to any Holder of an Allowed Claim is returned to the Distribution Agent as undeliverable or is otherwise unclaimed, no further distributions shall be made to such Holder unless and until the Distribution Agent is notified in writing of such Holder's then current address, at which time all currently due but missed distributions shall be made to such Holder on the next Subsequent Distribution Date (or such earlier date as determined by the applicable Distribution Agent). Undeliverable distributions shall remain in the possession of the Reorganized Debtors or in the applicable reserve, subject to Article VII.D.4(b) of the Plan, until such time as any such distributions become deliverable. Undeliverable distributions shall not be entitled to any additional interest, dividends or other accruals of any kind on account of their distribution being undeliverable.

Failure to Claim Undeliverable Distributions. Any Holder of an Allowed Claim (or any successor or assignee or other Person or Entity claiming by, through, or on behalf of, such Holder) that does not assert a right pursuant to the Plan for an undeliverable or unclaimed distribution within one (1) year after the later of the Effective Date or the date such distribution is due shall be deemed to have forfeited its rights for such undeliverable or unclaimed distribution and shall be forever barred and enjoined from asserting any such rights for an undeliverable or unclaimed distribution against the Debtors or their Estates, the Reorganized Debtors or their respective assets or property, or any Distribution Agent. In such case, (i) for Claims other than in Class 4, any Cash, Plan Securities, or other property reserved for distribution on account of such Claim shall become the property of the Estates free and clear of any Claims of such Holder with respect thereto and notwithstanding any federal or state escheat laws to the contrary, and (ii) for Claims in Class 4, any Cash, Plan Securities and Documents, and/or other property, as applicable, held for distribution on account of such Claim shall be allocated Pro Rata by the applicable Distribution Agent for distribution among the other Holders of Claims in such Class. Nothing contained in the Plan shall require the Debtors, the Reorganized Debtors, or any Distribution Agent to attempt to locate any Holder of an Allowed Claim.

Failure to Present Checks. Checks issued by the Distribution Agent on account of Allowed Claims shall be null and void if not negotiated within 180 days after the issuance of such check. In an effort to ensure that all Holders of Allowed Claims receive their allocated distributions, no later than 90 days after the issuance of such checks, the Reorganized Debtors shall File with the Bankruptcy Court a list of the Holders of any un-negotiated checks. This list shall be maintained and updated periodically in the sole discretion of the Reorganized Debtors for as long as the Chapter 11 Cases stay open. Requests for reissuance of any check shall be made directly to the Distribution Agent by the Holder of the relevant Allowed Claim with respect to which such check originally was issued. Any Holder of an Allowed Claim holding an un-negotiated check that does not request reissuance of such un-negotiated check within 365 days after the date of mailing or other delivery of such check shall have its Claim for such un-negotiated check discharged and be forever barred, estopped and enjoined from asserting any such Claim against the Debtors or their Estates, the Reorganized Debtors or their respective assets or property. In such case, any Cash held for payment on account of such Claims shall be distributed to the applicable Distribution Agent for distribution or allocation in accordance with the Plan, free and clear of any Claims of such Holder with respect thereto and notwithstanding any federal or state escheat laws to the contrary.

5. Compliance with Tax Requirements

In connection with the Plan and all distributions thereunder, the Reorganized Debtors or other applicable Distribution Agent shall comply with all withholding and reporting requirements imposed by any federal, state, local, or foreign taxing authority, and all distributions thereunder shall be subject to any such withholding and reporting requirements. The Reorganized Debtors or other applicable Distribution Agent shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements. All Persons holding Claims shall be required to provide any information necessary to effect information reporting and the withholding of such taxes, and each Holder of an Allowed Claim shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any Governmental Unit, including income, withholding, and other tax obligations, on account of such distribution.

6. Allocation of Plan Distributions Between Principal and Interest

To the extent that any Allowed Claim entitled to a distribution under the Plan is comprised of indebtedness and accrued but unpaid interest thereon, such distribution shall, to the extent permitted by applicable law, be allocated for income tax purposes to the principal amount of the Claim first and then, to the extent that the consideration exceeds the principal amount of the Claim, to the portion of such Claim representing accrued but unpaid interest.

7. Means of Cash Payment

Payments of Cash made pursuant to the Plan shall be in U.S. dollars and shall be made, at the option of the Debtors or the Reorganized Debtors (as applicable), by checks drawn on, or wire transfer from, a domestic bank selected by the Debtors or the Reorganized Debtors. Cash payments to foreign creditors may be made, at the option of the Debtors or the Reorganized Debtors, in such funds and by such means as are necessary or customary in a particular foreign jurisdiction.

8. Timing and Calculation of Amounts to Be Distributed

Except as otherwise provided in the "Treatment" sections in Article III of the Plan or as ordered by the Bankruptcy Court, on the Initial Distribution Date (or if a Claim is not an Allowed Claim on the Effective Date, on the Subsequent Distribution Date occurring after such Claim becomes an Allowed Claim, or as soon as reasonably practicable thereafter), each Holder of an Allowed Claim shall receive the full amount of the distributions that the Plan provides for Allowed Claims in the applicable Class. If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in the applicable class treatment or in Article VIII of the Plan. Except as otherwise provided herein, Holders of Claims shall not be entitled to interest, dividends or accruals on the distributions provided for herein, regardless of whether such distributions are delivered on or at any time after the Effective Date.

9. Setoffs

Without altering or limiting any of the rights and remedies of the Debtors and the Reorganized Debtors under section 502(d) of the Bankruptcy Code, all of which rights and remedies are hereby reserved, the Debtors and the Reorganized Debtors may, but shall not be required to, withhold (but not setoff except as set forth below) from the distributions called for hereunder on account of any Allowed Claim an amount equal to any claims, Causes of Action and Litigation Claims of any nature that the Debtors or the Reorganized Debtors may hold against the Holder of any such Allowed Claim; provided that, at least ten (10) days prior to effectuating such withholding, the Debtors or the Reorganized Debtors, as applicable, shall provide written notice thereof to the applicable Holder of such Claim, and all objections and defenses of such Holder to such withholding are preserved. In the event that any such claims, Causes of Action or Litigation Claims are adjudicated by Final Order or otherwise resolved against the applicable Holder, the Debtors and the Reorganized Debtors may, pursuant to section 553 of the Bankruptcy Code or applicable non-bankruptcy law, set off against any Allowed Claim and the distributions to be made pursuant hereto on account of such Allowed Claim (before any distribution is made on account of such Allowed Claim), the amount of such adjudicated or resolved claims, Causes of Action or Litigation Claims. Neither the failure to effect such a setoff nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or the Reorganized Debtors of any such claims, Causes of Action or Litigation Claims, all of which are reserved unless expressly released or compromised pursuant to the Plan or the Confirmation Order.

G. PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED AND DISPUTED CLAIMS

1. Resolution of Disputed Claims

(a) Allowance of Claims

After the Effective Date, and except as otherwise provided in the Plan, the Reorganized Debtors shall have and shall retain any and all available rights and defenses that the Debtors had with respect to any Claim, including, without limitation, the right to assert any objection to Claims based on the limitations imposed by section 502 of the Bankruptcy Code. The Debtors and the Reorganized Debtors may contest the amount and validity of any Disputed Claim or contingent or unliquidated Claim in the ordinary course of business in the manner and venue in which such Claim would have been determined, resolved or adjudicated if the Chapter 11 Cases had not been commenced.

(b) Prosecution of Objections to Claims

After the Confirmation Date but before the Effective Date, the Debtors, and after the Effective Date, the Reorganized Debtors shall have the authority to File objections to Claims (other than Claims that are Allowed under the Plan) and settle, compromise, withdraw or litigate to judgment objections to any and all such Claims, regardless of whether such Claims are in an Unimpaired Class or otherwise; provided, however, this provision shall not apply to Professional Fee Claims, which may be objected to by any party-in-interest in these Chapter 11 Cases. From and after the Effective Date, the Reorganized Debtors may settle or compromise any Disputed Claim without any further notice to or action, order or approval of the Bankruptcy Court. The Reorganized Debtors shall have the sole authority to administer and adjust the Claims Register and their respective books and records to reflect any such settlements or compromises without any further notice to or action, order or approval of the Bankruptcy Court.

(c) Claims Estimation

After the Confirmation Date but before the Effective Date, the Debtors, and after the Effective Date, the Reorganized Debtors may at any time request that the Bankruptcy Court estimate any Disputed Claim or contingent or unliquidated Claim pursuant to applicable law, including, without limitation, section 502(c) of the Bankruptcy Code, and the Bankruptcy Court shall retain jurisdiction under 28 U.S.C. §§ 157 and 1334 to estimate any such Claim, whether for allowance or to determine the maximum amount of such Claim, including during the litigation concerning any objection to any Claim or during the pendency of any appeal relating to any such objection. All of the aforementioned Claims objection, estimation and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court. The rights and objections of all parties are reserved in connection with any such estimation.

(d) Deadline to File Objections to Claims

Any objections to Claims shall be Filed by no later than the Claims Objection Deadline; *provided* that nothing contained in the Plan shall limit the Reorganized Debtors' right to object to Claims, if any, Filed or amended after the Claims Objection Deadline. Moreover, notwithstanding the expiration of the Claims Objection Deadline, the Reorganized Debtors shall continue to have the right to amend any claims or other objections and to File and prosecute supplemental objections and counterclaims to a Disputed Claim until such Disputed Claim is or becomes Allowed by Final Order of the Bankruptcy Court.

2. No Distributions Pending Allowance

Notwithstanding any other provision of the Plan to the contrary, no payments or distributions of any kind or nature shall be made with respect to all or any portion of a 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 has become an Allowed Claim pursuant to a Final Order.

3. Distributions on Account of Disputed Claims Once They Are Allowed and Additional Distributions on Account of Previously Allowed Claims

On each Subsequent Distribution Date (or such earlier date as determined by the Reorganized Debtors in their sole discretion), the Reorganized Debtors or other applicable Distribution Agent will make distributions (a) on account of any Disputed Claim that has become an Allowed Claim during the preceding calendar quarter, and (b) on account of previously Allowed Claims of property that would have been distributed to the Holders of such Claim on the dates distributions previously were made to Holders of Allowed Claims in such Class had the Disputed Claims that have become Allowed Claims or Disallowed Claims by Final Order of the Bankruptcy Court been Allowed or disallowed, as applicable, on such dates. Such distributions will be made pursuant to the applicable provisions of Article VII of the Plan. For the avoidance of doubt, but without limiting the terms or conditions of Article VII.B or Paragraph B of Article VIII of the Plan, any dividends or other distributions arising from property distributed to holders of Allowed Claims in a Class and paid to such Holders under the Plan shall also be paid, in the applicable amounts, to any Holder of a Disputed Claim in such Class that becomes an Allowed Claim after the date or dates that such dividends or other distributions were earlier paid to holders of Allowed Claims in such Class.

4. Reserve for Disputed Claims

(i) Prior to the Effective Date, the Debtors (with the consent of the Required Lenders) and (ii) on or after the Effective Date, the Reorganized Debtors may, in their respective sole discretion, establish such appropriate reserves for Disputed Claims in the applicable Class(es) as they determine necessary and appropriate. Without limiting the foregoing, reserves (if any) for Disputed Claims shall equal, as applicable, an amount of Cash or units of New Equity Interests equal to 100% of distributions to which Holders of Disputed Claims in each applicable Class would otherwise be entitled under the Plan as of such date if such Disputed Claims were Allowed Claims in their respective Face Amount (or based on the Debtors' books and records if the applicable Holder has not yet Filed a Proof of Claim and the Claims Bar Date has not yet expired); provided, however, that the Debtors and the Reorganized Debtors, as applicable, shall have the right to file a motion seeking to estimate any Disputed Claims. For the avoidance of doubt, no reserve shall be established in respect of the Commodity Hedge Agreement Claims.

H. CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF THE PLAN

1. Conditions Precedent to Confirmation

It shall be a condition to Confirmation of the Plan that the following conditions shall have been satisfied or waived pursuant to the provisions of Article IX.C of the Plan:

- The Plan and the Restructuring Documents shall be in form and substance acceptable to the Debtors and the Required Lenders (and, with respect to the Amended Shared Assets Agreements, the Contribution Agreements and the Transition Services Agreement, in form and substance reasonably acceptable to the Debtors, the Required Lenders and the Sponsor);

- There shall be no default or Event of Default (as defined in the Cash Collateral Orders) under any of the applicable Cash Collateral Orders; and

- The Confirmation Order shall have been entered by the Bankruptcy Court.

2. Conditions Precedent to Consummation

It shall be a condition to Consummation of the Plan that the following conditions shall have been satisfied or waived pursuant to the provisions of Article IX.C of the Plan.

- The Confirmation Order shall have become a Final Order and such order shall not have been amended, modified, vacated, stayed, or reversed;

- The Confirmation Date shall have occurred;

- The Bankruptcy Court shall have entered one or more Final Orders (which may include the Confirmation Order), in form and substance acceptable to the Debtors and the Required Lenders, authorizing the assumption, or, if applicable, assumption and assignment of the Executory Contracts and Unexpired Leases by the Debtors as contemplated in the Plan and the Plan Supplement that are necessary for the Reorganized Debtors to operate the business of the Debtors (other than those Executory Contracts and Unexpired Leases otherwise assumed and assigned under the Handley Sale Order);

- The Plan and the Restructuring Documents shall not have been amended or modified other than in a manner acceptable to the Debtors and the Required Lenders (other than with respect to the Amended Shared Assets Agreements, the Contribution Agreements and the Transition Services Agreement, which shall not have been amended or modified other than in a manner reasonably acceptable to the Debtors, the Required Lenders and the Sponsor);

- The Restructuring Documents shall have been filed, tendered for delivery, and been effectuated or executed by all Persons party thereto (as appropriate), and in each case in full force and effect. All conditions precedent to the effectiveness of such Restructuring Documents shall have been satisfied or waived pursuant to the terms of such applicable Restructuring Documents (or shall be satisfied concurrently with the occurrence of the Effective Date);

- All consents, actions, documents, certificates and agreements necessary to implement the Plan and the transactions contemplated by the Plan (including, without limitation, all governmental, regulatory, environmental and third-party approvals, authorizations, certifications, rulings, no-action letters, opinions, waivers and/or consents) shall have been, as applicable, obtained and not otherwise subject to unfulfilled conditions, effected or executed and delivered to the required parties and, to the extent required, filed with the applicable governmental units in accordance with applicable laws, and in each case in full force and effect;

- All governmental approvals and consents, including Bankruptcy Court approval, that are applicable and legally required for the consummation of the Plan shall have been obtained, not be subject to unfulfilled conditions and be in full force and effect, and all applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, shall have expired;

- The New Board shall have been selected;

- The Amended Hedge Agreements shall be in full force and effect;

- The conditions to the effectiveness of the Letter of Credit Facility Documents shall have been satisfied or waived and the Letter of Credit Facility Documents shall have closed or will close simultaneously with the effectiveness of the Plan;

- The Exit Security Documents (a) shall be in form and substance reasonably acceptable to (i) the Debtors, and (ii) the Required Lenders and (iii) the Commodity Hedge Counterparty and (b) either (i) shall be in full force and effect or (ii) shall become in full force and effect simultaneously with the effectiveness of the Plan;

- The Transition Services Agreement, the Amended Shared Assets Agreements and the Contribution Agreements, in each case, (a) shall be in form and substance reasonably acceptable to the Debtors, the Sponsor and the Required Lenders and (b) either (i) shall be in full force and effect or (ii) shall become in full force and effect simultaneously with the effectiveness of the Plan;

- The closing of the Handley Sale shall have occurred, or the Handley APA shall have been terminated;

- To the extent invoiced, all Ad Hoc Committee Fees and Expenses and Prepetition Agent Fees and Expenses shall have been paid in full in Cash or reserved in a manner acceptable to the Required Lenders (or approved by order of the Bankruptcy Court) to the extent of any disputes related thereto.

- The Required Lenders shall have reasonably determined that the aggregate amount required to pay all estimated Allowed Administrative Claims, Allowed Other Priority Claims, Allowed Other Secured Claims and Allowed Secured Tax Claims in full in Cash on the Effective Date is no more than $[_____].

3. Waiver of Conditions

Subject to section 1127 of the Bankruptcy Code, the conditions to Confirmation and Consummation of the Plan set forth in Article IX of the Plan that are capable of being waived may be waived by the Debtors, with the consent of the Required Lenders, without notice, leave or order of the Bankruptcy Court or any formal action other than proceeding to confirm or consummate the Plan; provided, however, that such waiver shall only be effective with respect to those conditions to Confirmation and Consummation contained in Article IX.A.1 of the Plan (to the extent relating to the Amended Shared Assets, the Contribution Agreements and Transition Services Agreement), Article IX.A.3 of the Plan, and Article IX.B.12 of the Plan (other than the condition to Consummation contained in Article XI.B.12.b of the Plan (to the extent that the Reorganized Debtors have offered to enter into the Transition Services Agreement, the Amended Shared Assets Agreements and the Contribution Agreements and such offer remains open)), if waived by the Debtors, with the consent of the Required Lenders and the Sponsor. The failure of any of the foregoing parties to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each right shall be deemed an ongoing right that may be asserted at any time.

4. Effect of Non-Occurrence of Conditions to Confirmation or Consummation

If the Confirmation or the Consummation of the Plan does not occur with respect to one or more of the Debtors, then the Plan shall, with respect to such applicable Debtor or Debtors, be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall: (1) constitute a waiver or release of any claims by or Claims against or Equity Interests in the Debtors; (2) prejudice in any manner the rights of the Debtors, any Holders or any other Entity; (3) constitute an Allowance of any Claim or Equity Interest; or (4) constitute an admission, acknowledgment, offer or undertaking by the Debtors, any Holders or any other Entity in any respect.

I. RELEASE, DISCHARGE, INJUNCTION AND RELATED PROVISIONS

1. General

Pursuant to section 1123 of the Bankruptcy Code, and in consideration for the classification, distributions, releases and other benefits provided under the Plan, upon the Effective Date, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims and Equity Interests and controversies resolved pursuant to the Plan. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Equity Interests and controversies, including the Settled Claims, as well as a finding by the Bankruptcy Court that any such compromise or settlement is in the best interests of the Debtors, their Estates, and any Holders of Claims and Equity Interests and is fair, equitable and reasonable.

Notwithstanding anything contained herein to the contrary, the allowance, classification and treatment of all Allowed Claims and Equity Interests and their respective distributions (if any) and treatments hereunder, takes into account the relative priority and rights of the Claims and the Equity Interests in each Class in connection with any contractual, legal and equitable subordination rights relating thereto whether arising under general principles of equitable subordination, section 510 of the Bankruptcy Code or otherwise. As of the Effective Date, any and all contractual, legal and equitable subordination rights, whether arising under general principles of equitable subordination, section 510 of the Bankruptcy Code or otherwise, relating to the allowance, classification and treatment of all Allowed Claims and Equity Interests and their respective distributions (if any) and treatments hereunder, are settled, compromised, terminated and released pursuant hereto; *provided*, *however*, that nothing contained herein shall preclude any Person or Entity from exercising their rights pursuant to and consistent with the terms of the Plan and the contracts, instruments, releases, indentures, and other agreements or documents delivered under or in connection with the Plan.

Notwithstanding anything to the contrary contained herein, the application of the release, injunction and exculpation provisions of Article X of the Plan to the Settled Claims and to the Sponsor and its Related Persons shall be subject to the following conditions precedent: (i) the closing of the Handley Sale shall have occurred (or shall occur concurrently) pursuant to the Handley APA and the Handley Sale Order (or the Handley APA shall have been terminated as a result of the Sponsor being determined not to be the Successful Bidder (as defined in the Handley APA) at the Auction (as defined in the Handley APA)); (ii) the Confirmation Order shall not have adversely modified the release and injunction provisions contained in the Plan (except (x) such modifications as are required by the Bankruptcy Court (provided that neither the Debtors nor the Ad Hoc Committee shall have requested that the Bankruptcy Court require such modifications and provided further that such modifications are no more unfavorable, considered as a whole, to the Sponsor than to the Ad Hoc Committee) and (y) such other modifications as are reasonably acceptable to each of the Debtors, the Required Lenders and the Sponsor) (iii) the Sponsor shall have paid the Sponsor Compromise Payment, entered into and satisfied the conditions precedent contained in each of the Amended Shared Assets Agreements, Contribution Agreements and Transition Services Agreement, waived the Sponsor's Claims in accordance with this section, and otherwise performed its obligations required to be performed on or prior to the Effective Date in accordance with and pursuant to the Sponsor Compromise; provided, however, that for the avoidance of doubt, the conditions set forth in this paragraph and the conditions set forth in Article V.D of the Plan may occur concurrently; provided further that (i) payment by the Sponsor to the Debtors of the Sponsor Compromise Payment shall be deemed to constitute acknowledgement by the Sponsor that the conditions precedent contained in Article V.D of the Plan and Article X.A of the Plan have been satisfied and (ii) receipt and retention by the Debtors of the Sponsor Compromise Payment (with the express written consent of the Required Lenders, which consent may not be unreasonably withheld or delayed) shall be deemed to constitute acknowledgement by the Debtors that the conditions precedent contained in Article V.D of the Plan and Article X.A of the Plan have been satisfied.

Notwithstanding anything contained to the contrary herein, nothing in Article X of the Plan shall be deemed to release, discharge or enjoin the enforcement of any obligations of any Person or Entity under the Handley APA, any other agreement entered into on or after the Petition Date in connection with the Handley Sale, the Sponsor Compromise or the Amended Hedge Agreement (other than Commodity Hedge Agreement Claims due and owing by any of the Debtors as of the Effective Date that have been paid in full in Cash prior to the Effective Date).

Notwithstanding anything contained to the contrary herein, nothing in Article X of the Plan shall be deemed to release, discharge or enjoin the enforcement of any obligations of any of the Prepetition Lenders under any of the Prepetition Loan Documents to indemnify the Prepetition Agents in accordance with the terms of the Prepetition Loan Documents; provided, however, that the Prepetition Lenders reserve and retain all rights, claims and defenses of any kind (whether legal, equitable or otherwise) in connection with such indemnification obligations, notwithstanding anything to the contrary contained in the Plan.

2. Release of Claims and Causes of Action

(a) Release by the Debtors and Their Estates

Pursuant to section 1123(b) and any other applicable provisions of the Bankruptcy Code, and except as otherwise expressly provided in the Plan, effective as of the Effective Date, for good and valuable

consideration provided by each of the Released Parties, the adequacy and sufficiency of which is hereby confirmed, the Debtors and the Reorganized Debtors, in their respective individual capacities and as debtors-in-possession, and on behalf of themselves and their respective Estates, including, without limitation, any successor to the Debtors or any Estate representative appointed or selected pursuant to section 1123(b)(3) of the Bankruptcy Code (collectively, the "Debtor Releasing Parties") will be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever provided a full discharge, waiver and release to each of the Released Parties (and each such Released Party so released shall be deemed forever released, waived and discharged by the Debtor Releasing Parties) and their respective assets and properties (the "Debtor Release") from any and all Claims, Causes of Action, Litigation Claims and any other debts, obligations, rights, suits, damages, actions, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, whether directly or derivatively held, existing as of the Effective Date or thereafter arising, in law, at equity or otherwise, whether for tort, contract, violations of federal or state securities laws, or otherwise, based in whole or in part upon any act or omission, transaction, or other occurrence or circumstances existing or taking place prior to or on the Effective Date arising from or related in any way in whole or in part to any of (i) the Debtors, the Chapter 11 Cases, the marketing of any of the Debtors' assets, the Handley Sale and the negotiations, formulations and/or preparations of the Handley APA and all other documents and agreements entered into in connection with such sale, including without limitation, the Handley Sale Order, the Disclosure Statement, the Plan and the Restructuring Documents, (ii) the subject matter of, or the transactions or events giving rise to, any Claim or Equity Interest that is treated in the Plan, (iii) the business or contractual arrangements between any Debtor and any Released Parties, including, but not limited to, the Prepetition Credit Agreement and the Sponsor Affiliate Agreements, (iv) the negotiation, formulation or preparation of the Plan, the Disclosure Statement, the Restructuring Documents, or related agreements, instruments or other documents, including the Settled Claims and the Sponsor Compromise, (v) the restructuring of Claims or Equity Interests prior to or during the Chapter 11 Cases, (vi) the purchase, sale, or rescission of the purchase or sale of any Claim or Equity Interest of the Debtors or the Reorganized Debtors, and/or (vii) the Confirmation or Consummation of the Plan or the solicitation of votes on the Plan that such Debtor Releasing Party would have been legally entitled to assert (whether individually or collectively) or that any Holder of a Claim or Equity Interest or other Entity would have been legally entitled to assert for, or on behalf or in the name of, any Debtor, its respective Estate or any Reorganized Debtor (whether directly or derivatively) against any of the Released Parties; *provided, however*, that the foregoing provisions of this Debtor Release shall not operate to waive, release or otherwise impair: (i) any Causes of Action arising from willful misconduct, actual fraud, or gross negligence of such applicable Released Party as determined by Final Order of the Bankruptcy Court or any other court of competent jurisdiction and/or (ii) the rights of such Debtor Releasing Party to enforce the Plan and the contracts, instruments, releases, indentures, and other agreements or documents delivered under or in connection with the Plan or assumed pursuant to the Plan or assumed pursuant to Final Order of the Bankruptcy Court.

The foregoing release shall be effective as of the Effective Date without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization or approval of any Person and the Confirmation Order will permanently enjoin the commencement or prosecution by any Person or Entity, whether directly, derivatively or otherwise, of any claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, Settled Claims or liabilities released pursuant to this Debtor Release. Notwithstanding the foregoing, nothing in Article X.B of the Plan shall or shall be deemed to (i) prohibit the Debtors or the Reorganized Debtors from asserting and enforcing any claims, obligations, suits, judgments, demands, debts, rights, Causes of Action, Settled Claims or liabilities they may have against any Person that is based upon an alleged breach of a confidentiality or non-compete obligation owed to the Debtors or the Reorganized Debtors and/or (ii) operate as a release or waiver of any Intercompany Claims, in each case unless otherwise expressly provided for in the Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Debtor Release, which includes by reference each of the related provisions and definitions contained herein, and further, shall constitute the Bankruptcy Court's finding that the Debtor Release is: (i) in exchange for the good and valuable consideration provided by the Released Parties, including the Sponsor Compromise; (ii) a good faith settlement and compromise of the Claims released by the Debtor Release; (iii) in the best interest of the Debtors and their Estates; (iv) fair, equitable and reasonable; and (v) given and made after due notice and opportunity for hearing.

(b) Release by Third Parties

Except as otherwise expressly provided in the Plan, effective as of the Effective Date, to the fullest extent permitted by applicable law, for good and valuable consideration provided by each of the Released Parties, the adequacy and sufficiency of which is hereby confirmed, and without limiting or otherwise modifying the scope of the Debtor Release provided by the Debtor Releasing Parties above, each Non-Debtor Releasing Party (together with the Debtor Releasing Parties, the "Releasing Parties") will be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever provided a full discharge, waiver and release to each of the Released Parties (and each such Released Party so released shall be deemed forever released, waived and discharged by the Non-Debtor Releasing Parties) and their respective assets and properties (the "Third Party Release") from any and all Claims, Causes of Action, Litigation Claims and any other debts, obligations, rights, suits, damages, actions, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, whether directly or derivatively held, existing as of the Effective Date or thereafter arising, in law, at equity or otherwise, whether for tort, contract, violations of federal or state securities laws, or otherwise, based in whole or in part upon any act or omission, transaction, or other occurrence or circumstances existing or taking place prior to or on the Effective Date arising from or related in any way in whole or in part to any of (i) the Debtors, the Chapter 11 Cases, the marketing of any of the Debtors' assets, the sale effectuated by, or otherwise contemplated by, the Handley APA and the Handley Sale Order, the Disclosure Statement, the Plan and the Restructuring Documents, (ii) the subject matter of, or the transactions or events giving rise to, any Claim or Equity Interest that is treated in the Plan, (iii) the business or contractual arrangements between any Debtor and any Released Parties, including, but not limited to, the Prepetition Credit Agreement and the Sponsor Affiliate Agreements, (iv) the negotiation, formulation or preparation of the Plan, the Disclosure Statement, the Restructuring Documents, or related agreements, instruments or other documents, including the Settled Claims and the Sponsor Compromise (v) the restructuring of Claims or Equity Interests prior to or during the Chapter 11 Cases, (vi) the purchase, sale or rescission of the purchase or sale of any Claim or Equity Interest of the Debtors or the Reorganized Debtors, and/or (vii) the Confirmation or Consummation of the Plan or the solicitation of votes on the Plan that such Non-Debtor Releasing Party would have been legally entitled to assert (whether individually or collectively) against any of the Released Parties; *provided, however*, that the foregoing provisions of this Third Party Release shall not operate to waive, release or otherwise impair: (i) any Causes of Action arising from willful misconduct, actual fraud, or gross negligence of such applicable Released Party as determined by Final Order of the Bankruptcy Court or any other court of competent jurisdiction; (ii) any of the indebtedness and obligations of the Debtors and/or the Reorganized Debtors under the Plan and the contracts, instruments, releases, indentures, and other agreements and documents delivered under or in connection with the Plan or assumed pursuant to the Plan or assumed pursuant to Final Order of the Bankruptcy Court; (iii) the rights of such Non-Debtor Releasing Party to enforce the Plan and the contracts, instruments, releases, indentures, and other agreements and documents delivered under or in connection with the Plan or assumed pursuant to the Plan or assumed pursuant to Final Order of the Bankruptcy Court; and/or (iv) any objections with respect to any Professional's final fee application or accrued Professional Fee Claims in these Chapter 11 Cases.

The foregoing release shall be effective as of the Effective Date without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization or approval of any Person and the Confirmation Order will permanently enjoin the commencement or prosecution by any Person or Entity, whether directly, derivatively or otherwise, of any claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, Settled Claims or liabilities released pursuant to this Third Party Release.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the Third Party Release, which includes by reference each of the related provisions and definitions contained herein, and further, shall constitute the Bankruptcy Court's finding that the Third Party Release is: (i) in exchange for the good and valuable consideration provided by the Released Parties, including the Sponsor Compromise; (ii) a good faith settlement and compromise of the Claims released by the Third Party Release; (iii) in the best interest of the Debtors and all Holders of Claims and Equity Interests; (iv) fair, equitable and reasonable; and (v) given and made after due notice and opportunity for hearing.

3. Waiver of Statutory Limitations on Releases

Each of the Releasing Parties in each of the releases contained above expressly acknowledges that although ordinarily a general release may not extend to Claims which the Releasing Party does not know or suspect to exist in its favor, which if known by it may have materially affected its settlement with the party released, they have carefully considered and taken into account in determining to enter into the above releases the possible existence of such unknown losses or claims. Without limiting the generality of the foregoing, each Releasing Party expressly waives any and all rights conferred upon it by any statute or rule of law which provides that a release does not extend to claims which the claimant does not know or suspect to exist in its favor at the time of providing the release, which if known by it may have materially affected its settlement with the released party. The releases contained in the Plan are effective regardless of whether those released matters are presently known, unknown, suspected or unsuspected, foreseen or unforeseen.

4. Discharge of Claims and Equity Interests

To the fullest extent provided under section 1141(d)(1)(A) and other applicable provisions of the Bankruptcy Code, except as otherwise expressly provided by the Plan or the Confirmation Order, effective as of the Effective Date, all consideration distributed under the Plan shall be in exchange for, and in complete satisfaction, settlement, discharge, and release of, all Claims, Equity Interests and Causes of Action of any kind or nature whatsoever against the Debtors or any of their respective assets or properties, including any interest accrued on such Claims or Equity Interests from and after the Petition Date, and regardless of whether any property shall have been abandoned by order of the Bankruptcy Court, distributed or retained pursuant to the Plan on account of such Claims, Equity Interests or Causes of Action.

Except as otherwise expressly provided by the Plan or the Confirmation Order, upon the Effective Date, the Debtors and their Estates shall be deemed discharged and released under and to the fullest extent provided under sections 524 and 1141(d)(1)(A) and other applicable provisions of the Bankruptcy Code from any and all Claims of any kind or nature whatsoever, including, but not limited to, demands and liabilities that arose before the Confirmation Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code. Such discharge shall void any judgment obtained against the Debtors or the Reorganized Debtors at any time, to the extent that such judgment relates to a discharged Claim.

Except as otherwise expressly provided by the Plan or the Confirmation Order, upon the Effective Date: (i) the rights afforded herein and the treatment of all Claims and Equity Interests shall be in exchange for and in complete satisfaction, settlement, discharge, and release of all Claims and Equity Interests of any nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, against the Debtors or any of their respective assets, property, or Estates; (ii) all Claims and Equity Interests shall be satisfied, discharged, and released in full, and each of the Debtor's liability with respect thereto shall be extinguished completely without further notice or action; and (iii) all Entities shall be precluded from asserting against the Debtors, the Estates, the Reorganized Debtors, each of their respective successors and assigns, and each of their respective assets and properties, any such Claims or Equity Interests, whether based upon any documents, instruments or any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date or otherwise.

5. Exculpation

Effective as of the Effective Date, the Exculpated Parties shall neither have nor incur any liability to any Entity for any claims or Causes of Action arising prior to or on the Effective Date for any act taken or omitted to be taken in connection with, or related to, formulating, negotiating, preparing, disseminating, implementing, administering, confirming or effecting the Confirmation or Consummation of the Plan, the Disclosure Statement, the Restructuring Documents or any contract, instrument, release or other agreement or document created or entered into in connection with the Plan or any other prepetition or postpetition act taken or omitted to be taken in connection with or in contemplation of the restructuring of the Debtors, the marketing of any of the Debtors' assets, the sale effectuated by, or otherwise contemplated by, the Handley APA and the Handley Sale Order, the approval of the Disclosure Statement or Confirmation or Consummation of the Plan including the Settled Claims and the Sponsor Compromise; *provided*, *however*, that the foregoing provisions of this exculpation shall not operate to waive, release or otherwise impair: (i) any Causes of Action expressly set forth in and preserved by the Plan or the Plan Supplement; (ii) any Causes of Action arising from willful misconduct, actual fraud, or gross negligence of such applicable Exculpated Party as determined by Final Order of the Bankruptcy Court or any other court of competent jurisdiction; (iii) any of the indebtedness or obligations of the Debtors and/or the Reorganized Debtors under the Plan and the contracts, instruments, releases, indentures, and other agreements and documents delivered under or in connection with the Plan or assumed pursuant to the Plan or assumed pursuant to Final Order of the Bankruptcy Court, (iv) the rights of any Entity to enforce the Plan and the contracts, instruments, releases, indentures, and other agreements or documents delivered under or in connection with the Plan or assumed pursuant to the Plan or assumed pursuant to Final Order of the Bankruptcy Court; and/or (v) any objections with respect to any Professional's final fee application or accrued Professional Fee Claims in these Chapter 11 Cases; provided, further, that each Exculpated Party shall be entitled to rely upon the advice of counsel concerning its respective duties pursuant to, or in connection with, the above referenced documents, actions or inactions.

The foregoing exculpation shall be effective as of the Effective Date without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization or approval of any Person. Notwithstanding the foregoing, nothing in Article X.E of the Plan shall or shall be deemed to prohibit the Debtors or the Reorganized Debtors from asserting and enforcing any claims, obligations, suits, judgments, demands, debts, rights, Causes of Action, Settled Claims or liabilities they may have against any Person that is based upon an alleged breach of a confidentiality or non-compete obligation owed to the Debtors or the Reorganized Debtors, in each case unless otherwise expressly provided for in the Plan.

6. Preservation of Causes of Action

(a) Maintenance of Causes of Action

Except as otherwise provided in Article X or elsewhere in the Plan or the Confirmation Order, after the Effective Date, the Reorganized Debtors shall retain all rights to commence, pursue, litigate or settle, as appropriate, any and all Litigation Claims, whether existing as of the Petition Date or thereafter arising, in any court or other tribunal including, without limitation, in an adversary proceeding Filed in the Chapter 11 Cases; provided, however, that the foregoing shall not be deemed to include the Settled Claims or any other claims or Causes of Action (i) released pursuant to Article X.B.1 of the Plan or (ii) exculpated pursuant to Article X.E of the Plan to the extent of any such exculpation. The Reorganized Debtors, as the successors-in-interest to the Debtors and the Estates, may, and shall have the exclusive right to, enforce, sue on, settle, compromise, transfer or assign (or decline to do any of the foregoing) any or all of such Litigation Claims, in each case solely to the extent of the Debtors' or their Estates' interest therein, without notice to or approval from the Bankruptcy Court.

(b) Preservation of All Causes of Action Not Expressly Settled or Released

The Debtors expressly reserve all Causes of Action and Litigation Claims for later adjudication by the Debtors or the Reorganized Debtors (including, without limitation, Causes of Action and Litigation Claims not specifically identified or of which the Debtors may presently be unaware or which may arise or exist by reason of additional facts or circumstances unknown to the Debtors at this time or facts or circumstances that may change or be different from those the Debtors now believe to exist) and, therefore, no preclusion doctrine, including, without limitation, the doctrines of *res judicata*, collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel

(judicial, equitable or otherwise) or laches shall apply to such Causes of Action or Litigation Claims upon or after the Confirmation or Consummation of the Plan based on the Disclosure Statement, the Plan or the Confirmation Order, except in each case where such Causes of Action or Litigation Claims have been expressly waived, relinquished, released, compromised or settled in the Plan, the Confirmation Order, or any other Final Order including, without limitation, the Settled Claims or any other claims or Causes of Action (i) released pursuant to Article X.B.1 of the Plan or (ii) exculpated pursuant to Article X.E of the Plan to the extent of any such exculpation. In addition, the Debtors and the Reorganized Debtors expressly reserve the right to pursue or adopt any claims alleged in any lawsuit in which any of the Debtors are a plaintiff, defendant or an interested party, against any Entity, including, without limitation, the plaintiffs or co-defendants in such lawsuits.

7. Injunction

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THE PLAN OR THE CONFIRMATION ORDER, FROM AND AFTER THE EFFECTIVE DATE, ALL PERSONS AND ENTITIES ARE, TO THE FULLEST EXTENT PROVIDED UNDER SECTION 524 AND OTHER APPLICABLE PROVISIONS OF THE BANKRUPTCY CODE, PERMANENTLY ENJOINED FROM (I) COMMENCING OR CONTINUING, IN ANY MANNER OR IN ANY PLACE, ANY SUIT, ACTION OR OTHER PROCEEDING; (II) ENFORCING, ATTACHING, COLLECTING, OR RECOVERING IN ANY MANNER ANY JUDGMENT, AWARD, DECREE, OR ORDER; (III) CREATING, PERFECTING, OR ENFORCING ANY LIEN OR ENCUMBRANCE; (IV) ASSERTING A SETOFF OR RIGHT OF SUBROGATION OF ANY KIND; OR (V) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND, IN EACH CASE ON ACCOUNT OF OR WITH RESPECT TO ANY CLAIM, DEMAND, LIABILITY, OBLIGATION, DEBT, RIGHT, CAUSE OF ACTION, SETTLED CLAIMS, EQUITY INTEREST, OR REMEDY RELEASED OR TO BE RELEASED, SETTLED OR TO BE SETTLED OR DISCHARGED OR TO BE DISCHARGED PURSUANT TO THE PLAN OR THE CONFIRMATION ORDER AGAINST ANY PERSON OR ENTITY SO RELEASED OR DISCHARGED (OR THE PROPERTY OR ESTATE OF ANY PERSON OR ENTITY SO RELEASED, DISCHARGED). ALL INJUNCTIONS OR STAYS PROVIDED FOR IN THE CHAPTER 11 CASES UNDER SECTION 105 OR SECTION 362 OF THE BANKRUPTCY CODE, OR OTHERWISE, AND IN EXISTENCE ON THE CONFIRMATION DATE, SHALL REMAIN IN FULL FORCE AND EFFECT UNTIL THE EFFECTIVE DATE.

8. Binding Nature of the Plan

ON THE EFFECTIVE DATE, AND EFFECTIVE AS OF THE EFFECTIVE DATE, THE PLAN SHALL BIND, AND SHALL BE DEEMED BINDING UPON, THE DEBTORS, THE REORGANIZED DEBTORS, ANY AND ALL HOLDERS OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE DEBTORS, ALL PERSONS AND ENTITIES THAT ARE PARTIES TO OR ARE SUBJECT TO THE SETTLEMENTS, COMPROMISES (INCLUDING THE SPONSOR COMPROMISE), RELEASES, DISCHARGES, AND INJUNCTIONS DESCRIBED IN THE PLAN, EACH PERSON ACQUIRING PROPERTY UNDER THE PLAN, ANY AND ALL NON-DEBTOR PARTIES TO EXECUTORY CONTRACTS AND UNEXPIRED LEASES WITH THE DEBTORS AND THE RESPECTIVE SUCCESSORS AND ASSIGNS OF EACH OF THE FOREGOING, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, AND NOTWITHSTANDING WHETHER OR NOT SUCH PERSON OR ENTITY (I) WILL RECEIVE OR RETAIN ANY PROPERTY, OR INTEREST IN PROPERTY, UNDER THE PLAN, (II) HAS FILED A PROOF OF CLAIM OR INTEREST IN THE CHAPTER 11 CASES OR (III) FAILED TO VOTE TO ACCEPT OR REJECT THE PLAN, AFFIRMATIVELY VOTED TO REJECT THE PLAN OR IS CONCLUSIVELY PRESUMED TO REJECT THE PLAN.

9. Protection Against Discriminatory Treatment

To the extent provided by section 525 of the Bankruptcy Code and the Supremacy Clause of the United States Constitution, all Persons and Entities, including Governmental Units, shall not discriminate against the Reorganized Debtors or deny, revoke, suspend or refuse to renew a license, permit, charter, franchise or other similar grant to, condition such a grant to, discriminate with respect to such a grant, against the Reorganized Debtors, or another Person or Entity with whom the Reorganized Debtors have been associated, solely because any Debtor has been a debtor under chapter 11 of the Bankruptcy Code, has been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Debtors are granted or denied a discharge) or has not paid a debt that is dischargeable in the Chapter 11 Cases.

10. Integral Part of Plan

Each of the provisions set forth in the Plan with respect to the settlement, release, discharge, exculpation, and injunction of, for or with respect to Claims and/or Causes of Action are an integral part of the Plan and essential to its implementation. Accordingly, each Entity that is a beneficiary of such provision shall have the right to independently seek to enforce such provision and such provision may not be amended, modified, or waived after the Effective Date without the prior written consent of such beneficiary.

V.
CONFIRMATION AND CONSUMMATION PROCEDURES

A. SOLICITATION OF VOTES

The process by which the Debtors will solicit votes to accept or reject the Plan is summarized in Section I herein titled, "Executive Summary" and set forth in detail in the Disclosure Statement Order, which is attached as Exhibit B to this Disclosure Statement.

PLEASE REFER TO THE DISCLOSURE STATEMENT ORDER FOR MORE INFORMATION REGARDING VOTING REQUIREMENTS TO ENSURE THAT VOTES ARE PROPERLY AND TIMELY SUBMITTED SUCH THAT THEY ARE COUNTED AS VOTES TO ACCEPT OR REJECT THE PLAN.

B. CONFIRMATION PROCEDURES

1. Confirmation Hearing

The Confirmation Hearing will commence at __:__ _.m. prevailing Eastern Time on **[_____]**, 2017 before the Honorable **[_____]**, United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Delaware, located at 824 N. Market Street, **[____]** Floor, Courtroom **[_]**, Wilmington, Delaware 19801. The Confirmation Hearing may be continued from time to time by the Bankruptcy Court or the Debtors without further notice other than by such adjournment being announced in open court or by filing a notice indicating such adjournment with the Bankruptcy Court. Moreover, the Plan may be modified or amended, if necessary, pursuant to section 1127 of the Bankruptcy Code, prior to, during or as a result of the Confirmation Hearing, without further notice to parties-in-interest.

The Plan Objection Deadline is 4:00 p.m. prevailing Eastern Time on **[_____]**, 2017.

All Confirmation Objections must be filed with the Bankruptcy Court and served on the Debtors and certain other parties in accordance with the Disclosure Statement Order on or before the Plan Objection Deadline.

CONFIRMATION OBJECTIONS NOT TIMELY FILED AND SERVED IN THE MANNER SET FORTH HEREIN MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT AND MAY BE OVERRULED WITHOUT FURTHER NOTICE.

2. Filing Objections to the Plan

Any objection to confirmation of the Plan must: (i) be in writing; (ii) conform to the Bankruptcy Rules and the Local Rules; (iii) state the name and address of the objecting party and the amount and nature of the Claim or Equity Interest held by such Entity; (iv) state with particularity the basis and nature of any objection to the Plan; and (v) be filed, contemporaneously with a proof of service, with the Bankruptcy Court and served so that it is **actually received** no later than the Plan Objection Deadline by the Notice Parties, as defined in Section I.F herein.

C. STATUTORY REQUIREMENTS FOR CONFIRMATION OF THE PLAN

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies the requirements of section 1129 of the Bankruptcy Code. The Debtors believe that: (i) the Plan satisfies or will satisfy all of the statutory requirements of chapter 11 of the Bankruptcy Code; (ii) the Debtors have complied or will have complied with all of the requirements of chapter 11 of the Bankruptcy Code; and (iii) the Plan has been proposed in good faith. Specifically, the Debtors believe that the Plan satisfies or will satisfy the applicable confirmation requirements of section 1129 of the Bankruptcy Code set forth below:

- The Plan complies with the applicable provisions of the Bankruptcy Code;

- The Debtors complied with the applicable provisions of the Bankruptcy Code;

- The Plan has been proposed in good faith and not by any means forbidden by law;

- Any payment made or promised under the Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Cases, or in connection with the Plan and incident to the cases, has been or will be disclosed to the Bankruptcy Court, and any such payment: (a) made before the confirmation of the Plan is reasonable; or (b) if it is to be fixed after confirmation of the Plan, is subject to the approval of the Bankruptcy Court for the determination of reasonableness;

- The Debtors have disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director, officer, or voting trustee of the Debtors, an affiliate of the Debtors participating in the Plan with the Debtors, or a successor to the Debtors under the Plan. The appointment to, or continuance in, such office by such individual, will be consistent with the interests of creditors and equity security holders and with public policy and the Debtors will have disclosed the identity of any insider that the Reorganized Debtors will employ or retain, and the nature of any compensation for such insider;

- Either each Holder of an Impaired Claim will have accepted the Plan, or will receive or retain under the Plan on account of such Claim, property of a value, as of the Effective Date of the Plan, that is not less than the amount that such Holder would receive or retain if the Debtors were liquidated on that date under chapter 7 of the Bankruptcy Code;

- Each Class of Claims that is entitled to vote on the Plan will either have accepted the Plan or will not be Impaired under the Plan, or the Plan can be confirmed without the approval of such Voting Class pursuant to section 1129(b) of the Bankruptcy Code;

- Except to the extent that the Holder of a particular Claim will agree to a different treatment of its Claim, the Plan provides that Administrative Claims and Other Priority Claims will be paid in full in Cash on the Effective Date, or as soon thereafter as is reasonably practicable, and that Priority Tax Claims will be paid in accordance with section 1129(a)(9)(C) of the Bankruptcy Code;

- At least one Class of Impaired Claims will accept the Plan, determined without including any acceptance of the Plan by any insider holding a Claim in that Class;

- Confirmation of the Plan will not likely be followed by the liquidation or the need for further financial reorganization of the Debtors or any successor thereto under the Plan; and

- All outstanding fees payable pursuant to section 1930 of title 28 of the United States Code will be paid when due.

1. Best Interests of Creditors Test/Liquidation Analysis

Often called the "best interests" test, section 1129(a)(7) of the Bankruptcy Code requires that a bankruptcy court find, as a condition to confirmation, that a chapter 11 plan provide, with respect to each class, that each holder of a claim or an equity interest in such class either (a) has accepted the plan or (b) will receive or retain under the plan property of a value, as of the effective date of the plan, that is not less than the amount that such holder would receive or retain if the debtor or debtors are liquidated under chapter 7 of the Bankruptcy Code. To make these findings, the Bankruptcy Court must: (a) estimate the cash liquidation proceeds that a chapter 7 trustee would generate if the chapter 11 cases were converted to a chapter 7 case and the assets of the particular debtors' estate were liquidated; (b) determine the liquidation distribution that each non-accepting holder of a claim or an equity interest would receive from such liquidation proceeds under the priority scheme dictated in chapter 7; and (c) compare such holder's liquidation distribution to the distribution under the chapter 11 plan that such holder would receive if the chapter 11 plan were confirmed.

In chapter 7 cases, creditors and interest holders of a debtor are paid from available assets generally in the following order, with no junior class receiving any payments until all amounts due to senior classes have been paid in full: (a) holders of secured claims (to the extent of the value of their collateral); (b) holders of priority claims; (c) holders of unsecured claims; (d) holders of debt expressly subordinated by its terms or by order of the bankruptcy court; and (e) holders of equity interests.

Accordingly, the Cash amount that would be available for satisfaction of claims (other than secured claims) would consist of the proceeds resulting from the disposition of the unencumbered assets of the debtors, augmented by the unencumbered Cash held by the debtors at the time of the commencement of the liquidation. Such Cash would be reduced by the amount of the costs and expenses of the liquidation and by such additional administrative and priority claims that may result from termination of the debtor's business and the use of chapter 7 for purposes of a liquidation.

As described in more detail in the liquidation analysis attached hereto as Exhibit D (the "**Liquidation Analysis**"), the Debtors believe that confirmation of the Plan will provide each Holder of an Allowed Claim or Equity Interest in each Class with a recovery greater than or equal to the value of any distributions if the Chapter 11 Cases were converted to a case under chapter 7 of the Bankruptcy Code because, among other reasons, proceeds received in a chapter 7 liquidation are likely to be significantly discounted due to the distressed nature of the sale of the Debtors' assets and the fees and expenses of a chapter 7 trustee would likely further reduce Cash available for distribution. In addition, distributions in a chapter 7 case may not occur for a longer period of time than distributions under the Plan, thereby reducing the present value of such distributions. In this regard, it is possible that distribution of the proceeds of a liquidation could be delayed for a significant period while the chapter 7 trustee and its advisors become knowledgeable about, among other things, the Chapter 11 Cases and the Claims against the Debtors. As set forth in the Liquidation Analysis, Holders of Claims in Class 6 would receive less in a chapter 7 liquidation than under the Plan. Accordingly, the Plan satisfies the requirements of section 1129(a)(7) of the Bankruptcy Code with respect to such Classes.

2. Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires that the bankruptcy court find that confirmation is not likely to be followed by the liquidation of the Reorganized Debtors or the need for further financial reorganization, unless the plan contemplates such liquidation. For purposes of demonstrating that the Plan meets this "feasibility" standard, the Debtors have analyzed the ability of the Reorganized Debtors to meet their obligations under the Plan and to retain sufficient liquidity and capital resources to conduct their businesses.

The Debtors believe that the Plan meets the feasibility requirement set forth in section 1129(a)(11) of the Bankruptcy Code. In connection with the development of the Plan and for the purposes of determining whether the Plan satisfies this feasibility standard, the Debtors analyzed the ability of the Reorganized Debtors to satisfy their financial obligations while maintaining sufficient liquidity and capital resources. Financial projections of the Reorganized Debtors for the [eleven (11)] months ending [December 31, 2018,] and for the years ending [December 31, 2022] (the "**Financial Projections**") will be Filed in advance of the hearing on approval of the Disclosure Statement (the "**Disclosure Statement Hearing**") and will be attached hereto as Exhibit C. Additionally, the Debtors' consolidated historical financial statements for the years ending [2014 to YTD 2017] will be Filed in advance of the Disclosure Statement Hearing and will be attached hereto as Exhibit E (the "**Historical Financial Statements**").

In general, as illustrated by the Financial Projections, the Debtors believe that as a result of the transactions contemplated by the Plan, the Reorganized Debtors should have sufficient cash flow and availability to make all payments required pursuant to the Plan while conducting ongoing business operations. The Debtors believe that confirmation and consummation is, therefore, not likely to be followed by the liquidation or further reorganization of the Reorganized Debtors. Accordingly, the Debtors believe that the Plan satisfies the feasibility requirement of section 1129(a)(11) of the Bankruptcy Code.

THE FINANCIAL PROJECTIONS, INCLUDING THE UNDERLYING ASSUMPTIONS, SHOULD BE CAREFULLY REVIEWED IN EVALUATING THE PLAN. WHILE THE DEBTORS BELIEVE THE ASSUMPTIONS UNDERLYING THE FINANCIAL PROJECTIONS, WHEN CONSIDERED ON AN OVERALL

BASIS, ARE REASONABLE IN LIGHT OF CURRENT CIRCUMSTANCES AND EXPECTATIONS, NO ASSURANCE CAN BE GIVEN THAT THE FINANCIAL PROJECTIONS WILL BE REALIZED.

THE FINANCIAL PROJECTIONS HAVE NOT BEEN EXAMINED OR COMPILED BY INDEPENDENT ACCOUNTANTS. THE DEBTORS MAKE NO REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF THE FINANCIAL PROJECTIONS OR THEIR ABILITY TO ACHIEVE THE PROJECTED RESULTS. MANY OF THE ASSUMPTIONS ON WHICH THE PROJECTIONS ARE BASED ARE INHERENTLY SUBJECT TO SIGNIFICANT ECONOMIC AND COMPETITIVE UNCERTAINTIES AND CONTINGENCIES WHICH ARE BEYOND THE CONTROL OF THE DEBTORS. INEVITABLY, SOME ASSUMPTIONS WILL NOT MATERIALIZE AND UNANTICIPATED EVENTS AND CIRCUMSTANCES MAY AFFECT THE ACTUAL FINANCIAL RESULTS. THEREFORE, THE ACTUAL RESULTS ACHIEVED THROUGHOUT THE PERIOD OF THE FINANCIAL PROJECTIONS MAY VARY FROM THE PROJECTED RESULTS AND THE VARIATIONS MAY BE MATERIAL. ALL HOLDERS OF CLAIMS THAT ARE ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN ARE URGED TO EXAMINE CAREFULLY ALL OF THE ASSUMPTIONS ON WHICH THE FINANCIAL PROJECTIONS ARE BASED IN CONNECTION WITH THEIR EVALUATION OF THE PLAN.

BASED ON THE FINANCIAL PROJECTIONS SET FORTH IN EXHIBIT C HERETO, THE DEBTORS BELIEVE THAT THEY WILL BE ABLE TO MAKE ALL DISTRIBUTIONS AND PAYMENTS UNDER THE PLAN AND THAT CONFIRMATION OF THE PLAN IS NOT LIKELY TO BE FOLLOWED BY LIQUIDATION OF THE REORGANIZED DEBTORS OR THE NEED FOR FURTHER FINANCIAL REORGANIZATION OF THE REORGANIZED DEBTORS.

3. Acceptance by Impaired Classes

The Bankruptcy Code requires, as a condition to confirmation, that, except as described in the following section, each class of claims or equity interests that is impaired under a plan accept the plan. A class that is not "impaired" under a plan is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such class is not required. A class is "impaired" unless the plan: (a) leaves unaltered the legal, equitable and contractual rights to which the claim or the equity interest entitles the holder of such claim or equity interest; (b) cures any default and reinstates the original terms of such obligation; or (c) provides that, on the consummation date, the holder of such claim or equity interest receives Cash equal to the allowed amount of that claim or, with respect to any equity interest, any fixed liquidation preference to which the holder of such equity interest is entitled to any fixed price at which the debtor may redeem the security.

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of claims in that class, but for that purpose counts only those who actually vote to accept or to reject the plan. Thus, a class of claims will have voted to accept the plan only if two-thirds (2/3) in amount and a majority in number actually voting cast their ballots in favor of acceptance.

Claims in Classes 1-5 and 10 are not Impaired under the Plan, and, as a result, the Holders of such Claims and Equity Interests are deemed to have accepted the Plan. Claims in Classes 8 and 9 are Impaired, but are deemed to have accepted the Plan because such Holders are Affiliates of the Debtors. Accordingly, the Debtors are not required to solicit their vote.

Claims in Classes 6 and 7 are Impaired under the Plan, and as a result, the Holders of Claims in Classes 6 and 7 are entitled to vote on the Plan. Pursuant to section 1129 of the Bankruptcy Code, the Holders of Claims in the Voting Classes must accept the Plan for the Plan to be confirmed without application of the "fair and equitable test" to Classes 6 and 7 and without considering whether the Plan "discriminates unfairly" with respect to Classes 6 and 7, as both standards are described herein. As explained above, each of Classes 6 and 7 will have accepted the Plan if the Plan is accepted by at least two-thirds (2/3) in amount and a majority in number of the Claims of Classes 6 and 7, as applicable (other than any Claims of creditors designated under section 1126(e) of the Bankruptcy Code) that have voted to accept or reject the Plan.

4. Confirmation Without Acceptance by All Impaired Classes

Section 1129(b) of the Bankruptcy Code allows a bankruptcy court to confirm a plan even if less than all impaired classes entitled to vote on the plan have accepted it, provided that the plan has been accepted by at least one impaired class of claims. Pursuant to section 1129(b) of the Bankruptcy Code, notwithstanding an impaired Class's rejection of the Plan, the Plan will be confirmed, at the Debtors' request, in a procedure commonly known as "cram down," so long as the Plan does not "discriminate unfairly" and is "fair and equitable" with respect to each Class of Claims or Equity Interests that is impaired under, and has not accepted, the Plan.

5. No Unfair Discrimination

This test applies to classes of claims or equity interests that are of equal priority and are receiving different treatment under the Plan. The test does not require that the treatment be the same or equivalent, but that such treatment be "fair." In general, bankruptcy courts consider whether a plan discriminates unfairly in its treatment of classes of claims of equal rank (e.g., classes of the same legal character). Bankruptcy courts will take into account a number of factors in determining whether a plan discriminates unfairly, and, accordingly, a plan could treat two classes of unsecured creditors differently without unfairly discriminating against either class.

6. Fair and Equitable Test

This test applies to classes of different priority and status (*e.g.*, secured versus unsecured) and includes the general requirement that no class of claims receive more than 100% of the amount of the allowed claims in such class. As to the dissenting class, the test sets different standards depending on the type of claims or equity interests in such class:

- Secured Claims. The condition that a plan be "fair and equitable" to a non-accepting class of secured claims includes the requirements that: (a) the holders of such secured claims retain the liens securing such claims to the extent of the allowed amount of the claims, whether the property subject to the liens is retained by the debtor or transferred to another entity under the plan; and (b) each holder of a secured claim in the class receives deferred Cash payments totaling at least the allowed amount of such claim with a present value, as of the effective date of the plan, at least equivalent to the value of the secured claimant's interest in the debtor's property subject to the liens.

- Unsecured Claims. The condition that a plan be "fair and equitable" to a non-accepting class of unsecured claims includes the following requirement that either: (a) the plan provides that each holder of a claim of such class receive or retain on account of such claim property of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or (b) the holder of any claim or any equity interest that is junior to the claims of such class will not receive or retain under the plan on account of such junior claim or junior equity interest any property.

- Equity Interests. The condition that a plan be "fair and equitable" to a non-accepting class of equity interests includes the requirements that either:

    - the plan provides that each holder of an equity interest in that class receives or retains under the plan on account of that equity interest property of a value, as of the effective date of the plan, equal to the greater of: (a) the allowed amount of any fixed liquidation preference to which such holder is entitled; (b) any fixed redemption price to which such holder is entitled; or (c) the value of such interest; or

    - if the class does not receive the amount required in the paragraph directly above, no class of equity interests junior to the non-accepting class may receive a distribution under the plan.

As noted above, the Debtors will seek confirmation of the Plan under section 1129(b) of the Bankruptcy Code, to the extent applicable. To the extent that any of the Voting Classes vote to reject the Plan, the Debtors reserve the right to seek (a) confirmation of the Plan under section 1129(b) of the Bankruptcy Code and/or (b) modify the Plan in accordance with Article XII.D of the Plan.

The Debtors do not believe that the Plan discriminates unfairly against any Impaired Class of Claims or Equity Interests. The Debtors believe that the Plan and the treatment of all Classes of Claims and Equity Interests under the Plan satisfy the foregoing requirements for non-consensual confirmation of the Plan.

D. CONSUMMATION OF THE PLAN

The Plan will be consummated on the Effective Date. For a more detailed discussion of the conditions precedent to the consummation of the Plan and the impact of failure to meet such conditions, see Article IX.B of the Plan.

VI.
PLAN-RELATED RISK FACTORS

PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN, ALL HOLDERS OF CLAIMS OR EQUITY INTERESTS THAT ARE IMPAIRED SHOULD READ AND CONSIDER CAREFULLY THE FACTORS SET FORTH HEREIN, AS WELL AS ALL OTHER INFORMATION SET FORTH OR OTHERWISE REFERENCED IN THIS DISCLOSURE STATEMENT. ALTHOUGH THESE RISK FACTORS ARE MANY, THESE FACTORS SHOULD NOT BE REGARDED AS CONSTITUTING THE ONLY RISKS PRESENT IN CONNECTION WITH THE DEBTORS' BUSINESSES, THE PLAN OR THE IMPLEMENTATION OF THE PLAN.

A. CERTAIN BANKRUPTCY LAW CONSIDERATIONS

1. Parties in Interest May Object to the Debtors' Classification of Claims and Equity Interests.

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an equity interest in a particular class only if such claim or equity interest is substantially similar to the other claims or equity interests in such class. The Debtors believe that the classification of Claims and Equity Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtors created Classes of Claims and Equity Interests, each encompassing Claims or Equity Interests, as applicable, that are substantially similar to the other Claims and Equity Interests in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

2. The Debtors May Fail to Satisfy the Vote Requirement.

If votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Debtors intend to seek, as promptly as practicable thereafter, confirmation of the Plan. In the event that sufficient votes are not received, the Debtors may seek to accomplish an alternative chapter 11 plan of reorganization. There can be no assurance that the terms of any such alternative chapter 11 plan would be similar or as favorable to the Holders of Allowed Claims as those proposed in the Plan.

3. The Debtors May Not Be Able to Secure Confirmation of the Plan.

As discussed above, section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a chapter 11 plan, and requires, among other things, findings by the bankruptcy court that: (a) such plan does not "unfairly discriminate" and is "fair and equitable" with respect to any non-accepting classes; (b) confirmation of such plan is not likely to be followed by a liquidation or a need for further financial reorganization unless such liquidation or reorganization is contemplated by the plan; and (c) the value of distributions to non-accepting holders of claims within a particular class under such plan will not be less than the value of distributions such holders would receive if the debtor were liquidated under chapter 7 of the Bankruptcy Code.

Even if the requisite acceptances are received, there can be no assurance that the Bankruptcy Court will confirm the Plan. A non-accepting Holder of an Allowed Claim might challenge either the adequacy of this Disclosure Statement or whether the balloting procedures and voting results satisfy the requirements of the Bankruptcy Code or Bankruptcy Rules. Even if the Bankruptcy Court determined that the Disclosure Statement, the balloting procedures and voting results were appropriate, the Bankruptcy Court could still decline to confirm the Plan if it found that any of the statutory requirements for confirmation were not met, including the requirement that the terms of the Plan do not "unfairly discriminate" and are "fair and equitable" to non-accepting Classes.

Section 1129(b)(1) of the Bankruptcy Code provides that, in the event an impaired class does not vote in favor of a plan, but all other requirements of section 1129(a) are satisfied, the Bankruptcy Court may only confirm such a plan if it "does not discriminate unfairly, and is fair and equitable, with respect to each class of claims or interests that is impaired under, and has not accepted, the Plan." There can be no assurance, however, that the Bankruptcy Court will find that the Plan satisfies the requirements of section 1129(b)(1) of the Bankruptcy Code.

Confirmation of the Plan is also subject to certain conditions as described in Article IX of the Plan. If the Plan is not confirmed, it is unclear what distributions, if any, Holders of Allowed Claims and Equity Interests would receive with respect to their Allowed Claims or Equity Interests.

The Debtors, subject to the terms and conditions of the Plan, reserve the right to modify the terms and conditions of the Plan as necessary for confirmation. Any such modifications could result in less favorable treatment of any non-accepting Class, as well as any Classes junior to such non-accepting Class, than the treatment currently provided in the Plan. Such less favorable treatment could include a distribution of property to the Class affected by the modification of a lesser value than currently provided in the Plan or no distribution of property whatsoever under the Plan.

4. Non-Consensual Confirmation of the Plan May Be Necessary.

In the event that any impaired class of claims or equity interests does not accept a chapter 11 plan, a bankruptcy court may nevertheless confirm such a plan at the proponents' request if at least one impaired class has accepted the plan (with such acceptance being determined without including the vote of any "insider" in such class), and, as to each impaired class that has not accepted the plan, the bankruptcy court determines that the plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting impaired classes. The Debtors believe that the Plan satisfies these requirements and the Debtors may request such non-consensual confirmation in accordance with subsection 1129(b) of the Bankruptcy Code. Nevertheless, in the event that the Voting Classes do not accept the Plan, there can be no assurance that the Bankruptcy Court will reach this conclusion.

5. The Debtors May Object to the Amount or Classification of a Claim.

Except as otherwise provided in the Plan, the Debtors and Reorganized Debtors reserve the right to object to the amount or classification of any Claim under the Plan. The estimates set forth in this Disclosure Statement cannot be relied on by any Holder of a Claim where such Claim is or may become subject to an objection. Any Holder of a Claim that is or may become subject to an objection thus may not receive its expected share of the estimated distributions described in this Disclosure Statement.

6. Risk of Conversion to Cases Under Chapter 7 of the Bankruptcy Code.

If no plan can be confirmed, or if the Bankruptcy Court otherwise finds that it would be in the best interest of the Debtors' creditors, any or all of the Chapter 11 Cases may be converted to a case under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be appointed or elected to liquidate assets for distribution in accordance with the priorities established by the Bankruptcy Code. The Debtors believe that liquidation under chapter 7 would result in no distributions being made to unsecured creditors and Debtors' equity security holders and smaller distributions being made to the Debtors' secured lenders than those provided for in the Plan because of (a) the likelihood that the assets would have to be sold or otherwise disposed of in a disorderly fashion over a short period of time, rather than the Debtors' businesses being reorganized as a going concern; (b) additional administrative expenses involved in the appointment of a trustee; and (c) additional expenses and Claims, some of which would be entitled to priority, which would be generated during the liquidation, and from the rejection of leases and other executory contracts in connection with a cessation of the Debtors' operations.

7. The Effective Date May Not Occur.

As more fully set forth in Article IX of the Plan, the Effective Date is subject to a number of conditions precedent. If such conditions precedent are not met or waived, the Effective Date will not take place. Although the Debtors believe that the Effective Date may occur shortly after the Confirmation Date, there can be no assurance as to such timing or as to whether the Effective Date will, in fact, occur.

8. Contingencies May Affect Votes of the Voting Classes to Accept or Reject the Plan.

The distributions available to Holders of Allowed Claims and Equity Interests under the Plan can be affected by a variety of contingencies. The occurrence of any and all such contingencies, which could affect

distributions available to Holders of Allowed Claims and Equity Interests under the Plan, will not affect the validity of the vote taken by the Voting Classes to accept or reject the Plan or require any sort of revote by the Impaired Classes.

9. The Debtors Cannot State with Certainty What Recovery Will be Available to Holders of Allowed Claims.

The estimated Claims and creditor recoveries set forth in this Disclosure Statement are based on various assumptions, and the actual Allowed amounts of Claims may significantly differ from the estimates. Should one or more of the underlying assumptions ultimately prove to be incorrect, the actual Allowed amounts of Claims may vary from the estimated amounts contained in this Disclosure Statement. Moreover, the Debtors cannot determine with any certainty at this time the number or amount of Claims that will ultimately be Allowed. Accordingly, because certain Claims under the Plan will be paid on a Pro Rata basis, the Debtors cannot state with certainty what recoveries will be available to Holders of Allowed Claims.

10. Releases, Injunctions, and Exculpation Provisions May Not Be Approved.

The Plan provides for certain releases, injunctions, and exculpations. However, such releases, injunctions, and exculpations are subject to objection by parties in interest and may not be approved. If the releases are not approved, certain Released Parties may not support the Plan.

B. RISK FACTORS THAT MAY AFFECT THE VALUE OF SECURITIES TO BE ISSUED UNDER THE PLAN AND/OR RECOVERIES UNDER THE PLAN

1. The Valuation of the Reorganized Debtors May Not Be Adopted by the Bankruptcy Court.

Parties in interest in these Chapter 11 Cases may oppose confirmation of the Plan by alleging that the value of the Reorganized Debtors is higher than estimated by the Debtors and that the Plan thereby improperly limits or extinguishes their rights to recoveries under the Plan. At the Confirmation Hearing, the Bankruptcy Court will hear evidence regarding the views of the Debtors and opposing parties, if any, with respect to the valuation of the Reorganized Debtors. Based on that evidence, the Bankruptcy Court will determine the appropriate valuation for the Reorganized Debtors for purposes of the Plan.

2. The Estimated Valuation of the Reorganized Debtors, the New Equity Interests, the Plan Securities, and the Estimated Recoveries to Holders of Allowed Claims and Equity Interests Are Not Intended to Represent the Private or Public Sale Values.

The Debtors' estimated recoveries to Holders of Allowed Claims are not intended to represent the private or public sale values of the Reorganized Debtors' securities. The estimated recoveries are based on numerous assumptions (the realization of many of which is beyond the control of Reorganized Debtors), including, without limitation: (a) the successful reorganization of the Debtors; (b) an assumed date for the occurrence of the Effective Date; (c) the Debtors' ability to achieve the operating and financial results included in the Financial Projections; and (d) the Debtors' ability to maintain adequate liquidity to fund operations.

3. The Reorganized Debtors May Not Be Able to Achieve Projected Financial Results or Service Their Debt.

Although the Financial Projections represent the Debtors' view based on current known facts and assumptions about the future operations of the Reorganized Debtors there is no guarantee that the Financial Projections will be realized. The Reorganized Debtors may not be able to meet their projected financial results or achieve projected revenues and Cash flows assumed in projecting future business prospects. To the extent the Reorganized Debtors do not meet their projected financial results or achieve projected revenues and Cash flows, the Reorganized Debtors may lack sufficient liquidity to continue operating as planned after the Effective Date, may be unable to service their debt obligations as they come due, or may not be able to meet their operational needs. Any one of these failures may preclude the Reorganized Debtors from, among other things: (a) taking advantage of

future opportunities; (b) growing their businesses; or (c) responding to future changes in the merchant power industry. Further, a failure of the Reorganized Debtors to meet their projected financial results or achieve projected revenues and cash flows could lead to cash flow and working capital constraints, which constraints may require the Reorganized Debtors to seek additional working capital. The Reorganized Debtors may not be able to obtain such working capital when it is required.

4. The Prepetition Lenders Will Control the Reorganized Debtors.

Consummation of the Plan and the effectuation of the New Governance Documents will result in the Prepetition Lenders acquiring all of the New Equity Interests. Accordingly, the Prepetition Lenders will exercise a controlling influence over the business and affairs of the Reorganized Debtors.

C. RISK FACTORS THAT COULD NEGATIVELY IMPACT THE DEBTORS' AND REORGANIZED DEBTORS' BUSINESS

1. Prices of Power and Natural Gas.

The Debtors' profitability is primarily driven by the spread between power and natural gas prices. Decreases in the spread between power and natural gas prices will have a negative impact on the Reorganized Debtors' profitability. The price of power is influenced by a number of factors that are inherently difficult to predict, including both the demand for and supply of power, in addition to general economic, market and regulatory factors. The significance and relative impact of these factors on the price of power is difficult to predict.

The Debtors' facilities are fired by natural gas. The Debtors rely upon third parties to supply them with natural gas that is consumed in the production of power, and the prices for and availability of natural gas are subject to volatile market conditions. These market conditions often are affected by factors beyond the Debtors' control, such as weather conditions, overall economic conditions, and foreign and domestic governmental regulation and relations. Significant disruptions in the supply of natural gas could temporarily impair the Reorganized Debtors' ability to produce power at their facilities. Furthermore, increases in natural gas prices or changes in the Reorganized Debtors' natural gas costs relative to natural gas costs paid by competitors may adversely affect the Reorganized Debtors' financial performance.

2. Material Disruptions Affecting the Projects.

The forecasted cash flows assume a typical level of planned and forced outage activity over the forecast period. The operation of power generation facilities involves many risks, including supply interruptions, work stoppages, breakdown or failure of equipment or processes, safety-related concerns, weather interferences, unforeseen engineering, environmental and geological problems, and unanticipated cost overruns on maintenance and refurbishment projects.

3. Regulatory Concerns.

The energy industry remains highly regulated at both the state and federal level. To this end, regulators may take steps that adversely affect the Debtors' operations or decrease margins. Although the FERC has supported competitive wholesale electric energy markets, it is possible that the FERC could require changes to these markets or impose new regulations on wholesale electric energy sellers that could be detrimental to the Debtor or the Reorganized Debtors. Changes to the market rules in ERCOT where the Debtors' businesses make energy sales also could detrimentally affect such businesses. The FERC also has regulatory jurisdiction to prevent manipulation of wholesale electric energy and natural gas markets. If the FERC determines that any of the Debtors' businesses have violated the FERC's regulations or applicable market rules, the FERC could assess civil penalties or suspend the authorization of the affected business from making sales of electric energy at market-based rates.

4. The Recent Adoption of Derivatives Legislation by the U.S. Congress Could Have An Adverse Effect on the Debtors' or the Reorganized Debtors' Ability to Hedge Risks Associated with Their Business.

The Dodd-Frank Act requires the Commodities Futures Trading Commission (the "**CFTC**") and the SEC to promulgate rules and regulations establishing federal oversight and regulation of the over-the-counter derivatives market and entities that participate in that market including swap clearing and trade execution requirements. New or modified rules, regulations or requirements may increase the cost and availability to the Debtors' counterparties of their hedging and swap positions which they can make available to the Debtors or the Reorganized Debtors, as applicable, and may further require the counterparties to the Debtors' derivative instruments to spin off some of their derivative activities to separate entities which may not be as creditworthy as the current counterparties. Any changes in the regulations of swaps may result in certain market participants deciding to curtail or cease their derivative activities.

While many rules and regulations have been promulgated and are already in effect, other rules and regulations remain to be finalized or effectuated, and therefore, the impact of those rules and regulations on the Debtors and the Reorganized Debtors is uncertain at this time. The Dodd-Frank Act, and the rules promulgated thereunder, could (i) significantly increase the cost, or decrease the liquidity, of energy-related derivatives the Debtors or the Reorganized Debtors use to hedge against commodity price fluctuations (including through requirements to post collateral), (ii) materially alter the terms of derivative contracts, (iii) reduce the availability of derivatives to protect against risks the Debtors or the Reorganized Debtors encounter, and (iv) increase the Debtors' or the Reorganized Debtors' exposure to less creditworthy counterparties.

5. Environmental Concerns.

The Debtors' businesses are subject to extensive federal, state, and local environmental laws and regulations. These requirements govern air emissions, water quality, wastewater discharge, and disposal of solid and hazardous waste. A violation of these laws or regulations can result in substantial fines, natural resource damages, criminal sanctions, or facility shutdowns. In addition, environmental laws and regulations (and interpretations thereof) change over time, and any such changes, more vigorous enforcement policies, or the discovery of currently unknown conditions may require additional environmental expenditures.

6. Market Design and Market Operations Risk.

The Debtors must sell all of the electrical energy, capacity, and other products from the Projects into the wholesale power market of Texas. The prices of such energy products in the market are influenced by many factors outside of their control, including fuel prices, energy prices, capacity prices, transmission constraints and prices, supply and demand, weather, economic conditions, and the rules, regulations, and actions of ERCOT and the regulatory regime. In addition, unlike most other commodities, electric energy, for the most part, cannot be stored and must therefore be produced concurrently with its use. As a result, the wholesale power markets are subject to significant price fluctuations over relatively short periods of time and can be unpredictable. This risk is different from commodity price risk associated with changes in supply and demand for electricity.

7. A Cyber Incident Could Result in Information Theft, Data Corruption, Operational Disruption, and/or Financial Loss.

The Debtors' business has become increasingly dependent on digital technologies to conduct day-to-day operations. The Debtors depend on digital technology to process and record financial and operating data, and in many other activities related to their business. Their technologies, systems and networks may become the target of cyber-attacks or information security breaches that could result in the disruption of their business operations.

To date the Debtors have not experienced any material losses relating to cyber-attacks, however there can be no assurance that the Debtors or the Reorganized Debtors will not suffer such losses in the future. As cyber threats continue to evolve, the Debtors and the Reorganized Debtors may be required to expend significant additional resources to continue to modify or enhance their protective measures or to investigate and remediate any cyber vulnerabilities.

D. RISKS ASSOCIATED WITH FORWARD-LOOKING STATEMENTS

1. The Financial Information Contained Herein Is Based on the Debtors' Books and Records and, Unless Otherwise Stated, No Audit Was Performed.

The financial information contained in this Disclosure Statement has not been audited. In preparing this Disclosure Statement, the Debtors relied on financial data derived from their books and records that was available at the time of such preparation. Although the Debtors have used their reasonable business judgment to ensure the accuracy of the financial information provided in this Disclosure Statement, and while the Debtors believe that such financial information fairly reflects the financial condition of the Debtors, the Debtors are unable to warrant or represent that the financial information contained herein and attached hereto is without inaccuracies.

2. Financial Projections and Other Forward-Looking Statements Are Not Assured, Are Subject to Inherent Uncertainty Due to the Numerous Assumptions Upon Which They Are Based and, as a Result, Actual Results May Vary.

This Disclosure Statement contains various projections concerning the financial results of the Reorganized Debtors' operations, including the Financial Projections, that are, by their nature, forward-looking, and which projections are necessarily based on certain assumptions and estimates. Should any or all of these assumptions or estimates ultimately prove to be incorrect, the actual future experiences of the Reorganized Debtors may turn out to be different from the Financial Projections.

Specifically, the projected financial results contained in this Disclosure Statement reflect numerous assumptions concerning the anticipated future performance of the Reorganized Debtors, some of which may not materialize, including, without limitation, assumptions concerning: (a) the timing of confirmation and consummation of the Plan in accordance with its terms; (b) the anticipated future performance of the Reorganized Debtors, including, without limitation, the Reorganized Debtors' ability to maintain or increase revenue and gross margins, control future operating expenses or make necessary capital expenditures; (c) general business and economic conditions; (d) overall industry performance and trends; and (e) anticipated future commodity prices.

DUE TO THE INHERENT UNCERTAINTIES ASSOCIATED WITH PROJECTING FINANCIAL RESULTS GENERALLY, THE PROJECTIONS CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD NOT BE CONSIDERED ASSURANCES OR GUARANTEES OF THE AMOUNT OF FUNDS OR THE AMOUNT OF CLAIMS THAT MAY BE ALLOWED IN THE VARIOUS CLASSES. WHILE THE DEBTORS BELIEVE THAT THE FINANCIAL PROJECTIONS CONTAINED IN THIS DISCLOSURE STATEMENT ARE REASONABLE, THERE CAN BE NO ASSURANCE THAT THEY WILL BE REALIZED.

E. DISCLOSURE STATEMENT DISCLAIMER

1. The Information Contained Herein Is for Soliciting Votes Only.

The information contained in this Disclosure Statement is for purposes of soliciting votes on the Plan and may not be relied upon for any other purpose.

2. This Disclosure Statement Was Not Approved by the Securities and Exchange Commission.

This Disclosure Statement has not been filed with the Securities and Exchange Commission or any state regulatory authority. Neither the Securities and Exchange Commission nor any state regulatory authority has passed

upon the accuracy or adequacy of this Disclosure Statement, or the exhibits or the statements contained herein, and any representation to the contrary is unlawful.

3. The Debtors Relied on Certain Exemptions from Registration Under the Securities Act.

This Disclosure Statement has been prepared pursuant to section 1125 of the Bankruptcy Code and Rule 3016(b) of the Federal Rules of Bankruptcy Procedure and is not necessarily in accordance with the requirements of federal or state securities laws or other similar laws. All shares of New Equity Interests issued to Holders of Claims on account of their respective Claims will be issued without registration under the Securities Act or any similar federal, state, or local law in reliance on section 1145(a) of the Bankruptcy Code or section 4(a)(2) of the Securities Act. To the maximum extent permitted by section 1145 of the Bankruptcy Code, the Securities Act and other applicable nonbankruptcy law, the distribution and issuance, as applicable, of the Plan Securities and Documents will be exempt from registration under the Securities Act by virtue of section 1145 of the Bankruptcy Code or section 4(a)(2) of the Securities Act.

4. This Disclosure Statement Contains Forward-Looking Statements.

This Disclosure Statement contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements consist of any statement other than a recitation of historical fact and can be identified by the use of forward-looking terminology such as "may," "expect," "anticipate," "estimate" or "continue" or the negative thereof or other variations thereon or comparable terminology. The reader is cautioned that all forward-looking statements are necessarily speculative and there are certain risks and uncertainties that could cause actual events or results to differ materially from those referred to in such forward-looking statements. The liquidation analysis, distribution projections and other information contained herein and attached hereto are estimates only, and the timing and amount of actual distributions to Holders of Allowed Claims may be affected by many factors that cannot be predicted. Therefore, any analyses, estimates or recovery projections may or may not turn out to be accurate.

5. No Legal or Tax Advice Is Provided to You by this Disclosure Statement.

This Disclosure Statement is not legal advice to you. The contents of this Disclosure Statement should not be construed as legal, business or tax advice. Each Holder of a Claim or an Equity Interest should consult his or her own legal counsel and accountant with regard to any legal, tax and other matters concerning his or her Claim or Equity Interest. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan or object to confirmation of the Plan.

6. No Admissions Are Made by This Disclosure Statement.

The information and statements contained in this Disclosure Statement will neither (a) constitute an admission of any fact or liability by any Entity (including, without limitation, any Debtor) nor (b) be deemed evidence of the tax or other legal effects of the Plan on the Debtors, the Reorganized Debtors, Holders of Allowed Claims or Equity Interests or any other parties in interest.

7. No Reliance Should be Placed on any Failure to Identify Litigation Claims or Projected Objections.

No reliance should be placed on the fact that a particular litigation claim or projected objection to a particular Claim or Equity Interest is, or is not, identified in this Disclosure Statement. The Debtors or the Reorganized Debtors may seek to investigate, file and prosecute Claims or causes of action and may object to Claims after the Confirmation Date or Effective Date of the Plan irrespective of whether the Disclosure Statement identifies such Claims, causes of action or objections to Claims.

8. Nothing Herein Constitutes a Waiver of any Right to Object to Claims or Recover Transfers and Assets.

The vote by a Holder of an Allowed Claim for or against the Plan does not constitute a waiver or release of any Claims or rights of the Debtors or the Reorganized Debtors (or any party in interest, as the case may be) to object to that Holder's Allowed Claim or recover any preferential, fraudulent or other voidable transfer or assets, regardless of whether any Claims or Causes of Action of the Debtors or its Estate are specifically or generally identified herein.

9. The Information Used Herein Was Provided by the Debtors and Was Relied Upon by the Debtors' Advisors.

Counsel to and other advisors retained by the Debtors have relied upon information provided by the Debtors in connection with the preparation of this Disclosure Statement. Although counsel to and other advisors retained by the Debtors have performed certain limited due diligence in connection with the preparation of this Disclosure Statement, they have not verified independently the information contained herein.

10. The Potential Exists for Inaccuracies, and the Debtors Have No Duty to Update.

The statements contained in this Disclosure Statement are made by the Debtors as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has not been a change in the information set forth herein since that date. While the Debtors have used their reasonable business judgment to ensure the accuracy of all of the information provided in this Disclosure Statement and in the Plan, the Debtors nonetheless cannot, and do not, confirm the current accuracy of all statements appearing in this Disclosure Statement. Further, although the Debtors may subsequently update the information in this Disclosure Statement, the Debtors have no affirmative duty to do so unless ordered to do so by the Bankruptcy Court.

11. No Representations Made Outside the Disclosure Statement Are Authorized.

No representations concerning or relating to the Debtors, the Chapter 11 Cases or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance or rejection of the Plan that are other than as contained in, or included with, this Disclosure Statement, should not be relied upon by you in arriving at your decision. You should promptly report unauthorized representations or inducements to counsel to the Debtors and the United States Trustee.

VII.
ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

A. LIQUIDATION UNDER CHAPTER 7 OF THE BANKRUPTCY CODE

If the Plan or an alternative chapter 11 plan of reorganization cannot be confirmed, the Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code in which case, a trustee would be elected or appointed to liquidate the Debtors' assets. A discussion of the effect a chapter 7 liquidation would have on the recovery of Holders of Claims is set forth in Section V.C herein, titled "Statutory Requirements for Confirmation of the Plan." The Debtors believe that liquidation under chapter 7 would result in (i) smaller or equal distributions being made to creditors entitled to a recovery than those provided for in the Plan based on the liquidation value of the Debtors' assets and because of the additional administrative expenses involved in the appointment of a trustee and attorneys and other professionals to assist such trustee, (ii) additional expenses and claims, some of which would be entitled to priority, which would be generated during the liquidation and from the rejection of unexpired leases and executory contracts in connection with the cessation of the Debtors' operations, and (iii) the failure to realize the greater, going-concern value of all of the Debtors' assets.

B. FILING OF AN ALTERNATIVE PLAN OF REORGANIZATION

If the Plan is not confirmed, the Debtors or any other party in interest could attempt to formulate a different chapter 11 plan of reorganization. Such a plan might involve either a reorganization and continuation of the Debtors' businesses or an orderly liquidation of the Debtors' assets. As discussed above, during the negotiations prior to the filing of the Chapter 11 Cases and the Plan, the Debtors explored various alternatives to the Plan.

The Debtors believe that the Plan enables the Debtors to emerge from chapter 11 successfully and expeditiously, preserving their businesses and allowing their creditors to realize the highest recoveries under the circumstances. In a liquidation under chapter 11 of the Bankruptcy Code, the assets of the Debtors would be sold in an orderly fashion over a more extended period of time than in a liquidation under chapter 7, and a trustee need not be appointed. Accordingly, creditors would receive greater recoveries than in a chapter 7 liquidation. Although a chapter 11 liquidation is preferable to a chapter 7 liquidation, the Debtors believe that a liquidation under chapter 11 is a much less attractive alternative to creditors than the Plan because the Plan provides for a greater return to creditors.

The prolonged continuation of the Chapter 11 Cases is likely to adversely affect the Debtors' businesses and operations. Among other things, the longer the Chapter 11 Cases continue, the more likely it is that the Debtors' vendors and service providers will lose confidence in the Debtors' ability to reorganize their businesses successfully and will seek to establish alternative commercial relationships. Furthermore, so long as the Chapter 11 Cases continue, the Debtors will be required to incur substantial costs for professional fees and other expenses associated with the proceedings. In addition, the Debtors may no longer be permitted to use cash collateral on a consensual basis. Under these circumstances, it is unlikely the Debtors could successfully reorganize without damage to their business operations and material decreases in recoveries for creditors.

VIII.
EXEMPTIONS FROM SECURITIES ACT REGISTRATION

SECTION 1145 OF THE BANKRUPTCY CODE AND SECTION 4(A)(2) OF THE SECURITIES ACT

All shares of New Equity Interests issued to Holders of Allowed Claims on account of their respective Claims will be issued without registration under the Securities Act or any similar federal, state, or local law in reliance on section 1145(a) of the Bankruptcy Code (or to the extent required, in reliance on section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder).

1. Securities Issued in Reliance on Section 1145 of the Bankruptcy Code.

Under the Plan, the Plan Securities and Documents will be issued to certain Holders of Class 6 Allowed Claims in reliance upon section 1145(a)(1) of the Bankruptcy Code (collectively, the "**1145 Securities**"). Section 1145(a)(1) of the Bankruptcy Code provides that the securities registration requirements of federal and state securities laws do not apply to the offer or sale of a security by a debtor if:

- the offer or sale occurs under a plan of reorganization;
- the recipients of such security hold a claim against, an interest in or claim for administrative expense in the case concerning the debtor; and
- such security is offered in exchange for a claim against, an interest in or claim for administrative expense in the case concerning the debtor, or is offered principally in such exchange and partly for cash and property.

2. Resale of 1145 Securities.

Pursuant to section 1145(c) of the Bankruptcy Code, an offer or sale of the 1145 Securities is deemed to be a public offering. The 1145 Securities may be resold without registration under either (a) state securities or "blue sky" laws pursuant to various exemptions provided by the respective laws of the several states or (b) the Securities Act pursuant to an exemption provided by section 4(a)(1) of the Securities Act, unless the holder is an "underwriter" (as such term is defined in the Bankruptcy Code) with respect to the 1145 Securities. Section 1145(b)(1) of the Bankruptcy Code defines an "underwriter" as any person who:

- purchases a claim against, an interest in, or a claim for an administrative expense in the case concerning the debtor, if such purchase is with a view to distributing any security received in exchange for such a claim or interest;
- offers to sell securities offered under a plan of reorganization for the holders of such securities;
- offers to buy those securities from the holders of the securities, if the offer to buy is (i) with a view to distributing such securities and (ii) under an agreement made in connection with the plan of reorganization, the completion of the plan of reorganization or with the offer or sale of securities under the plan of reorganization; or
- is an issuer with respect to the securities, as the term "issuer" is defined in the Securities Act.

The term "issuer" is defined in section 2(a)(4) of the Securities Act; however, the reference contained in section 1145(b)(1)(D) of the Bankruptcy Code to section 2(a)(11) of the Securities Act purports to include as statutory underwriters all persons who, directly or indirectly, through one or more intermediaries, control, are controlled by or are under common control with, an issuer of securities. "Control" (as defined in Rule 405 under the Securities Act) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise.

Accordingly, an officer or director of a reorganized debtor or its successor under a plan of reorganization may be deemed to be a "control person" of such debtor or successor, particularly if the management position or directorship is coupled with ownership of a significant percentage of the reorganized debtor's or its successor's voting securities. Moreover, the legislative history of section 1145 of the Bankruptcy Code suggests that a creditor who owns ten percent (10%) or more of the securities of a reorganized debtor may be presumed to be a "control person."

3. Resale of the 1145 Securities by "Underwriters".

Resales by persons who receive any Plan Securities who are deemed to be "underwriters" (as such term is defined in the Bankruptcy Code) (collectively, the "**Restricted Holders**") would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act. Restricted Holders would, however, be permitted to sell the New Equity Interests or the other 1145 Securities, as applicable, without registration if they are able to comply with the provisions of Rule 144 under the Securities Act, as described further below, or if such securities are registered with the Securities and Exchange Commission pursuant to a registration agreement or otherwise. Any person who is an "underwriter" but not an "issuer" with respect to an offer of the 1145 Securities is, in addition, entitled to engage in exempt "ordinary trading transactions" within the meaning of section 1145(b)(1) of the Bankruptcy Code.

4. Resale of Plan Securities Issued Pursuant to Section 4(a)(2).

Plan Securities issued pursuant to the exemption from registration set forth in section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder will be "restricted securities." Resales of such restricted securities would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law. Holders of restricted securities would, however, be permitted to resell such Plan Securities without registration if they are able to comply with the applicable provisions of Rule 144, as described further below, or any other registration exemption under the Securities Act, or if such Plan Securities are registered with the Securities and Exchange Commission.

5. Rule 144.

Under certain circumstances, Restricted Holders and holders of "restricted securities" may be entitled to resell their securities pursuant to the limited safe harbor resale provisions under Rule 144 of the Securities Act, to the extent available and in compliance with applicable state and foreign securities laws.

Rule 144 provides an exemption for the public resale of "restricted securities" if certain conditions are met. These conditions vary depending on whether the holder of the restricted securities is an affiliate of the issuer. An affiliate is defined as "a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the issuer."

A non-affiliate who has not been an affiliate of the issuer during the preceding three months may resell restricted securities after a six-month holding period if at the time of the sale there is available certain current public information regarding the issuer, and may sell the securities after a one-year holding period whether or not there is current public information regarding the issuer. Adequate current public information is available for a reporting issuer if the issuer has been required to and has filed all periodic reports required under section 13 or 15(d) of the Securities Exchange Act of 1934 during the twelve months preceding the sale of the restricted securities. If the issuer is a non-reporting issuer, adequate current public information is available if certain information about the issuer is made publicly available. The Debtors currently expect that the Reorganized Debtors will not be required to file periodic reports under the Exchange Act and that resales by non-affiliates will be permitted by Rule 144 only after the twelvemonth holding period expires.

An affiliate may resell restricted securities after the twelve-month holding period. However, an affiliate must also comply with the volume, manner of sale and notice requirements of Rule 144. First, the rule limits the number of restricted securities (plus any unrestricted securities) sold for the account of an affiliate (and related persons) in any three-month period to the greater of 1% of the outstanding securities of the same class being sold, or, if the class is listed on a stock exchange, the greater of 1% of the average weekly reported volume of trading in such

restricted securities during the four weeks preceding the filing of a notice of proposed sale on Form 144. Second, the manner of sale requirement provides that the restricted securities must be sold in a broker's transaction, which generally means they must be sold through a broker and handled as a routine trading transaction. The broker must receive no more than the usual commission and cannot solicit orders for the sale of the restricted securities except in certain situations. Third, if the sale exceeds 5,000 restricted securities or has an aggregate sale price greater than $50,000, an affiliate must file with the SEC three copies of a notice of proposed sale on Form 144. The sale must occur within three months of filing the notice unless an amended notice is filed.

The Debtors believe that the Rule 144 exemption will not be available with respect to any Plan Securities issued pursuant to section 4(a)(2) of the Securities Act (whether held by non-affiliates or affiliates) until at least twelve months after the Effective Date. Accordingly, holders of such Plan Securities will be required to hold their Plan Securities for at least twelve months and, thereafter, to sell them only in accordance with the applicable requirements of Rule 144.

Pursuant to the Plan, certificates evidencing Plan Securities issued pursuant to section 4(a)(2) of the Securities Act will bear a legend substantially in the form below (the "**Legend**"):

"THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR APPLICABLE STATE SECURITIES LAWS ("STATE ACTS") AND MAY NOT BE SOLD, ASSIGNED, PLEDGED OR TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR STATE ACTS COVERING SUCH SECURITIES OR THE SECURITIES ARE SOLD AND TRANSFERRED IN A TRANSACTION THAT IS EXEMPT FROM OR NOT SUBJECT TO THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF THE ACT OR STATE ACTS."

WHETHER OR NOT ANY PARTICULAR PERSON WOULD BE DEEMED TO BE AN "UNDERWRITER" OF SECURITIES TO BE ISSUED PURSUANT TO THE PLAN OR AN "AFFILIATE" OF REORGANIZED PARENT WOULD DEPEND UPON VARIOUS FACTS AND CIRCUMSTANCES APPLICABLE TO THAT PERSON. ACCORDINGLY, THE DEBTORS EXPRESS NO VIEW AS TO WHETHER ANY SUCH PERSON WOULD BE SUCH AN "UNDERWRITER" OR AN "AFFILIATE." IN VIEW OF THE COMPLEX, SUBJECTIVE NATURE OF THE QUESTION OF WHETHER A PARTICULAR PERSON MAY BE AN UNDERWRITER OR AN AFFILIATE OF REORGANIZED PARENT, THE DEBTORS MAKE NO REPRESENTATIONS CONCERNING THE RIGHT OF ANY PERSON TO TRADE IN SECURITIES OF REORGANIZED PARENT. ACCORDINGLY, THE DEBTORS RECOMMEND THAT POTENTIAL RECIPIENTS OF ANY SECURITIES TO BE ISSUED PURSUANT TO THE PLAN CONSULT THEIR OWN COUNSEL CONCERNING WHETHER THEY MAY FREELY TRADE SUCH SECURITIES.

Additionally, any of the 1145 Securities held by an identified Restricted Holder will be subject to bear the Legend on any certificates evidencing such 1145 Securities.

IX.
CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

A. IN GENERAL

The following discussion summarizes certain U.S. federal income tax considerations with respect to the consummation of the Plan. This discussion does not address all U.S. federal income tax consequences of the consummation of the Plan, nor does it address any tax consequences other than U.S. federal income tax consequences, such as any consequences arising under any state, local or foreign tax laws. This discussion is based on the current provisions of the Internal Revenue Code of 1986, as amended (the "**Tax Code**"), applicable Treasury Regulations promulgated thereunder, judicial decisions and published rulings and administrative pronouncements of the Internal Revenue Service (the "**IRS**"). No ruling from the IRS has been sought or will be sought, nor will any opinion of counsel be rendered, regarding the U.S. federal income tax consequences discussed below. No assurance can be given that the IRS will not take a contrary position as to the U.S. federal income tax consequences of the consummation of the Plan, or that any such contrary position would not be sustained by a court.

Changes in legislative, judicial or administrative authority or interpretations may occur and may be prospective or retroactive in application. Any such changes could affect the U.S. federal income tax consequences to Holders, any other beneficial owners of Claims, the Debtors or the Reorganized Debtors, and could alter or modify the statements and conclusions set forth herein. No prediction can be made at this time whether any tax legislation will be enacted or, if enacted, whether any changes in the U.S. federal income tax laws would affect the tax consequences of the consummation of the Plan described herein.

The following discussion provides general information only and is limited to U.S. federal income tax consequences to the Holders that are entitled to vote on the Plan with respect to their Claims in Class 6 and Claims in Class 7. This discussion assumes that Holders hold their Claims as capital assets within the meaning of Section 1221 of the Tax Code (generally, property held for investment) and that all Claims denominated as indebtedness are properly treated as indebtedness for U.S. federal income tax purposes. The U.S. federal income tax consequences to any particular Holder will depend on such Holder's particular situation. This discussion does not address all U.S. federal income tax considerations that may be relevant to a Holder, including any alternative minimum tax consequences, and does not address the U.S. federal income tax consequences to a Holder whose Claim is resolved in a manner not explicitly provided for in the Plan. This discussion also does not address the U.S. federal income tax consequences to Holders subject to special rules under the U.S. federal income tax laws, including, without limitation, financial institutions, insurance companies, dealers in securities or currencies, certain securities traders, tax-exempt organizations, tax-qualified retirement plans, foreign corporations, foreign trusts, foreign estates, Holders who are not citizens or residents of the United States, Holders that hold their Claims as part of a straddle, hedge, conversion, synthetic security or other integrated instrument, Holders whose functional currency is not the U.S. dollar and Holders that acquired their Claims in connection with the performance of services.

If an entity or other arrangement treated as a partnership for U.S. federal income tax purposes holds Claims, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. Partners of any such partnerships should consult their tax advisors.

EACH HOLDER SHOULD CONSULT ITS OWN TAX ADVISOR REGARDING THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE CONSUMMATION OF THE PLAN, AS WELL AS ANY TAX CONSEQUENCES OTHER THAN U.S. FEDERAL INCOME TAX CONSEQUENCES, INCLUDING ANY CONSEQUENCES ARISING UNDER STATE, LOCAL OR FOREIGN TAX LAWS.

B. CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES TO HOLDERS OF EXCHANGES OF CLAIMS IN CLASS 6 AND CLAIMS IN CLASS 7 PURSUANT TO THE PLAN

The tax treatment of Holders of Claims in Class 6 and Holders of Claims in Class 7 pursuant to the Plan, including the character, timing and amount of any gain or loss recognized as a result of the consummation of the Plan, will depend on a number of factors, including (i) the nature and origin of the Claim, (ii) the tax status of the Holder of the Claim, (iii) the manner in which the Holder acquired the Claim, (iv) how long the Holder has held the Claim, (v) whether the Holder previously claimed a loss, bad debt deduction or other similar deduction with respect to the Claim and (vi) whether the Claim was acquired at a discount. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN TO THEM IN LIGHT OF THEIR PARTICULAR SITUATIONS.

1. Claims in Class 6.

The tax treatment of Holders of Claims in Class 6 is not clear. The exchange of such Claims for an interest in the New Equity Interests pursuant to the Plan may be treated as a fully taxable exchange of such Claims for an undivided share of the Debtors' assets (with gain or loss on such exchange being determined by reference to the fair market value of such share of the Debtors' assets), followed by a deemed contribution of such assets to a newly formed partnership in exchange for equity interests in such partnership. Alternatively, the exchange of such Claims for an interest in the New Equity Interests pursuant to the Plan may be treated as a contribution of such Claims to a newly formed partnership in exchange for equity interests in such partnership, in which case Holders of such Claims may not claim any portion of their loss, if any, as a result of such exchange.

Although the issue is not free from doubt, to the extent that the transaction is treated as an exchange of such Claims for an undivided share of the Debtors' assets we believe such Holder generally should recognize gain (or loss) equal to the difference between the fair market value of its undivided share of the Debtors' assets received in the exchange and the Holder's adjusted tax basis in the portion of such Claims. Subject to the discussions below relating to accrued interest, accrued original issue discount and market discount, such gain or loss generally should be capital gain or loss, unless and to the extent that the Holder previously claimed a loss, bad debt deduction or other similar deduction with respect to its Claim.

2. Claims in Class 7.

The consideration to be received by Holders of Claims in Class 7 is cash in exchange for their Claims in Class 7. The Holders would generally recognize gain or loss equal to the difference between the amount of cash received and the Holder's adjusted tax basis in its Claims in Class 7. As discussed below, in certain circumstances all or a portion of any such gain could be treated as ordinary income under the rules relating to accrued interest, accrued original issue discount or market discount. Depending on the proper tax treatment, Holders of Claims in Class 7 may or may not recognize gain (or loss) for U.S. federal income tax purposes at the time of the exchange. Holders of Claims in Class 7 should consult their own tax advisors regarding the potential consequences of an exchange of their Claims in Class 7 pursuant to the Plan.

3. Accrued and Unpaid Interest or Original Issue Discount.

In general, to the extent any consideration received by a Holder pursuant to the Plan is allocable to accrued but unpaid interest or to original issue discount that accrued during such Holder's holding period, such amount will be taxable to the Holder as ordinary interest income (to the extent not previously included in the Holder's gross income). Pursuant to the Plan, all distributions in respect of Claims may be treated as allocated first to the principal amount of such Claims, with any excess allocated to any accrued but unpaid interest. However, the proper method for allocating consideration under the Plan to principal and interest is unclear, and there is no assurance that any such allocation will be respected by the IRS for U.S. federal income tax purposes. If the IRS were to determine that all or a portion of such distributions should be allocated to accrued but unpaid interest, a Holder could be required to recognize ordinary interest income (to the extent not previously included as interest in the Holder's gross income).

4. Market Discount.

If a Holder acquired interests in the Prepetition Credit Agreement and/or interests in another debt instrument with market discount, then any gain recognized by a Holder on a taxable exchange of Claims arising out of such interests generally would be ordinary income to the extent of the market discount that accrued thereon during the Holder's holding period, unless the Holder previously elected to include the market discount in income as it accrued. The rules regarding market discount are complex and subject to certain exceptions, and Holders should discuss with their tax advisors regarding the potential consequences of these rules.

5. Information Reporting and Backup Withholding.

The Reorganized Debtors (or an agent or payor acting on their behalf) may be obligated to provide information returns to Holders and/or to the IRS in connection with payments made to Holders and other transactions occurring pursuant to the Plan.

A Holder may also be subject to backup withholding with respect to payments received pursuant to the Plan, unless (i) such Holder is a corporation or otherwise exempt from backup withholding and demonstrates this fact when required or (ii) provides a correct U.S. federal taxpayer identification number, certifies under penalties of perjury that it is exempt from backup withholding and complies with other applicable requirements. A Holder that does not provide a correct taxpayer identification number or does not otherwise comply with the applicable requirements may be subject to penalties.

Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules may be credited against a Holder's U.S. federal income tax liability, and Holders may obtain a refund of any excess amounts withheld by timely filing a proper claim for refund with the IRS.

C. CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES TO THE DEBTORS

Prior to the consummation of the Plan, the Debtors are each currently treated as disregarded entities for U.S. federal income tax purposes. Parent, as reorganized pursuant to the Plan, is expected to continue to be treated as a disregarded entity for U.S. federal income tax purposes. As such, the Plan is not expected to result in any U.S. federal income tax liability for Parent. As a result of the transactions contemplated by the Plan, as discussed below, Reorganized Parent is expected to become a partnership for U.S. federal income tax purposes. Such conversion of Reorganized Parent from a disregarded entity into a partnership is not expected to result in any current U.S. federal income tax liability for Reorganized Parent.

D. CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES TO HOLDERS WITH RESPECT TO THE NEW EQUITY INTERESTS

1. New Equity Interests.

Under current Treasury Regulations, a domestic business entity that has two or more equity owners and that is not organized as a corporation under U.S. federal or state law generally will be classified as a partnership for U.S. federal income tax purposes, unless it elects to be classified as an association taxable as a corporation. Reorganized Parent is not expected to elect to be classified as an association taxable as a corporation, and therefore, subject to the discussion below regarding "publicly traded partnerships," Reorganized Parent is expected to be treated as a partnership for U.S. federal income tax purposes.

An entity that would otherwise be classified as a partnership for U.S. federal income tax purposes nonetheless will be taxable as a corporation if it is a "publicly traded partnership" and does not qualify for an exception based on the entity's type of income. For this purpose, a partnership will be considered a publicly traded partnership if interests in the partnership are traded on an established securities market or are readily tradable on a secondary market or the substantial equivalent thereof. Under a safe harbor provision in the relevant Treasury Regulations, interests in a partnership are not considered readily tradable on a secondary market or the substantial equivalent thereof if all of the interests in the partnership were issued in a transaction exempt from registration under the Securities Act of 1933, as amended, and the partnership does not have more than 100 partners at any time during the taxable year of the partnership, taking into account certain anti-avoidance and look-through rules. For purposes of these rules, any interest in the capital or profits of a partnership (including any right to partnership distributions), as well as any financial instrument or contract the value of which is determined in whole or in part by reference to the partnership, is treated as a partnership interest. Reorganized Parent is not currently expected to be treated as a publicly traded partnership under these rules.

An entity that is taxable as a partnership for U.S. federal tax purposes and engaged in a U.S. trade or business must file annual U.S. federal income tax returns but generally is not subject to U.S. federal income tax itself. Instead, the partnership's items of taxable income, gain, loss and deduction are allocated and passed through to its partners. Provided that Reorganized Parent is classified as a partnership for federal income tax purposes, each Holder that receives New Equity Interests or any other interest treated as an equity interest in Reorganized Parent will be required to file and to report on a U.S. federal income tax return, and will be subject to tax on, its distributive share of Reorganized Parent's items of taxable income, gain, loss and deduction. Accordingly, if Reorganized Parent recognizes taxable income or gain, such a Holder would generally have to pay tax on its distributive share, if any, of such income and gain, even if the Holder does not receive any cash or other distributions from Reorganized Parent that could be used to pay such tax. Each item of income, gain, loss and deduction generally will have the same character and source (e.g., as interest, dividend, gain or other type of item) for the Holder as if the Holder had realized the item directly, rather than indirectly through Reorganized Parent.

THE FOREGOING DISCUSSION OF CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS IS FOR GENERAL INFORMATION ONLY AND IS NOT TAX ADVICE. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE U.S. FEDERAL INCOME TAX CONSEQUENCES TO THEM OF THE CONSUMMATION OF THE PLAN DESCRIBED HEREIN, AS WELL AS ANY OTHER TAX CONSEQUENCES, INCLUDING ANY TAX CONSEQUENCES ARISING UNDER STATE, LOCAL OR FOREIGN TAX LAWS. NEITHER THE PROPONENTS OF THE PLAN NOR THEIR PROFESSIONALS WILL HAVE ANY LIABILITY TO ANY PERSON ARISING FROM OR RELATED TO THE U.S. FEDERAL, STATE, LOCAL, FOREIGN OR ANY OTHER TAX CONSEQUENCES OF THE PLAN OR THE FOREGOING DISCUSSION.

RECOMMENDATION

In the opinion of the Debtors, the Plan is preferable to the alternatives described in this Disclosure Statement because it provides for a larger distribution to the Debtors' creditors than would otherwise result in a liquidation under chapter 7 of the Bankruptcy Code. In addition, any alternative other than confirmation of the Plan could result in extensive delays and increased administrative expenses resulting in smaller distributions to Holders of Allowed Claims than that which is proposed under the Plan. Accordingly, the Debtors recommend that Holders of Claims entitled to vote on the Plan support confirmation of the Plan and vote to accept the Plan.

Respectfully submitted,

/s/

ExGen Texas Power, LLC
ExGen Texas Power Holdings, LLC
Wolf Hollow I Power, LLC
Colorado Bend I Power, LLC
Handley Power, LLC
Mountain Creek Power, LLC
La Porte Power, LLC

By: David Rush

Title: Chief Restructuring Officer

Date: November 7, 2017

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Proposed Counsel for the Debtors and Debtors-in-Possession

EXHIBIT A

Plan of Reorganization

[Separately filed]

EXHIBIT B

Disclosure Statement Order

[To be filed]

EXHIBIT C

Financial Projections

[To be filed]

EXHIBIT D

Liquidation Analysis

[To be filed]

EXHIBIT E

Historical Financial Statements

[To be filed]

EXHIBIT F

Valuation Analysis

[To be filed]

EXHIBIT G

Shared Assets Term Sheet

Exhibit G
Shared Assets Term Sheet

	Description	**Proposed Resolution**
1.	Shared Assets	The shared assets set forth on Exhibit A hereto and currently held by Colorado Bend Services, LLC ("CBS") and Wolf Hollow Services, LLC ("WHS", and with CBS, the "Shared Asset Entities") will be contributed to Colorado Bend I Power, LLC ("CBI") or Wolf Hollow I Power, LLC ("WHI"), as applicable, without additional compensation. The following shared assets shall remain the property of CBS and WHS, as applicable: (i) the Colorado Bend ("CB") well operating permit, (ii) the Wolf Hollow ("WH") water supply agreement, (iii) WH water supply infrastructure (including related controls), (iv) CB and WH wastewater discharge permits, (v) CB and WH wastewater discharge lines, (vi) crossing permits, (vii) CB security fence between CBI and Colorado Bend II Power, LLC ("CBII"), and (viii) certain reciprocal easements, which, in each case, will remain shared assets (collectively, with spare water pumps referenced in next sentence, the "Shared Assets"). CB and WH spare water pumps for shared assets currently held by CBI and WHI to be contributed to the Shared Asset Entities, without additional compensation. CBI shall transfer to CBII all of its right, title and interest, if any, in and to approximately [0.574][1] acres of land surrounding Well 5, subject to the absence of any utility, road, transmission line, pipeline or other equipment or property used in the operation of the CBI facility ("CBI Equipment") (other than CBI Equipment not material to the operation of the CBI facility which may be accessed (for

[1] Note to Draft: This is the maximum amount of land requested by CBII. Although the exact parcel to be transferred remains subject to continuing review by CBI, the amount of land transferred will be the minimum amount that will satisfy CBII's needs (not to exceed the requested parcel), subject to the restrictions set forth herein.

	Description	Proposed Resolution
		purposes of operation and maintenance) and operated by the CBI O&M Operator pursuant to an easement under the reciprocal easement agreement). CBII shall pay any transfer taxes associated with such transfer.
2.	Shared Asset Entities	WHS or successor entity shall be owned 50%/50% by the direct or indirect owners of WHI and Wolf Hollow II Power, LLC ("WHII"), respectively. CBS or successor entity shall be owned 50%/50% by the direct or indirect owners of CBI and CBII respectively.
3.	Liability of each Project Company	Individual project companies shall be liable under shared asset agreements for amounts to be agreed. In addition, each of WHI/WHII and CBI/CBII shall be individually responsible for fines or penalties assessed by Brazos River Authority, Coastal Bend Groundwater Conservation District or TCEQ resulting from breach of the respective permits caused by the applicable project company breaching the water intake and wastewater discharge allocations specified herein.
4.	Shared Assets Operator[2]	Exelon Generation Company, LLC will operate the shared assets retained by CBS/WHS for the benefit of CBI/WHI and CBII/WHII in accordance with prudent industry practices.
5.	Term of Appointment of Shared Assets Operator	4 years; subject to automatic renewal for successive one year terms unless Shared Assets Operator declines.
6.	Removal of Shared Assets Operator by WHI/CBI	Until second anniversary of plan effective date, Shared Assets Operator removeable by CBI/WHI alone only for material breach of the shared assets CB O&M agreement or WH O&M agreement, respectively, subject to

[2] Shared Assets Operator for CB and WH pursuant to separate O&M agreements for Shared Assets other than the WH water infrastructure. For the avoidance of doubt, the Shared Assets Operator will administer the WH BRA Water Supply Agreement, subject to Section 25 hereof.

	Description	Proposed Resolution
		customary cure periods to be agreed. Thereafter, operator removeable by CBI/WHI alone upon 120 days' prior written notice. Replacement operator must be mutually acceptable to both parties.
7.	Termination by Shared Assets Operator	Shared Assets Operator shall terminate operator relationship as to CBS or WHS, applicable, in event of change of control of CBII/WHII, non-payment of fees by CBS/WHS or gross negligence by Shared Assets Operator with respect to CBS/WHS.
8.	Compensation	Payment to the Shared Assets Operator by each of the Shared Assets Entities (who shall in turn be funded by Project Companies in accordance with the cost allocation set forth herein) of (i) a fixed fee of $60,000/year (as adjusted by budgetary process) in respect of WH Shared Assets (other than raw water infrastructure); (ii) $40,000/year (as adjusted by budgetary process) in respect of CB shared assets; and (iii) reimbursement of variable costs and expenses in respect of WH and CB to the extent consistent with the applicable budget and an adjustment process to be agreed to with respect to emergency and unexpected expenses. Annual budgetary process requiring approval of both project companies. Payments shall be made quarterly in advance of payments.
9.	Liability of Shared Assets Operator	For CB, liability of Shared Assets Operator will be capped at the lesser of (x) 24 months of O&M fixed fee payments and (y) O&M fixed fee payments to date. For WH, liability of Shared Assets Operator will be capped at the lesser of (x) 24 months of O&M fixed fee payments and (y) O&M fixed fee payments to date.
10.	CB Well Allocation	CBI (A) to own wells 1, 2 and 3 and (B)

	Description	Proposed Resolution
		subject to (i) payment of associated expenses and (ii) notice, consultation and cooperation procedures to be agreed, right to use well 5 (until the date that is 2 years following the effective date of a plan of reorganization of CBI). CBII (A) to own wells 4 and 5 and (B) subject to (i) payment of associated expenses and (ii) notice, consultation and cooperation procedures to be agreed, to have the right to use well 2 (until the date that is 2 years following the effective date of a plan of reorganization of CBI). Access to the other project company's well shall only occur in the event water is not available due to a physical limit, historical use limit or average annual use limit on the supply from the accessing party's own wells. In the event of a shortage of available water due to such access of the other project company's well, the well owner shall have the priority in the available supply. Priority of water of each project company to its own wells shall be determined in accordance with such project company's good faith determination of projected use of water at the respective plant for the remaining term of the permit as of the time of determination plus a margin to be agreed in definitive documentation. Each of CBI and CBII agree to maintain each of the respective project company's wells in accordance with prudent industry practices. Alternatively, CBI and CBII may enter into such other arrangement as mutually agreed to eliminate the need to share wells.

	Description	Proposed Resolution
11.	CB Water Allocation	CBI shall be entitled to 75% of available groundwater under shared permit (i.e., 7,290 acre feet over 2017 through 2019) and required to pay 75% of associated costs. CBII shall be entitled to 25% of available groundwater under shared permit (i.e., 2,430 acre feet over 2017 through 2019) and required to pay 25% of associated costs. No limits other than overall permit limits (i.e., unused availability in any year may be allocated to other years). At least 812 acre feet/year of historic usage to be allocated to CBII.
12.	CB Well Spacing Requirements	Each of CBI and CBII shall waive any well spacing requirements that would otherwise apply to drilling of new wells by either and shall cooperate in obtaining regulatory approval for the drilling of such new wells.
13.	Split of CB Groundwater Permit	CBI and CBII shall work cooperatively to split CB groundwater permit into two (with the split permits implementing the above allocation).
14.	WH Water Allocation	WHI shall be entitled to 50% of available raw water under water supply agreement and required to pay 50% of annual fee. WHII shall be entitled to 50% of available raw water under water supply agreement and required to pay 50% of annual fee.
15.	Split of WH Water Supply Agreement	WHI and WHII shall work cooperatively to split WH water supply agreement into two (with the split agreements implementing the above allocation).
16.	WH Raw Water Intake System and WH Raw Water Intake System Operator	Raw water lift control system will physically remain in WHI control room and WHI O&M operator (pursuant to O&M agreement with the Shared Asset Entity) will operate and

	Description	Proposed Resolution
		maintain (including long-term maintenance) raw water lift control system, including pumps at Lake Granbury, and raw water line. WHI O&M operator will perform its duties in accordance with prudent industry practice and in accordance with certain protocols to be agreed to between the parties. WHI O&M operator liability will be capped at the lesser of (x) 24 months of total O&M payments and (y) O&M payments to date. Costs and expenses of the Raw Water Intake System will be split 50/50. WHII will have access to the raw water intake system in order to perform emergency repairs if required. WHI O&M operator will cooperate with Shared Assets Operator in communicating and complying with Brazos River Authority in respect of the BRA Water Supply Agreement. Until second anniversary of appointment, WHI O&M Operator removeable by WHII alone only for material breach of the raw water intake shared assets WH O&M agreement, subject to customary cure periods to be agreed. Thereafter, removeable by WHII alone upon 120 days' prior written notice. WHII will have alarm and monitoring capability included in WHII control room. WHII will also have ability to monitor and coordinate maintenance activities of raw water intake system.
17.	CB Wastewater Discharge Allocation	CBI shall be entitled to 70% of effluent flow volume permitted under wastewater discharge permit and available capacity of the water discharge line and shall be required to pay 70% of associated costs.

	Description	Proposed Resolution
		CBII shall be entitled to 30% of effluent flow volume permitted under wastewater discharge permit and available capacity of the water discharge line and shall be required to pay 30% of associated costs.
18.	WH Wastewater Discharge Allocation	WHI shall be entitled to 60% of effluent flow volume permitted under wastewater discharge permit and available capacity of the water discharge line and shall be required to pay 60% of associated costs. WHII shall be entitled to 40% of effluent flow volume permitted under wastewater discharge permit and available capacity of the water discharge line and shall be required to pay 40% of associated costs.
19.	Splitting of Wastewater Discharge Permits	Either party may request to split wastewater discharge permits subject to splits consistent with the above allocation. Both parties shall work cooperatively to obtain separate wastewater discharge permits if so requested.
20.	CB Allocation of Other Expenses	CBI shall bear 50% of all other expenses of applicable shared asset entity. CBII shall bear 50% of all other expenses of applicable shared asset entity.
21.	WH Allocation of Other Expenses	WHI shall bear 50% of all other expenses of applicable Shared Asset Entity. WHII shall bear 50% of all other expenses of applicable Shared Asset Entity.
22.	Disconnection Procedures	Upon non-compliance (as will be defined in detail), other party may seek expedited arbitration of dispute. If such arbitration is decided in favor of complaining party, complaining party may instruct the applicable Shared Asset Entity to instruct the Shared Assets Operator or the Raw Water Lift Control System Operator, and the Shared Assets Operator or the Raw Water Intake System

	Description	Proposed Resolution
		Operator, as applicable, shall disconnect non-compliant party from water intake and/or wastewater discharge system, as applicable.
23.	Governance	Major decisions shall require approval of both applicable project companies, including sale of all or a material portion of the assets or incurrence of liens or pledges. In the event budget cannot be agreed, budget for the preceding year plus an incremental increase of 5% shall apply. If either project company objects to a major maintenance expenditures, Shared Asset Entity may proceed but (i) proponent project company shall bear upfront cost and (ii) proponent project company must seek reimbursement from objecting project company through expert proceedings with a mutually agreed independent engineering firm.
24.	Administration of Permits	WHI/WHII and CBI/CBII will cooperate in good faith in the administration of permits, including renewals, and no project company or Shared Asset Entity shall unreasonably condition, withhold consent to or reject any action in respect of such permits required or permitted to be taken in accordance with prudent industry practice.
25.	Remaining Terms	The remaining terms of the shared assets and services agreements, reciprocal easement agreements, O&M agreements and contribution agreements and other agreements related to the shared assets and shared services shall be as reasonably acceptable to WHI/CBI, WHII/CBII and the required lenders under the existing secured credit facility entered into by WHI, CBI and certain of their affiliates. For the avoidance of doubt, the terms and conditions of the shared asset agreements to which CBI and CBII and WHI and WHII are party shall remain in full force and effect until

	Description	Proposed Resolution
		the entry into effect of new shared asset and shared services agreements substantially in accordance with the terms set forth in this term sheet and otherwise on terms and conditions reasonably acceptable to the parties.

Exhibit A
Contributed Assets

Acquired by CBI from CBS

1. Water Wells Numbered 1, 2 and 3 as identified in Well Operating Permit No. OP-06021502 issued by Coastal Bend Groundwater Conservation District on February 21, 2017, including associated on-site pumps, tanks, supply lines, and telephone lines.

2. Administrative Building (including Control Room inside the Administrative Building) and the contents of the same, including any office furniture, phone systems, security systems, computers and computers system and related software, safety equipment and control systems (other than Excluded IT Assets).

3. Storage Warehouse B and Install Building and the contents of the same, including any tools, garage equipment, safety equipment and the contents of the shop located therein.

4. Oil Storage Building and the contents of the same.

5. Technical Library/Storage Building and contents of the same.

6. The following vehicles:

    a. 2014 GMC Truck – Vin # 3GTP1UEC1EG166374

    b. 2014 Ford Truck – Vin # 1FT7W2B64EEA77832

    c. Forklifts and other industrial vehicles (if any) used and stored on the site.

7. FCC radio license

Acquired by WHI from WHS

1. Storm water retention pond, water tanks.

2. Administrative Building, Control Room and Maintenance Shop and the contents of the same, including any office furniture, phone systems, security systems, computers and computers system and related software, safety equipment and control systems (other than Excluded IT Assets).

3. Storage Warehouses 1 through 4 and the contents of the same, including any tools, garage equipment, safety equipment and the contents of the shop located therein.

4. The following vehicles:

    a. 2002 Ford Truck – VIN # 1FTNW21F92EB39021

    b. 2012 Ford Truck – VIN # 1FDRF3G67CEA28687

c. 6 Utility vehicles (maintenance carts)

d. 2 Golf Carts (operations carts)

e. WHI warehouse forklift

5. Security infrastructure, including guardhouse and fencing surrounding Wolf Hollow I.

6. FCC radio license

EXHIBIT H

Transition Services Term Sheet

SERVICES TO BE PROVIDED PURSUANT TO TRANSITION SERVICES AGREEMENT

Subject to the terms and conditions of a Transition Services Agreement (the "Agreement") in form and substance reasonably acceptable to each of Exelon Generation Company, LLC (the "Service Provider"), the Debtors and the Required Lenders, the Service Provider will perform solely the following services for the Reorganized Debtors (the "Purchaser") for the period specified in the column below entitled "Service Period after the Effective Date."

[NOTE: THE DEFINITIVE LIST OF SERVICES TO BE PROVIDED UNDER THE AGREEMENT MAY VARY DEPENDING ON WHETHER, AND TO WHAT EXTENT, SERVICE PROVIDER'S EMPLOYEES LOCATED AT PLANTS WILL BE TRANSITIONED AS OF THE EFFECTIVE DATE TO THE PURCHASER. IN ADDITION, CERTAIN INFORMATION TECHNOLOGY AND CONNECTIVITY PARAMETERS MAY LIMIT THE SCOPE OF PROVIDED SERVICES, DEPENDING ON THE EXTENT TO WHICH PURCHASER'S NEW INFORMATION TECHNOLOGY SYSTEMS WILL BE PUT IN PLACE AS OF THE EFFECTIVE DATE AND SERVICE PROVIDER'S INFORMATION TECHNOLOGY SYSTEMS WILL BE RECONFIGURED.]

I. Management Services

	Description	**Service Period after the Effective Date**
1.	Direct employees of any Service Provider located at the site of the Project (the "Site Personnel").	90 days (subject to extension for an additional 60 days (in 30 day increments) at the option of the Purchaser)
2.	Provide reasonable assistance to the Purchaser in preparation of generation and fuel consumption reports consistent with past practices on a monthly basis.	
3.	Provide reports to Purchaser to the extent the information required for such reports is available to Service Provider or can reasonably be created by Service Provider.	
4.	Provide reasonable assistance to Purchaser in receiving, distributing and storing fuel supply.	
5.	Provide reasonable assistance in the Purchaser's creation and filing of identified documents created in connection with operation and maintenance of the Project.	
6.	Maintain and retain usual and customary historical records of all operation and maintenance of, and modifications relating to, the Projects.	
7.	Support monthly energy billing by the Purchaser by assisting in the collection of Project metering data, including power delivery meter data, fuel usage data, and water delivery and wastewater transfer data.	
8.	Make available to Purchaser all data, documents and records	

	Description	Service Period after the Effective Date
	prepared and maintained by Service Provider within three (3) business days following Purchaser's request, or if more time is necessary given the nature and volume of information requested, within a reasonable longer time after Service Provider's receipt of such request.	
9.	Cooperate in providing information reasonably necessary and readily ascertainable, as requested by Purchaser, in connection with Purchaser's applications for public and local authority consents, concessions, grants and consents or in connection with Purchaser's representation with all public and local authorities, including FERC/NERC.	
10.	Cooperate in providing information reasonably necessary and readily ascertainable, as requested by Purchaser, in connection with Purchaser's compliance with rules and permits held by Purchaser and/or its affiliates.	
11.	Cooperate in providing information reasonably necessary and readily ascertainable, as requested by Purchaser, in connection with Purchaser's compliance with loan documents including required reporting.	
12.	Cooperate with the Purchaser in maintaining continuity with respect to Purchaser's invoicing, revenues and payments.	
13.	Cooperate and provide reasonable assistance to Purchaser in connection with Purchaser's processing of payrolls, payables and receivables. To the extent that Purchaser requires interim payroll processing or processing of payables and receivables, the Agreement shall provide that the Service Provider shall be held harmless and have no liability on account of such processing.	
14.	Provide reasonable assistance to the Purchaser in transitioning the general accounting services to Purchaser including cooperating with Purchaser regarding assistance associated with legal entity accounting books and records relating to cash receipts and disbursements, income and expenses, balance sheet activity including intercompany accounting and related reconciliations, budgeting and payroll functions or services serving parallel purposes, and in connection with Purchaser's preparation of financial statements.	
15.	Cooperate in providing information reasonably necessary and readily ascertainable, as requested by Purchaser, in connection with Purchaser's tax requirements, including tax compliance, tax provisioning, tax return preparation and tax planning services.	
16.	Cooperate in providing information reasonably necessary and readily ascertainable, as requested by Purchaser, in connection with Purchaser's preparation of financial statements, and partners' equity, tax information and returns, accounts payable and receivable, and all other financial, accounting and tax reports and data.	
17.	Cooperate in providing information reasonably necessary and	

	Description	Service Period after the Effective Date
	readily ascertainable, as requested by Purchaser, in connection with generation of reports relating to operations and results of operations, outages, emergency actions, repairs, maintenance.	
18.	Provide historical periodic reports readily ascertainable and as reasonably requested by Purchaser.	
19.	Provide historical monthly spending reports, to the extent readily ascertainable and as reasonably requested by Purchaser, detailing, by categories of expense, budget, actual and forecasted costs.	
20.	Maintain and retain usual and customary books and accounts.	

II. General Transition Services

	Description	Service Period after the Effective Date
1.	Upon expiration or termination of the Agreement, leave all Project documents and records, inventory, operation and maintenance manuals, and any and all other items, goods, materials, and equipment procured, obtained, prepared, developed or furnished at the Project.	90 days (subject to extension for an additional 60 days (in 30 day increments) at the option of the Purchaser)

III. Exclusions from Services

Without prejudice to the definition of Services, for the avoidance of doubt, the following tasks are excluded from Services, but may be purchased from Service Provider, from time to time, for additional compensation to be negotiated by the Parties. Please note that list below is not exhaustive.

i. labor relations consulting and negotiation services;
ii. temporary staffing;
iii. direct placement services;
iv. O&M services
v. management or negotiation of REC transactions;
vi. performance of major maintenance (either scheduled or unscheduled);
vii. acting as the QSE, "Market Participant" or similar role on behalf of the Purchaser in the ERCOT market and submit bids on behalf of Purchaser in the ERCOT Day-Ahead Market and the Real-Time Market; and
viii. payment review and approval process on behalf of Purchaser in connection with bankruptcy.

IV. Limitations on Liability

The Transition Services Agreement shall provide that neither party shall be responsible for consequential, punitive and incidental damages and shall provide that the aggregate liability of either party shall not exceed $1.9 million in the aggregate.