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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

-----X
:
In re: : Chapter 11
:
Mercantile Bancorp, Inc., : Case No. 13-11634 (KJC)
:
Debtor. :
:
-----X

**DISCLOSURE STATEMENT FOR DEBTOR MERCANTILE BANCORP, INC.'S
PLAN OF LIQUIDATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

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Dated: February 24, 2014
Wilmington, Delaware

THE VOTING DEADLINE TO ACCEPT OR REJECT THE PLAN IS MAY 19, 2014 AT 5:00 PM PREVAILING EASTERN TIME. TO BE COUNTED, DLA PIPER LLP (US), 203 N. LASALLE STREET, SUITE 1900, CHICAGO, IL 60601 (ATTN: JAMES R. IRVING, ESQ.) MUST ACTUALLY RECEIVE YOUR BALLOT ON OR BEFORE THE VOTING DEADLINE.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, THE PLAN AND ANY EXHIBITS ATTACHED HERETO IS SPECULATIVE, AND PERSONS SHOULD NOT RELY ON SUCH DOCUMENTS IN MAKING INVESTMENT DECISIONS WITH RESPECT TO (A) THE DEBTOR OR (B) ANY OTHER ENTITIES THAT MAY BE AFFECTED BY THE CHAPTER 11 CASE.

THE DEBTOR IS PROVIDING THE INFORMATION IN THIS DISCLOSURE STATEMENT FOR DEBTOR MERCANTILE BANCORP, INC.'S PLAN OF LIQUIDATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE TO HOLDERS OF CLAIMS FOR PURPOSES OF SOLICITING VOTES TO ACCEPT OR REJECT THE PLAN. YOU SHOULD NOT RELY UPON OR USE THE INFORMATION IN THIS DISCLOSURE STATEMENT FOR ANY OTHER PURPOSE.

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 FEDERAL OR STATE SECURITIES LAWS OR OTHER SIMILAR LAWS. 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 HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE PLAN.

THIS DISCLOSURE STATEMENT MAY CONTAIN "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 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.

NO LEGAL OR TAX ADVICE IS PROVIDED TO YOU BY THIS DISCLOSURE STATEMENT. THE DEBTOR URGES 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 DEBTOR'S POSITION THAT THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT,

LIABILITY, STIPULATION OR WAIVER. RATHER, HOLDERS OF CLAIMS AND EQUITY INTERESTS AND OTHER ENTITIES SHOULD CONSTRUE THIS DISCLOSURE STATEMENT AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS RELATED TO CONTESTED MATTERS 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 DEBTOR 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. THE PLAN RESERVES FOR THE DEBTOR THE RIGHT TO BRING CAUSES OF ACTION (DEFINED IN THE PLAN) AGAINST ANY ENTITY OR PARTY IN INTEREST EXCEPT THOSE SPECIFICALLY RELEASED.

THIS DISCLOSURE STATEMENT CONTAINS, AMONG OTHER THINGS, SUMMARIES OF THE PLAN, CERTAIN STATUTORY PROVISIONS, CERTAIN EVENTS IN THE DEBTOR'S CHAPTER 11 CASE AND CERTAIN DOCUMENTS RELATED TO THE PLAN THAT ARE ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE. ALTHOUGH THE DEBTOR BELIEVES 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 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 FOR ALL PURPOSES. FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTOR'S MANAGEMENT EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE DEBTOR DOES NOT REPRESENT OR WARRANT THAT THE INFORMATION CONTAINED HEREIN OR ATTACHED HERETO IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.

THE DEBTOR'S MANAGEMENT HAS REVIEWED THE FINANCIAL INFORMATION PROVIDED IN THIS DISCLOSURE STATEMENT. ALTHOUGH THE DEBTOR HAS USED ITS REASONABLE BUSINESS JUDGMENT TO ENSURE THE ACCURACY OF THIS FINANCIAL INFORMATION, NO ENTITY HAS AUDITED THE FINANCIAL INFORMATION CONTAINED IN, OR INCORPORATED BY REFERENCE INTO, THIS DISCLOSURE STATEMENT.

THE DEBTOR IS MAKING THE STATEMENTS AND PROVIDING THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AS OF THE DATE HEREOF, UNLESS OTHERWISE SPECIFICALLY NOTED. ALTHOUGH THE DEBTOR MAY SUBSEQUENTLY UPDATE THE INFORMATION IN THIS DISCLOSURE STATEMENT, THE DEBTOR HAS NO AFFIRMATIVE DUTY TO DO SO. HOLDERS OF CLAIMS AND EQUITY INTERESTS REVIEWING THIS DISCLOSURE STATEMENT

SHOULD NOT INFER THAT, AT THE TIME OF THEIR REVIEW, THE FACTS SET FORTH HEREIN HAVE NOT CHANGED SINCE THE DEBTOR FILED THIS DISCLOSURE STATEMENT. HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN MUST RELY ON THEIR OWN EVALUATION OF THE DEBTOR AND THEIR OWN ANALYSIS OF THE TERMS OF THE PLAN, INCLUDING, WITHOUT LIMITATION, ANY RISK FACTORS CITED HEREIN, IN DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN.

THE DEBTOR HAS NOT AUTHORIZED ANY ENTITY TO GIVE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. THE DEBTOR HAS NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING THE DEBTOR OR THE VALUE OF ITS PROPERTY OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.

PRIOR TO DECIDING WHETHER AND HOW TO VOTE ON THE PLAN, EACH HOLDER OF A CLAIM OR INTEREST IN A VOTING CLASS SHOULD CONSIDER CAREFULLY ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS DESCRIBED IN GREATER DETAIL HEREIN.

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EXHIBITS

- Exhibit A** Debtor Mercantile Bancorp, Inc.'s Plan of Liquidation Under Chapter 11 of the Bankruptcy Code
- Exhibit B** Signed Disclosure Statement Order (with the Solicitation Procedures attached thereto as Exhibit 1)

ARTICLE I. SUMMARY¹

Pursuant to section 1125 of the Bankruptcy Code, the Debtor submits this Disclosure Statement to holders of Claims and Equity Interests in connection with (a) the solicitation of votes to accept or reject the Plan, dated as of February 24, 2014 and (b) the Confirmation Hearing, which is scheduled for [____], 2014 at [____] (prevailing Eastern Time).

The following summary is qualified in its entirety by the more detailed information and financial statements contained elsewhere in this Disclosure Statement.

A. Rules of Interpretation

For purposes herein: (a) in the appropriate context, each term, whether stated in the singular or the plural, will include both the singular and the plural, and pronouns stated in the masculine, feminine or neutral gender will include the masculine, feminine and the neutral gender; (b) any reference herein to a contract, lease, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document will be substantially in that form or substantially on those terms and conditions; (c) any reference herein to an existing document or exhibit having been Filed or to be Filed will mean that document or exhibit, as it may thereafter be amended, modified or supplemented; (d) unless otherwise specified, all references herein to “Articles” are references to Articles hereof or hereto; (e) unless otherwise stated, the words “herein,” “hereof” and “hereto” refer to the Disclosure Statement in its entirety rather than to a particular portion of the Disclosure Statement; (f) captions and headings to sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation hereof; (g) the rules of construction set forth in section 102 of the Bankruptcy Code will apply; and (h) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules will have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be.

B. The Chapter 11 Case and the Sale of the Debtor’s Assets

On the Petition Date, the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the stated intent of liquidating its assets to maximize the value of its estates for the benefit of its creditors. The Debtor believed that the liquidation of its remaining assets pursuant to chapter 11 of the Bankruptcy Code, as opposed to chapter 7 of the Bankruptcy Code, would yield greater recovery to the Debtor’s creditors.

The Debtor is a bank holding company that was incorporated in 1983 for the purpose of enabling Mercantile Bank to operate within a bank holding company structure. The Debtor’s principal, direct activity consists of owning Mercantile Bank, through which the Debtor derives substantially all of its revenues.

¹ Capitalized terms not otherwise defined herein are defined in the glossary contained in Article XVII of this Disclosure Statement.

As a bank holding company, the Debtor and its non-bank subsidiaries are subject to oversight and regulation by the Board of Governors of the Federal Reserve System and, in certain instances, various federal and state banking authorities. As an Illinois state-chartered nonmember bank, Mercantile Bank is also subject to extensive regulation, examination and supervision by the FDIC as its primary federal regulator and, at the state level, by the Illinois Department of Financial & Professional Regulation. As Mercantile Bank's sole shareholder, the Debtor is required to serve as a source of managerial and financial strength for Mercantile Bank and oversee its policies and financial resources.

The Debtor also owns 100% of the common stock of the Trusts. The Trusts are Delaware statutory trusts that were established between 2005-2007 for the sole purpose of issuing capital securities. As of the Petition Date, the Debtor had outstanding principal indebtedness to the Trusts totaling \$61,858,000 and accrued and unpaid interest in the approximate amount of \$14,096,491.90.

As of December 2009, the Debtor directly or indirectly held ownership interests in six Subsidiary Banks. Many of the Subsidiary Banks operated in geographic markets that experienced adverse economic conditions resulting in, among other things, increasing unemployment and decreasing collateral values. Additionally, a large portion of the book value of the loan portfolios of certain of the Subsidiary Banks comprised loans collateralized by various types of real estate. As a result of the precipitous decline in the financial markets during 2007 and 2008, foreclosure rates, delinquency rates and default rates among the Subsidiary Banks' customers materially increased, causing the Subsidiary Banks' loan and mortgage portfolios to suffer tremendous losses.

The Debtor took several steps to raise capital, decrease consolidated assets and mitigate losses to the Subsidiary Banks. In June of 2009, the Debtor began to defer interest payments to the Trusts, and discontinued servicing debt and stopped paying dividends to its shareholders. In a further effort to "right the ship" and improve its balance sheet, the Debtor sold its interests in HNB National Bank, Marine Bank and Brown County State Bank for approximately \$53.6 million. These efforts, unfortunately, proved inadequate to sufficiently mitigate losses at the Debtor. Accordingly, the Debtor was forced to undertake an extensive marketing effort for its remaining bank assets.

During 2012, the Debtor solicited buyers for its interests in, or assets of, the remaining Subsidiary Banks. In mid-2012, separate branch purchase agreements were entered into for the sale of certain of Heartland Bank's and Royal Palm Bank's assets, deposits and branch office locations, each in a multi-step transaction designed to, among other things, transfer and maintain the remaining assets and deposits to Mercantile Bank. Notwithstanding these efforts, on July 20, 2012, Heartland Bank was closed by The Kansas Office of the State Bank Commissioner and Royal Palm Bank was closed by the Florida Office of Financial Regulation. In both cases, the FDIC was named receiver. Shortly thereafter, all deposit accounts of Heartland Bank and Royal Palm Bank were transferred to third party banks pursuant to purchase and assumption agreements with the FDIC.

During 2012 and the first half of 2013, the Debtor marketed its interest in Mercantile Bank. In the weeks preceding the Petition Date, the Debtor's extensive marketing efforts led to

the identification of UCB as a stalking horse purchaser for the Bank Assets. Accordingly, on the Petition Date, the Debtor filed the Sale Motion to approve, among other things, the procedures governing the competitive bidding process for the Bank Assets, certain bid protections for UCB as the stalking horse bidder, and the sale of the Bank Assets pursuant to such procedures.

On September 12, 2013, the Debtor conducted an auction for the Assets. Following multiple rounds of competitive bidding, the Debtor, in consultation with the Official Committee, determined that the final bid of UCB was the highest and best bid for the Bank Assets and named UCB the successful bidder, and Equity Bancshares the back-up bidder, for the Bank Assets. Thereafter, on September 25, 2013, the Court entered the Sale Order. The Sale closed on December 13, 2013.

C. The Purpose of the Plan

On February 24, 2014, the Debtor filed the Plan with the Bankruptcy Court to facilitate the liquidation of the Debtor's Estate and the Distribution of the Assets to holders of Allowed Claims. A copy of the Plan is attached hereto as **Exhibit A** and is incorporated herein by reference.

The Debtor believes that the Plan provides the best recoveries possible for holders of Allowed Claims and strongly recommend that, if such holders are entitled to vote, they vote to accept the Plan.

Pursuant to section 1141(d)(3) of the Bankruptcy Code, the Plan does not contain a discharge for the Debtor as the Plan is a liquidating plan and the Debtor will not be engaging in business after the consummation of the Plan. Therefore, the Debtor is not entitled to a discharge under section 727(a) of the Bankruptcy Code.

D. Treatment of Claims and Equity Interests

THE FOLLOWING CHART IS A SUMMARY OF THE CLASSIFICATION AND TREATMENT OF ALLOWED CLAIMS AND EQUITY INTERESTS AND THE POTENTIAL DISTRIBUTIONS UNDER THE PLAN. THE AMOUNTS SET FORTH BELOW ARE ESTIMATES ONLY. REFERENCE SHOULD BE MADE TO THE ENTIRE DISCLOSURE STATEMENT AND THE PLAN FOR A COMPLETE DESCRIPTION OF THE CLASSIFICATION AND TREATMENT OF ALLOWED CLAIMS AND EQUITY INTERESTS. THE RECOVERIES SET FORTH BELOW ARE PROJECTED RECOVERIES AND ARE, THEREFORE, SUBJECT TO CHANGE. THE ALLOWANCE OF CLAIMS AND EQUITY INTERESTS MAY BE SUBJECT TO LITIGATION OR OTHER ADJUSTMENTS, AND ACTUAL ALLOWED AMOUNTS FOR CLAIMS AND EQUITY INTERESTS MAY DIFFER MATERIALLY FROM THESE ESTIMATED AMOUNTS.

| <u>Class/Type of Claim or Equity Interest</u> | <u>Plan Treatment of Class</u> | <u>Projected Recovery Under Plan</u> |
|--|---|---|
| UNCLASSIFIED CLAIMS | | |
| Administrative Claims | Paid in full in Cash on the Initial Distribution Date or as soon thereafter as is practical | 100% |
| Priority Tax Claims | Paid in full in Cash on the Initial Distribution Date or as soon thereafter as is practical | 100% |
| Other Priority Claims | Paid in full in Cash on the Initial Distribution Date or as soon thereafter as is practical | 100% |
| CLAIMS AGAINST AND INTERESTS IN THE DEBTOR | | |
| Class 1 - General Unsecured Claims | Paid distributions from all Cash funds remaining in the Estate | 3.8% - 2.5% |
| Class 2 - Equity Interests | All equity interests in the Debtor shall be cancelled | 0% |

E. Entities Entitled to Vote on the Plan

The Plan divides Claims against and Interests in the Debtor into Classes and provides separate treatment for each Class.

As provided in section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Priority Tax Claims and Other Priority Claims will not be classified for the purposes of voting or receiving distributions under the Plan.

| <u>Class</u> | <u>Claim</u> | <u>Status</u> | <u>Voting Rights</u> |
|---------------------|--------------------------|------------------------------|-----------------------------|
| 1 | General Unsecured Claims | Impaired | Entitled to Vote |
| 2 | Equity Interests | Impaired and No Distribution | Deemed to Reject |

The Debtor **IS** soliciting votes to accept or reject the Plan from holders of General Unsecured Claims in Class 1 because such holders are Impaired under the Plan and will receive Distributions under the Plan. Accordingly, holders of General Unsecured Claims in Class 1 have the right to vote to accept or reject the Plan.

The Debtor is **NOT** seeking votes from the holders of Equity Interests in Class 2 because such holders will receive no Distribution under the Plan. Therefore, the holders of Equity Interests in Class 2 are deemed to have rejected the Plan and will not be entitled to vote to accept or reject the Plan.

For a detailed description of the Classes of Claims and Equity Interests, as well as their respective treatment under the Plan, see Article IV of the Disclosure Statement.

F. Solicitation Process

The following documents and materials will constitute the solicitation package:

- Plan;
- Disclosure Statement;
- Disclosure Statement Order;
- Confirmation Hearing Notice;
- appropriate Ballot or Master Ballot, and voting instructions; and
- pre-addressed, postage pre-paid return envelope.

The Debtor intends to distribute the solicitation packages no fewer than thirty-five (35) calendar days before the Voting Deadline. The Debtor submits that distribution of the solicitation packages at least thirty-five (35) calendar days prior to the Voting Deadline will provide the requisite materials to holders of Claims entitled to vote on the Plan in compliance with Bankruptcy Rules 2002(b) and 3017(d).

The solicitation package will be distributed to holders of General Unsecured Claims in Class 1 as of the Voting Record Date and in accordance with the Solicitation Procedures. The Solicitation Procedures are annexed as Exhibit 1 to the Disclosure Statement Order. The solicitation package may also be obtained: (a) through the Claims Agent's website at <http://www.upshotservices.com/mercantilebancorp>; (b) by writing to DLA Piper LLP (US), 203 N. LaSalle Street, Suite 1900, Chicago, IL 60601 (Attn: James R. Irving, Esq.); (c) by calling Mr. Irving at (312) 368-7234; (d) by e-mailing Mr. Irving at jim.irving@dlapiper.com; or (e) via PACER at <http://www.deb.uscourts.gov/>.

The Notice Parties as of the Voting Record Date, the Internal Revenue Service, the FDIC and the Securities and Exchange Commission will be served either paper copies of, or a CD-ROM containing the Disclosure Statement Order, the Disclosure Statement and all exhibits to the Disclosure Statement, including the Plan. Any Entity that is served a CD-ROM, but desires paper copies of these documents may obtain copies (a) through the Claims Agent's website at <http://www.upshotservices.com/mercantilebancorp>; (b) by contacting the Claims Agent by telephone at (855) 812-6112 or by e-mail at mercantilebancorpinfo@upshotservices.com; (c) by writing to DLA Piper LLP (US), 203 N. LaSalle Street, Suite 1900, Chicago, IL 60601 (Attn:

James R. Irving, Esq.); (d) by calling Mr. Irving at (312) 368-7234; (e) by e-mailing Mr. Irving at jim.irving@dlapiper.com; or (f) via PACER at <http://www.deb.uscourts.gov/>.

G. Voting Procedures

The Voting Record Date is April 3, 2014. The Voting Record Date is the date on which holders of Claims and holders of Equity Interests that are entitled to vote to accept or reject the Plan will be determined.

The Voting Deadline is 5:00 p.m. prevailing Eastern Time on May 19, 2014. To ensure that a vote is counted, holders of Claims that are entitled to vote on the Plan must: (a) complete the Ballot; (b) indicate a decision either to accept or reject the Plan; and (c) sign and return the Ballot to the address set forth on the enclosed pre-addressed envelope provided in the solicitation package or by delivery via first-class mail, overnight courier or personal delivery, so that all Ballots are **actually received** no later than the Voting Deadline, by the Voting Agent. ANY BALLOT THAT IS PROPERLY EXECUTED BY THE HOLDER OF A CLAIM ENTITLED TO VOTE, BUT THAT DOES NOT CLEARLY INDICATE AN ACCEPTANCE OR REJECTION OF THE PLAN OR INDICATES BOTH AN ACCEPTANCE AND A REJECTION OF THE PLAN, WILL NOT BE COUNTED.

EACH HOLDER OF A CLAIM ENTITLED TO VOTE MUST VOTE ALL OF ITS INTEREST WITHIN A PARTICULAR CLASS EITHER TO ACCEPT OR REJECT THE PLAN AND MAY NOT SPLIT SUCH INTEREST.

IF A BALLOT IS RECEIVED AFTER THE VOTING DEADLINE, IT WILL NOT BE COUNTED UNLESS THE DEBTOR DETERMINES OTHERWISE.

Prior to deciding whether and how to vote on the Plan, each holder in a voting class should consider carefully all of the information in this Disclosure Statement, especially the risk factors described herein.

H. Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on confirmation of the Plan. Section 1128(b) of the Bankruptcy Code provides that any party-in-interest may object to confirmation of the Plan.

The Confirmation Hearing will commence on [], 2014 at []
prevailing Eastern Time, before the Honorable Kevin J. Carey, U.S. Bankruptcy Judge, in the U.S. Bankruptcy Court for the District of Delaware, at the U.S. Bankruptcy Court, 824 Market Street, 5th Floor, Courtroom 5, Wilmington, Delaware 19801. The Confirmation Hearing may be adjourned from time to time without further notice except for an announcement of the adjourned date made at the Confirmation Hearing or any adjournment thereof.

**ARTICLE II.
BACKGROUND TO THE CHAPTER 11 CASE**

A. Debtor's Business

1. Debtor's Operations

The Debtor is a bank holding company within the meaning of the Bank Holding Company Act of 1956, as amended, that is incorporated in the State of Delaware and headquartered in Quincy, Illinois.

As of the Petition Date, the Debtor existed solely to permit Mercantile Bank to operate within a bank holding company structure. The Debtor has no active operations.

2. Employees

The Debtor currently has no employees. Prior to consummation of the Sale, the Debtor reimbursed Mercantile Bank for fifteen percent (15%) of the salary, benefits, and employment-related taxes incurred by Mercantile Bank as a result of the employment of Lee Roy Keith, the Debtor's President and Chief Executive Officer. The Debtor reimbursed these amounts because such amounts represented the percentage of Mr. Keith's employment that was allocable to his work for the Debtor as its President and Chief Executive Officer. For their mutual convenience and notwithstanding consummation of the Sale, Mercantile Bank and the Debtor entered into an agreement whereby Mercantile Bank agreed to continue to pay Mr. Keith's salary, benefits and employment-related taxes and for the Debtor to reimburse Mercantile Bank in full for all such amounts.

3. Directors and Officers

As of the Petition Date, the Debtor's directors and officers included the following:

| Name | Position |
|------------------------|---|
| Lee Roy Keith | President, Chief Executive Officer and Director |
| Dennis M. Prock | Director |
| James W. Tracy | Director |
| John R. Spake | Director |
| Julie A. Brink | Director |
| Michael J. Foster | Director |
| William G. Keller, Jr. | Director |

B. Debtor's Corporate and Capital Structure

Until closing of the Sale, the Debtor was the direct parent of Mercantile Bank. The Debtor also owns 100% of the common stock of the Trusts. The Trusts are Delaware statutory trusts that were established for the sole purpose of issuing capital securities.

As of the Petition Date, the Debtor had outstanding principal indebtedness totaling \$61,858,000 attributable to the Trust Junior Subordinated Debentures underlying the Capital Securities, and accrued and unpaid interest attributable to the Capital Securities and common securities of approximately \$14,096,491.90, as described in more detail below.

On August 25, 2005, the Debtor issued the Capital Securities I pursuant to the Trust I Declaration. The Capital Securities I mature November 23, 2035, bear interest at a variable rate per annum, reset quarterly, equal to LIBOR plus 1.44 percent and pay interest quarterly on February 23, May 23, August 23 and November 23 of each year. The Debtor formed and capitalized Trust I through the issuance of the Trust I Junior Subordinated Debentures. The Debtor owns 100% of the issued and outstanding Common Securities of Trust I.

On July 13, 2006, the Debtor issued the Capital Securities II pursuant to the Trust II Declaration. The Capital Securities II mature September 30, 2036, bear interest at a variable rate per annum, reset quarterly, equal to LIBOR plus 1.65 percent and pay interest quarterly on March 30, June 30, September 30 and December 30 of each year. The Debtor formed and capitalized Trust II through the issuance of the Trust II Subordinated Debentures. The Debtor owns 100% of the issued and outstanding Common Securities of Trust II.

On July 13, 2006, the Debtor issued the Capital Securities III pursuant to the Trust III. The Capital Securities III mature September 23, 2036, bear interest at three month LIBOR plus 1.53 percent and pay interest quarterly on March 23, June 23, September 23 and December 23 of each year. The Debtor formed and capitalized Trust III through the issuance of the Trust III Junior Subordinated Debentures. The Debtor owns 100% of the issued and outstanding Common Securities of Trust III.

On August 30, 2007, the Debtor issued the Capital Securities IV pursuant to the Trust IV Declaration. The Capital Securities IV mature October 30, 2037, bear interest at three month LIBOR plus 1.58 percent and pay interest quarterly on January 30, April 30, July 30 and October 30 of each year. The Debtor formed and capitalized Trust IV through the issuance of the Trust IV Subordinated Debentures. The Debtor owns 100% of the issued and outstanding Common Securities of Trust IV.

C. Events Leading to the Chapter 11 Case

As noted above, the Debtor filed the Chapter 11 Case to liquidate its remaining Assets to maximize the value of its estate for the benefit of its creditors.

ARTICLE III.
ADMINISTRATION OF THE CHAPTER 11 CASE

A. Initial Motions and Certain Related Relief

1. Application to Retain the Claims Agent

To assist the Debtor with the administration of the Chapter 11 Case, the Debtor sought an order authorizing it to retain UpShot Services LLC as its claims and noticing agent. The Bankruptcy Court approved the retention application on July 1, 2013.

2. Application to Retain DLA Piper LLP (US)

To assist the Debtor in carrying out its duties as debtor-in-possession and to represent the Debtor's interests in the Chapter 11 Case, the Debtor retained DLA Piper as its counsel. The Bankruptcy Court approved the retention application on August 6, 2013.

B. The Official Committee

1. Appointment of the Official Committee

On July 16, 2013, the U.S. Trustee appointed the Official Committee pursuant to section 1102 of the Bankruptcy Code. The members of the Official Committee are (a) Trapeza Capital Management, LLC as Collateral Manager for Trapeza CDO XIII, Ltd., (b) Wilmington Trust Company as Indenture Trustee, Institutional Trustee, Delaware Trustee, and Guarantee Trustee for Mercantile Bancorp Capital Trust I, and (c) US Capital Funding V Ltd.

On September 6, 2013, the Bankruptcy Court entered orders approving the retention of Kirkland & Ellis LLP and Klehr Harrison Harvey Branzburg LLP as co-counsel to the Official Committee.

On November 13, 2013, the Bankruptcy Court entered orders approving the retention of Griffin Financial Group, LLC and C&Co/PrinceRidge LLC as the Official Committee's investment bankers and financial advisors.

2. Meeting of Creditors

The meeting of creditors pursuant to section 341 of the Bankruptcy Code was held on August 6, 2013 at 10:30 a.m. at the J. Caleb Boggs Federal Building, Wilmington, Delaware 19801. In accordance with Bankruptcy Rule 9001(5) (which requires, at a minimum, that one representative of the Debtor appear at such meeting of creditors for the purpose of being examined under oath by a representative of the U.S. Trustee and by any attending parties-in-interest), a representative of the Debtor as well as counsel to the Debtor attended the meeting and answered questions posed by the U.S. Trustee.

3. **Filing Schedules and Setting of Bar Dates**

The Debtor Filed its Schedules on July 31, 2013. On August 6, 2013, the Bankruptcy Court entered the Bar Date Order [D.I. 102], which set forth the following dates by which proofs of claims must be Filed:

- General Bar Date: September 27, 2013 at 5:00 p.m. prevailing Eastern Time;
- Section 503(b)(9) Claim Bar Date: September 27, 2013 at 5:00 p.m. prevailing Eastern Time; and
- Governmental Bar Date: December 27, 2013 at 5:00 p.m. prevailing Eastern Time.

Subject to certain limited exceptions contained in the Bankruptcy Code and, other than Claims arising from the rejection of executory contracts after the General Bar Date, all proofs of Claim were to be submitted by the applicable bar date.

In accordance with the Bar Date Order, written notice of the General Bar Date, Section 503(b)(9) Claim Bar Date and Governmental Bar Date and the Proof of Claim Form were mailed to, among others, all known claimants holding actual or potential Claims and other parties listed in the Bar Date Order.

C. Sale of Assets and Related Disputes with Official Committee

On the Petition Date, the Debtor filed the Sale Motion. As set forth above, pursuant to the Sale Motion, the Debtor sought Bankruptcy Court approval of, among other things, the procedures governing the competitive bidding process for the Bank Assets and certain bid protections for UCB as the stalking horse bidder.

Almost immediately following its appointment, the Committee demanded voluminous discovery from the Debtor regarding the relief requested in the Sale Motion. Despite the Debtor's expedited production of tens of thousands of pages of documents in a matter of days, the Committee scheduled an emergency hearing before the Bankruptcy Court in which it pleaded for a postponement of the hearing for approval of the bidding procedures and additional time to object. The Bankruptcy Court granted the Committee's request to briefly postpone the hearing regarding approval of the bidding procedures and, on July 31, 2013, the Committee filed the Bidding Procedures Objection. In litigating the Bidding Procedures Objection, the Official Committee deposed the Debtor's President and Chief Executive Officer and Mercantile Bank's financial advisor and the Debtor deposed a representative of the Committee Advisors. Following a contested hearing, on August 8, 2013, the Bankruptcy Court entered the Bidding Procedures Order.

Subsequent to the entry of this order, the Debtor continued to engage in its marketing efforts in an attempt to secure additional bids for the Bank Assets and the Official Committee and the Committee Advisors sought to identify investors interested in participating in an alternative transaction. As a result of the Debtor's continued marketing efforts, several additional parties expressed interest in the Bank Assets and one additional party, Equity Bancshares,

submitted a qualifying bid. Accordingly, an auction for the Bank Assets was conducted on September 12, 2013. Following multiple rounds of competitive bidding, the Debtor, in consultation with the Official Committee, determined that the final bid of UCB was the highest and best bid for the Bank Assets and named UCB the successful bidder, and Equity Bancshares the back-up bidder, for the Bank Assets.

Notwithstanding the successful auction, on September 10, 2013, the Official Committee filed the Sale Objection. In material part, the Official Committee contended that value could be better realized through an alternative restructuring transaction rather than through the Sale. As set forth in the Sale Objection Reply, the Debtor strongly disagreed with the arguments presented in the Sale Objection, including any reasonable likelihood of consummating an alternative transaction in the required timeframe, and urged the Bankruptcy Court to approve the Sale. Several depositions were taken in litigating the Sale Objection. Following a contested hearing held on September 16, 2013, the Debtor and the Official Committee reached an agreement in principle on the terms of an order to approve the Sale. In material part, such agreement required (i) that the Debtor continue to use its best efforts in accordance with its fiduciary obligations to obtain the FDIC's consent to grant the FDIC Waiver and (ii) a distribution of net proceeds being made to the Debtor in an amount to which the Official Committee consented, which consent the Official Committee was not to unreasonably withhold. Thereafter, on September 25, 2013, the Court entered the Sale Order. The FDIC issued the FDIC Waiver on November 14, 2013. The Sale closed on December 13, 2013.

ARTICLE IV. SUMMARY OF THE PLAN

A. Summary

1. In accordance with section 1123(a)(1) of the Bankruptcy Code, the Debtor has not classified Administrative Claims, Priority Tax Claims and Other Priority Claims.

2. The following table classifies Claims against and Equity Interests in the Debtor for all purposes, including 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 remainder 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 or otherwise settled prior to the Effective Date. Each Class set forth below is treated under the Plan as a distinct Class for voting and distribution purposes.

3. Summary of Classification and Treatment of Classified Claims and Equity Interests.

| <u>Class</u> | <u>Claim</u> | <u>Status</u> | <u>Voting Rights</u> |
|---------------------|--------------------------|------------------------------|-----------------------------|
| 1 | General Unsecured Claims | Impaired | Entitled to Vote |
| 2 | Equity Interests | Impaired and No Distribution | Deemed to Reject |

B. Administrative and Priority Claims

1. Establishment of the Administrative Claims Bar Date

(a) Except as otherwise provided in the Plan, on or before 5:00 p.m., prevailing Eastern time, on the Administrative Claims Bar Date, each holder of an Administrative Claim shall file with the Bankruptcy Court and serve on counsel for (i) the Debtor, (ii) the Official Committee, and (iii) the Responsible Person, any request for payment of an Administrative Claim. Requests for payment of an Administrative Claim must include at a minimum: (i) the name of the holder of the Administrative Claim; (ii) the amount of the asserted Administrative Claim; (iii) the basis of the Administrative Claim; and (iv) all supporting documentation for the Administrative Claim.

(b) Any request for payment of an Administrative Claim will be timely Filed only if it is Filed with the Bankruptcy Court by 5:00 p.m., prevailing Eastern time, on the Administrative Claims Bar Date; *provided, however*, that a request for payment of an Administrative Claim arising under section 503(b)(9) of the Bankruptcy Code shall be deemed timely only to the extent such request was submitted in accordance with the terms of the Bar Date Order.

(c) Notwithstanding anything herein, the Debtor's and the Official Committee's Professionals shall not be required to file a request for payment of Accrued Professional Compensation on or before the Administrative Claims Bar Date. Such Professionals will instead file final fee applications as required by the Bankruptcy Code, Bankruptcy Rules, Confirmation Order and in accordance with Article II.B of the Plan.

2. Accrued Professional Compensation

The deadline for submission by Professionals for Bankruptcy Court approval of Accrued Professional Compensation shall be the forty-fifth (45th) day following the Effective Date.

3. Payment of Allowed Administrative Claims and Allowed Claims for Accrued Professional Compensation

The Responsible Person shall pay each holder of a timely-Filed, Allowed Administrative Claim and Allowed Claim for Accrued Professional Compensation the full unpaid amount of such Allowed Administrative Claim or Allowed Claim for Accrued Professional Compensation in Cash: (1) on the Effective Date or as soon as practicable thereafter if such Administrative Claim is an Allowed Administrative Claim as of the Effective Date; (2) if such Claim is Allowed

after the Effective Date, on the date such Claim is Allowed or as soon as practicable thereafter; (3) at such time and upon such terms as may be agreed upon by such holder and the Responsible Person; or (4) at such time and upon such terms as set forth in a Final Order of the Bankruptcy Court.

4. **Indenture Trustee Fees**

(a) Indenture Trustee Fees Incurred Prior to the Effective Date. Notwithstanding any provision in the Plan to the contrary, on or before forty-five (45) days after the Effective Date, the Indenture Trustee shall file a motion for the allowance, liquidation and payment of the Indenture Trustee Fees Claims and upon the entry of an order of the Bankruptcy Court determining that such claims are reasonable under the TruPS Documents and authorizing payment thereof, the Debtor or the Responsible Person, as appropriate, unless otherwise stayed, shall pay all Indenture Trustee Fees Claims incurred prior to the Effective Date and approved by the Bankruptcy Court as reasonable; *provided, however*, that, with respect to the allowance of Indenture Trustee Fees Claims for which an order of the Bankruptcy Court has been entered prior to the Effective Date, the Debtor or the Responsible Person, as applicable, shall pay such Indenture Trustee Fees Claims on the Effective Date. For the avoidance of doubt, (i) no payment of the Indenture Trustee Fees set forth in this paragraph shall be made until payment in full of any Success Fee owed to the Committee Advisors and (ii) payments to holders of non-TruPS claims in Class 1 will not be impacted by any amounts due on account of the Indenture Trustee Fees. Notwithstanding anything to the contrary herein, the payment of the Indenture Trustee Fees set forth in this paragraph shall, to the extent of the amounts paid on account thereof, be in full and final satisfaction of the Indenture Trustee Fees Claims.

(b) Indenture Trustee Fees Incurred After the Effective Date. Any Indenture Trustee Fees charged, assessed or expenses incurred by the Indenture Trustee for the reasonable fees, costs and expenses incurred by the Indenture Trustee's professionals in carrying out the Indenture Trustee's duties as provided for in the applicable TruPS Documents, including, but not limited to, services related to Distributions pursuant to the Plan, if any, shall be paid by the Responsible Person in the ordinary course of business, in Cash, upon the presentation of reasonably detailed invoices by the Indenture Trustee to the Responsible Person and the Plan Oversight Committee and without the need for an application to, or approval of, any court. Any dispute regarding the amount of such Indenture Trustee Fees raised by either the Responsible Person or the Plan Oversight Committee shall be resolved in good faith between the parties. To the extent such a dispute cannot be resolved, (i) the Responsible Person shall pay any undisputed portion of the Indenture Trustee Fees and (ii) the Indenture Trustee shall file a motion in the Bankruptcy Court for the allowance, liquidation and payment of the disputed portion of the Indenture Trustee Fee Claims arising after the Effective Date and the Responsible Person, any member of the Plan Oversight Committee and any other party with standing shall be entitled to object to the allowance, liquidation and payment of such amounts within ten (10) days from the date of such motion. Each objection shall be: (a) in writing, stating, with particularity, the grounds therefor, including whether the objecting party objects to all or only a portion of the Indenture Trustee Fees, (b) filed on the docket of the

Chapter 11 Case, and (c) served on the Indenture Trustee, the Responsible Person and the Plan Oversight Committee.

(c) To the extent the Debtor or the Responsible Person, as applicable, fail to pay any Indenture Trustee Fees in full, whether as a result of the Bankruptcy Court's determination as to whether the Indenture Trustee Fees are reasonable (as determined in accordance with the TruPS Documents), or an Indenture Trustee's determination not to request payment thereof, the Indenture Trustee shall have the right to assert its Charging Lien and priority rights as provided in the applicable TruPS Documents for payment of any unpaid amount upon any payment or other distribution to be made in accordance with the provisions contained herein. Nothing herein shall be deemed to impair, waive, discharge, or negatively affect any Charging Lien for any fees, costs and expenses not paid by the Debtor or the Responsible Person, as applicable, and otherwise claimed by the Indenture Trustee pursuant to the procedure set forth in Article II.D of the Plan.

5. **Priority Tax Claims**

The Responsible Person shall pay each holder of an Allowed Priority Tax Claim the full unpaid amount of such Allowed Priority Tax Claim in Cash, on the latest of (i) the Effective Date or as soon as practicable thereafter, and (ii) the date such Priority Tax Claim becomes Allowed or as soon as practicable thereafter and (iii) the date such Allowed Priority Tax Claim is payable under applicable non-bankruptcy law, provided that such Allowed Priority Tax Claim shall be paid prior to the assessment of any penalty by the applicable Governmental Unit.

6. **Other Priority Claims**

The Responsible Person shall pay each holder of an Allowed Other Priority Claim the full unpaid amount of such Allowed Other Priority Claim in Cash, on the latest of (i) the Effective Date or as soon as practicable thereafter, and (ii) the date such Other Priority Claim becomes Allowed or as soon as practicable thereafter and (iii) the date such Allowed Other Priority Claim is payable under applicable non-bankruptcy law.

C. **Classification and Treatment of Claims and Equity Interests**

1. **General Unsecured Claims (Class 1)**

(a) **Classification:** Class 1 consists of General Unsecured Claims, including the TruPS Claims.

(b) **Treatment:** On or as soon as practicable after the Initial Distribution Date, the Responsible Person shall pay each holder of an Allowed General Unsecured Claim in Class 1, in full and final satisfaction of such Allowed General Unsecured Claim, its pro rata share of the Cash funds remaining in the Estate after the (i) reservation of sufficient funds, in accordance with Article IV.G of the Plan, necessary for the Responsible Person to carry out its duties, (ii) payment of Allowed Administrative Claims, Allowed Claims for Accrued Professional Compensation, Allowed Priority Tax Claims and Allowed Other Priority Claims in full and (iii) reservation of sufficient funds necessary to satisfy all Disputed Claims in full in the full amount asserted.

Notwithstanding the foregoing, with respect solely to holders of TruPS Claims, all amounts that would be distributed to holders of TruPS Claims shall be paid on account of such TruPS Claims (i) first, to the Committee Advisors until payment in full of any Success Fee; and (ii) second, after payment in full of any Success Fee owed to the Committee Advisors, to the Indenture Trustee on account of all Indenture Trustee Fees. For the avoidance of doubt, payments to holders of non TruPS claims in Class 1 will not be impacted by any amounts due on account of the Indenture Trustee Fees.

The Debtor, as holder of the Common Securities, shall either waive its right to a Distribution under the Plan with respect to such securities or such Distributions shall be made to the holders of the Capital Securities. For the avoidance of doubt, all Distributions on account of the Trust Junior Subordinated Debentures shall be distributed by the Trusts to the holders of the Capital Securities.

The TruPS Claims shall be Allowed in the aggregate amount of \$75,954,491.90, consisting of (a) \$61,858,000.00 representing the principal amount issued pursuant the TruPS Documents and (b) \$14,096,491.90 representing accrued but unpaid interest as of the Petition Date at the applicable rates specified in the TruPS Documents, as well as other fees and costs associated therewith, and shall not be subject to objection, challenge, reduction, offset, avoidance, setoff, recharacterization, impairment, subordination (whether equitable, contractual, or otherwise), counterclaim, cross-claim, defense or disallowance under applicable law.

(c) **Voting:** Class 1 is Impaired and, therefore, holders of General Unsecured Claims in Class 1 are entitled to vote to accept or reject the Plan.

2. **Equity Interests (Class 2)**

(a) **Classification:** Class 2 consists of Equity Interests.

(b) **Treatment:** Holders of Equity Interests in Class 2 shall receive no Distribution under the Plan.

(c) **Voting:** Class 2 will receive no Distribution under the Plan and therefore, holders of Equity Interests in Class 2 are deemed to reject the Plan.

D. Nonconsensual Confirmation

If holders of Class 1 Claims do not accept the Plan by the requisite statutory majority provided in section 1126 of the Bankruptcy Code, the Debtor reserves the right to amend the Plan. The Debtor intends to request that the Bankruptcy Court confirm the Plan pursuant to section 1129(b) of the Bankruptcy Code notwithstanding the deemed rejection of the Plan by holders of Equity Interests in Class 2.

ARTICLE V.
MEANS FOR IMPLEMENTATION OF THE PLAN

A. Vesting of Assets

On the Effective Date the Assets shall vest in the Reorganized Debtor. In furtherance of the implementation of the Plan, the bank accounts of the Debtor shall be deemed accounts of the Reorganized Debtor, with the sole authority to make deposits to and transfers from such accounts vesting in the Responsible Person.

B. Responsible Person to Effectuate Distributions

The Responsible Person shall be deemed to have been appointed as the Estate's representative by the Bankruptcy Court pursuant to section 1123(b)(3)(B) of the Bankruptcy Code. The Responsible Person shall be entitled to retain counsel and other professionals to carry out his or her duties.

The Responsible Person shall be appointed for the sole purpose of liquidating and distributing the remaining Assets and with no objective to continue or engage in the conduct of a trade or business. In accordance with this Plan, the Responsible Person shall (i) pay to each holder of an Allowed Administrative Claim, Allowed Priority Tax Claim and Allowed Other Priority Claim, the full unpaid amount of each such Allowed Claim; and (ii) make Distributions of the remaining Assets, in Cash, to the holders of Allowed General Unsecured Claims in Class 1.

C. Plan Oversight Committee

The Plan Oversight Committee shall be appointed as of the Effective Date. The Plan Oversight Committee shall adopt its own bylaws. The Plan Oversight Committee shall oversee the actions of the Responsible Person. There shall be no compensation to the members of the Plan Oversight Committee on account of their service as members of the Plan Oversight Committee.

Notwithstanding any provision in the Plan to the contrary, the Responsible Person shall not take any proposed action or inaction within the Responsible Person's discretion unless (a) expressly set forth in the Initial Budget or a Subsequent Budget; (b) authorized in the Plan Oversight Committee's bylaws; or (c) consented to by the Plan Oversight Committee. The Plan Oversight Committee shall be deemed to have consented to a proposed action or inaction if a majority of the Plan Oversight Committee has not objected to such action or inaction after being provided with the following notice (a) ten (10) days' notice of such action or inaction by facsimile, email, or overnight delivery (plus three (3) days delivery if such notice is made by regular mail); or (b) three (3) Business Days telephonic notice of such action or inaction (if the Responsible Person in his or her discretion believes that telephonic notice is appropriate under the circumstances).

D. Corporate Authority

All actions and transactions contemplated under the Plan shall be authorized upon confirmation of the Plan without the need for further approvals, notices, or meetings of the Debtor's board of directors or Equity Interest holders, other than the notice provided by serving the Plan or notices of the entry of the Confirmation Order and of the Effective Date of the Plan on (i) all known holders of Claims and (ii) all current directors of the Debtor. The Confirmation Order shall include provisions dispensing with the need for further approvals, notices, or meetings of any of the Debtor's board of directors or Equity Interest holders and authorizing and directing any officer of the Debtor to execute any document, certificate, or agreement necessary to effectuate the Plan on behalf of the Debtor, which documents, certificates, and agreements shall be binding on the Debtor, the Creditors, and all Equity Interest holders. From and after the Effective Date, the Responsible Person is vested with authority to take any action contemplated by this Plan on behalf of the Debtor and Reorganized Debtor that would otherwise require the approval of shareholders, board of directors, or officers of the Debtor or Reorganized Debtor. From and after the Effective Date, the authority, power and incumbency of the persons then acting as directors and/or officers of the Debtor shall be terminated and such directors and/or officers shall be deemed to have resigned or to have been removed without cause and have no further duties or responsibilities with respect to the Debtor.

E. Retention of Professionals

The Responsible Person may retain and compensate attorneys and other professionals to assist in his or her duties as Responsible Person on such terms (including on a contingency or hourly basis) as the Responsible Person deems reasonable and appropriate without Bankruptcy Court approval. The payment of the reasonable fees and expenses of the Responsible Person's retained professionals shall be made in the ordinary course of business from the Assets and shall not be subject to the approval of the Bankruptcy Court. Professionals of the Debtor and the Official Committee, shall be eligible for retention by the Responsible Person.

F. Compensation of the Responsible Person

The Responsible Person shall be entitled to reasonable compensation in an amount consistent with that of similar functionaries in similar roles.

G. Costs and Expenses of the Responsible Person

The costs and expenses of the Responsible Person, as set forth in the Initial Budget, including the reasonable fees and expenses of the Responsible Person and each of his or her retained professionals and contractors, and the fees and expenses of maintaining the Disputed Reserves, shall be paid out of the Assets prior to Distribution to holders of Class 1 Claims and shall be held in a separate reserve that the Responsible Person shall establish on the Effective Date.

The Responsible Person shall submit the Initial Budget to the Debtor and the Official Committee, which Initial Budget must be approved by both the Debtor and the Official Committee before the Effective Date. If necessary, at least one month before the expiration of the Initial Budget and each Subsequent Budget thereafter, the Responsible Person shall submit

for approval a Subsequent Budget to the Plan Oversight Committee. Each Budget shall include (1) a brief description of the status of the liquidation and Distributions of the Assets and the contemplated actions in furtherance of the liquidation and Distributions of the Assets; (2) the names of any employees, attorneys and other professionals or contractors to be retained to assist with the Responsible Person's duties; (3) the anticipated reasonable and necessary disbursements to third parties for compensation and expenses on account of such proposed budget; and (4) any other information necessary for evaluating such budget that is reasonably requested by the Debtor, Official Committee, or Plan Oversight Committee, as applicable. In the event that the Plan Oversight Committee fails to approve a Subsequent Budget submitted pursuant to the first sentence of this paragraph prior to the expiration of the Initial Budget or Subsequent Budget then in effect, such Initial Budget or Subsequent Budget shall continue in full force and effect until approval by the Plan Oversight Committee of a Subsequent Budget as set forth in this paragraph.

The Responsible Person may request modifications to a Budget from: (i) before the Effective Date, the Debtor and the Official Committee; and (ii) on and after the Effective Date, the Plan Oversight Committee; *provided, however*, that any request to modify an approved Budget shall specify the factual basis for modifying such approved Budget and any other information necessary for evaluating such request that is reasonably requested by the Debtor, Official Committee, or Plan Oversight Committee, as applicable.

H. Liability

No Protected Party shall be liable for the act or omission of any other Protected Party, nor shall the Responsible Person be liable for any act or omission taken or omitted to be taken in his or her capacity as the Responsible Person, other than acts or omissions resulting from the Responsible Person's willful misconduct, gross negligence, or fraud. The Responsible Person may, in connection with the performance of his or her functions, and in his or her sole absolute discretion, consult with attorneys, accountants, financial advisors and agents, and shall not be liable for any act taken, omitted to be taken, or suffered to be done in accordance with advice or opinions rendered by such Persons other than acts or omissions resulting from the willful misconduct, gross negligence or fraud of the Responsible Person. Notwithstanding such authority, the Responsible Person shall be under no obligation to consult with attorneys, accountants, or his or her agents, and his or her determination to not do so should not result in imposition of liability on the Responsible Person unless such determination is based on willful misconduct, gross negligence, or fraud.

Any claim asserted under Article IV.H of the Plan must be brought in the Bankruptcy Court.

I. Liquidation of the Debtor

After the Effective Date, upon the final Distribution of the proceeds of the Assets pursuant to the Plan, the Responsible Person shall: (a) file a certificate of dissolution, together with all other necessary corporate documents, to effect the dissolution of the Debtor under the applicable laws of the State of Delaware; and (b) complete and file the Debtor's final federal, state and local tax returns, and pursuant to section 505(b) of the Bankruptcy Code, request an expedited determination of any unpaid tax liability of the Debtor or its Estate for any tax incurred

during the administration of the Chapter 11 Case or through the date of such dissolution, as determined under applicable tax laws. The filing of the Debtor's certificate of dissolution shall be authorized and approved in all respects without further action under applicable law, regulation, order or rule, including, without limitation, any action by the stockholders or the board of directors of the Debtor; provided, however, in no event shall the Debtor be dissolved later than three (3) years following the Effective Date.

J. Operations of the Debtor Between the Confirmation Date and the Effective Date

The Debtor shall continue to operate as Debtor-in-Possession during the period from the Confirmation Date through and until the Effective Date and as Reorganized Debtor from the Effective Date through the date of its dissolution.

K. Term of Injunctions or Stays

Unless otherwise provided, all injunctions or stays provided for in the Chapter 11 Case pursuant to sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect through and including the Effective Date.

L. Official Committee

Upon the Effective Date, the Official Committee shall continue to exist and its Professionals shall be retained solely with respect to (a) applications Filed pursuant to sections 330 and 331 of the Bankruptcy Code and (b) motions seeking the enforcement of the provisions of the Plan or the Confirmation Order. Subject to the foregoing, upon the Effective Date, the Official Committee and its members shall be released and discharged from all further authority, duties, responsibilities and obligations relating to and arising from the Chapter 11 Case.

M. Books and Records

As part of the appointment of the Responsible Person, to the extent not already transferred on the Effective Date, the Debtor shall transfer dominion and control over those Books and Records necessary to prosecute the Causes of Action or to reconcile Disputed Claims. The Debtor shall transfer such Books and Records in whatever form, manner or media, including, without limitation, the specific provision and presentation to the Responsible Person of all passcodes for security systems and computers, keys, keycards, and notice letters to landlords, warehousemen or other relevant parties. The Debtor may abandon all other Books and Records on or after thirty (30) days following the Effective Date. Pursuant to section 554 of the Bankruptcy Code, Article IV.M of the Plan shall constitute motion and notice, so that no further notice or Bankruptcy Court filings are required to effectuate the aforementioned abandonment of the Books and Records and entry of the Confirmation Order shall be deemed approval thereof.

ARTICLE VI.
PROVISIONS GOVERNING DISTRIBUTIONS

A. Initial Distribution Date

On the Initial Distribution Date or as soon thereafter as is reasonably practicable, the Responsible Person shall make, or shall make adequate reserves for, the Distributions required to be made under the Plan to the holders of Administrative Claims, Claims for Accrued Professional Compensation, Priority Tax Claims, Other Priority Claims and reserves for the costs, expenses and fees of the Responsible Person.

Distributions on account of holders of Allowed TruPS Claims, if any (after payment in full of the Success Fee and, subject to Article II.D of the Plan, the Indenture Trustee Fees), shall be made to the Indenture Trustee. If a Distribution is made to the Indenture Trustee, the Indenture Trustee, in its capacity as disbursing agent, shall administer the Distributions in accordance with the Plan and applicable TruPS Documents and be compensated in accordance with the terms of the Plan and the TruPS Documents.

B. Reserves

1. Establishment of Disputed Reserves

On the Initial Distribution Date, and after making all Distributions required to be made on such date under the Plan, the Responsible Person shall establish a separate Disputed Reserve for Disputed Claims, each of which Disputed Reserves shall be administered by the Responsible Person. The Responsible Person shall reserve in Cash or other property, for Distribution on account of each Disputed Claim, (i) in the full unpaid amount asserted with respect to Administrative Claims, Accrued Professional Compensation, Priority Tax Claims and Other Priority Claims, or (ii) such General Unsecured Creditor's pro rata share of Distributions to Class 1, calculated on the basis of the full asserted amount (or such lesser amount as may be estimated by the Court in accordance with Article VI.D of the Plan).

2. Maintenance of Disputed Reserves

To the extent that the property placed in a Disputed Reserve consists of Cash, that Cash shall be deposited in a non-interest-bearing account. The Responsible Person shall hold property in the Disputed Reserves in trust for the benefit of the holders of Disputed Claims ultimately determined to be Allowed. Each Disputed Reserve shall be closed and extinguished by the Responsible Person when all Distributions and other dispositions of Cash or other property required to be made hereunder will have been made in accordance with the terms of the Plan. Upon closure of a Disputed Reserve, all Cash or other property held in that Disputed Reserve shall revert in and become the property of the Reorganized Debtor. All funds or other property that vest or revert in the Reorganized Debtor pursuant to this paragraph shall be used to pay holders of Allowed Claims and the costs, expenses and fees of the Responsible Person.

C. Subsequent Distributions

Any Distribution that is not made on the Initial Distribution Date shall be held by the Responsible Person in a Disputed Reserve pursuant to Article V.B of the Plan and Distributed as soon as practicable after such Claim is Allowed. No interest shall accrue or be paid on the unpaid amount of any Distribution paid on a Subsequent Distribution Date from the Effective Date through and including the Subsequent Distribution Date for any such Claim, in accordance with Article V.L of the Plan. The Responsible Person shall promptly make a final Distribution after the resolution of Disputed Claims and after the Responsible Person has either resolved or abandoned all Causes of Action.

D. Record Date for Distributions

Except as otherwise provided in a Final Order of the Bankruptcy Court, the transferees of Claims that are transferred, and the assignment thereof is Filed, pursuant to Bankruptcy Rule 3001 on or prior to the Record Date will be treated as the holders of those Claims for all purposes, notwithstanding that any period provided by Bankruptcy Rule 3001 for objecting to the transfer may not have expired by the Record Date. The Debtor and the Responsible Person shall have no obligation to recognize any transfer of any Claim occurring after the Record Date. In making any Distribution with respect to any Claim, the Debtor and the Responsible Person shall be entitled instead to recognize and deal with, for all purposes hereunder, only the Person that is listed on the proof of Claim filed with respect thereto or on the Schedules as the holder thereof as of the Record Date.

E. Delivery of Distributions**1. General Provisions; Undeliverable Distributions**

Subject to Bankruptcy Rule 9010 and except as otherwise provided herein, Distributions to the holders of Allowed Claims shall be made by the Responsible Person at (a) the address of each holder as set forth in the Schedules, unless superseded by the address set forth on proofs of Claim Filed by such holder or (b) the last known address of such holder if no proof of Claim is Filed or if the Debtor or Responsible Person has been notified in writing of a change of address. If any Distribution is returned as undeliverable, the Responsible Person may, in its discretion, make such efforts to determine the current address of the holder of the Claim with respect to which the Distribution was made as the Responsible Person deems appropriate, but no further attempt to make a Distribution to any holder shall be made unless and until the Responsible Person has determined the then-current address of the holder, at which time the Distribution to such holder shall be made to the holder without interest. Amounts in respect of any undeliverable Distributions made by the Responsible Person shall be returned to, and held in trust by, the Responsible Person until the Distributions are claimed or are deemed to be unclaimed property under section 347(b) of the Bankruptcy Code as set forth in Article V.E of the Plan. The Responsible Person shall have the discretion to determine how to make Distributions in the most efficient and cost-effective manner possible; provided, however, that such discretion may not be exercised in a manner inconsistent with any express requirements of the Plan.

2. Special Distribution Provisions Concerning TruPS Claims

The following additional provisions shall apply specifically to Distributions to be made on account of the TruPS Claims.

(a) Service of Indenture Trustee. Distributions on account of the TruPS Claims shall be made by the Responsible Person to (i) the Indenture Trustee or (ii) with the prior written consent of the Indenture Trustee, through the facilities of DTC, by means of book-entry exchange through the facilities of DTC in accordance with DTC's customary practices. If a Distribution is made to the Indenture Trustee, the Indenture Trustee, in its capacity as a disbursing agent, shall administer the Distributions in accordance with the Plan, including determining the allocation of such Distributions to holders of TruPS Claims, and the TruPS Documents and be compensated in accordance with Article II.D of the Plan; *provided, however*, that nothing herein shall be deemed to impair, waive or extinguish any rights of the Indenture Trustee with respect to the Charging Lien.

The Indenture Trustee, acting as disbursing agent, shall only be required to act and make distributions in accordance with the terms of the Plan and shall have no (i) liability for actions taken in accordance with the Plan or in reliance upon information provided to it in accordance with the Plan or (ii) obligation or liability for distributions under the Plan to any party who does not hold a Claim against the Debtor as of the Record Date or who does not otherwise comply with the terms of the Plan.

(b) Substitution of the Indenture Trustee; Distributions. Upon the occurrence of the Effective Date, the Claims of the Indenture Trustee shall be, for all purposes under the Plan, including, without limitation, the right to receive distributions hereunder, substituted for all Claims of individual holders allegedly holding TruPS Claims. On the Initial Distribution Date, which for the purposes of this Section shall be the Effective Date, all TruPS Claims shall be settled and compromised in exchange for the distribution to the Indenture Trustee of the applicable Distributions to the holders of TruPS Claims as specified in Article III.B.1 of the Plan, subject to the right of the Indenture Trustee to assert its Charging Lien against the applicable Distributions; provided, that the Indenture Trustee shall return to the Responsible Person any Distributions held on account of any TruPS Claims as to which the requirements of Article V.F of the Plan are not satisfied by three (3) months after the Effective Date. All payments to holders of TruPS Claims shall only be made to such holders after the surrender by each such holder of the certificates representing such Claim, or in the event that such certificate is lost, stolen, mutilated or destroyed, upon the holder's compliance with the requirements set forth in Article V.F of the Plan. Upon surrender of such certificates, the Indenture Trustee shall cancel and destroy such certificates.

3. Unclaimed Property

Except with respect to property not Distributed because it is being held in a Disputed Reserve, Distributions that are not claimed by the expiration of three months from the Initial Distribution Date or any Subsequent Distribution Date, as applicable, shall be deemed to be unclaimed property under section 347(b) of the Bankruptcy Code and shall revert in the Reorganized Debtor, and the Claims with respect to which those Distributions are made shall be

automatically deemed waived. After the expiration of that three month period, the claim of any Person to those Distributions shall be discharged and forever barred. Nothing contained in the Plan shall require the Debtor or its Estate or the Responsible Person to attempt to locate any holder of an Allowed Claim. All funds or other property that reverts in the Reorganized Debtor pursuant to Article V.E of the Plan shall be distributed by the Responsible Person to the holders of Allowed Claims in accordance with the provisions of the Plan.

F. Cancellation of Debt

Except for purposes of evidencing a right to Distributions under the Plan or as otherwise provided hereunder, on the Effective Date, all agreements and other documents evidencing Claims or rights of any holder of a Claim against or Equity Interest in the Debtor shall be cancelled, terminated, deemed null and void and satisfied, as against the Debtor, but not as against any other Person.

As a condition to receiving any Distribution, on or before the Initial Distribution Date, the holder of a TruPS Claims evidenced by a certificate, instrument or note, shall (a) surrender such certificate, instrument or note representing such Claim, including, without limitation, any guarantees, and (b) execute and deliver such other documents as may be necessary to effectuate the Plan. If the record holder of a note is DTC or its nominee or another securities depository or custodian thereof, and such note is represented by a global security held by or on behalf of DTC or such other securities depository or custodian, then the beneficial holder of such note shall be deemed to have surrendered such holder's security, note, debenture or other evidence of indebtedness upon surrender of such global security by DTC or such other securities depository or custodian thereof.

Such certificate, instrument or note, including any such guarantees, shall thereafter be cancelled and extinguished; provided, however, that the Trust Junior Subordinated Debentures and the TruPS Documents shall continue in effect to the extent necessary to (i) allow the Responsible Person to make Distributions on account of the TruPS Claims (ii) allow the Indenture Trustee to make distributions, if any, on account of the TruPS Claims, (iii) permit the Indenture Trustee to assert its Charging Liens against Distributions for payment of the Indenture Trustee Fees, (iv) allow the Indenture Trustee to maintain any right of indemnification, contribution, subrogation or any other Claim it may have under the TruPS Documents, (v) permit the Indenture Trustee to appear in this Chapter 11 Case, and (vi) permit the Indenture Trustee to perform any functions that are necessary to effectuate the foregoing. The Responsible Person shall have the right to withhold any Distribution to be made to or on behalf of any holder of such TruPS Claims unless and until (a) such certificates, instruments or notes, including any such guarantees, are surrendered, or (b) any relevant holder provides to the Responsible Person an affidavit of loss or such other documents as may be required by the Responsible Person together with an appropriate indemnity in the customary form. Any such holder who fails to surrender such certificates, instruments or notes, including any such guarantees, or otherwise fails to deliver an affidavit of loss and indemnity within three (3) months of the Effective Date, shall be deemed to have no further Claim against the Debtor or its property or the Indenture Trustee in respect of such Claim and shall not participate in any Distribution, and the Distribution that would otherwise have been made to such holder shall be distributed pro-rata to all holders who held a Claim pursuant to the applicable Indenture and either (a) surrendered the certificate,

instrument or note representing such Claim, including, without limitation, any guarantees or (b) satisfactorily provided the Responsible Person with an affidavit of loss or such other documents as may be required by the Responsible Person together with an appropriate indemnity in the customary form.

G. Manner of Cash Payments Under the Plan

Cash payments made pursuant to the Plan shall be in United States dollars by checks or by wire transfer drawn on a domestic bank selected by the Responsible Person, at the option of the Responsible Person.

H. Time Bar to Cash Payments by Check

Checks issued by the Responsible Person on account of Allowed Claims shall be null and void if not negotiated within 90 days after the date of issuance thereof. Requests for the reissuance of any check that becomes null and void pursuant to Article V.H of the Plan shall be made directly to the Responsible Person by the holder of the Allowed Claim to whom the check was originally issued. Any claim in respect of such voided check shall be made in writing on or before 45 days after such check being deemed null and void pursuant to Article V.H of the Plan. After that date, all claims in respect of void checks shall be discharged and forever barred and the proceeds of those checks shall revert in and become the property of the Reorganized Debtor as unclaimed property in accordance with section 347(b) of the Bankruptcy Code and Article V.E of the Plan.

I. Limitations on Funding of Disputed Reserves

Except as expressly set forth in the Plan, the Debtor, Reorganized Debtor and the Responsible Person shall not have any duty to fund the Disputed Reserves.

J. Compliance with Tax Requirements

In connection with making Distributions under this Plan, to the extent applicable, the Responsible Person shall comply with all tax withholding and reporting requirements imposed on it by any Governmental Unit, and all Distributions pursuant to this Plan shall be subject to such withholding and reporting requirements. The Responsible Person may withhold the entire Distribution due to any holder of an Allowed Claim until such time as such holder provides the necessary information to comply with any withholding requirements of any Governmental Unit. Any property so withheld will then be paid by the Responsible Person to the appropriate authority. If the holder of an Allowed Claim fails to provide the information necessary to comply with any withholding requirements of any Governmental Unit within three months from the date of first notification to the holder of the need for such information or for the Cash necessary to comply with any applicable withholding requirements, then such holder's Distribution shall be treated as an undeliverable Distribution as described in Article V.E of the Plan.

K. No Payments of Fractional Dollars

Notwithstanding any other provision of the Plan to the contrary, no payment of fractional dollars shall be made pursuant to the Plan. Whenever any payment of a fraction of a dollar under the Plan would otherwise be required, the actual Distribution made shall reflect a rounding down of such fraction to the nearest whole dollar.

L. Interest on Claims

Except as specifically provided for in the Plan or the Confirmation Order, interest shall not accrue on Claims and no holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim. Interest shall not accrue or be paid on any Claim that is a Disputed Claim in respect of the period from the Effective Date to the date an interim or final Distribution is made thereon if and after that Disputed Claim becomes an Allowed Claim. Except as expressly provided in the Plan or in a Final Order of the Bankruptcy Court, no prepetition Claim shall be Allowed to the extent that it is for post-petition interest or other similar charges.

M. No Distribution in Excess of Allowed Amount of Claim

Notwithstanding anything to the contrary contained in the Plan, no holder of an Allowed Claim shall receive in respect of that Claim any Distribution in excess of the Allowed amount of that Claim.

N. Setoff and Recoupment

The Responsible Person may, but shall not be required to, setoff against, or recoup from, any Claim and the Distributions to be made pursuant to the Plan in respect thereof, any Causes of Action that the Debtor may have against the holder of such Claim, but neither the failure to assert any Cause of Action nor the allowance of any Claim under the Plan shall constitute a waiver or release by the Debtor of any Cause of Action it may have against the holder of any Claim.

O. De Minimis Distributions; Charitable Donation

Notwithstanding anything to the contrary in the Plan, the Responsible Person shall not be required to make a Distribution to any Creditor if the dollar amount of the Distribution is less than \$100, as such amount is so small that the cost of making that Distribution likely would exceed the dollar amount of such Distribution. On or about the time that the final Distribution is made, the Responsible Person may make a charitable donation with undistributed funds if, in the reasonable judgment of the Responsible Person, the cost of calculating and making the final Distribution of the remaining funds is excessive in relation to the benefits to the or holders of Claims, who would otherwise be entitled to such Distributions, provided that such charitable distribution is provided to an Entity not otherwise related to the Reorganized Debtor, the Responsible Person, or a member of the Plan Oversight Committee.

P. U.S. Trustee Fees

All outstanding amounts due under 28 U.S.C. § 1930 that have not been paid shall be paid by the Debtor on or before the Effective Date. Thereafter, the Responsible Person shall pay any statutory fees due pursuant to 28 U.S.C. § 1930(a)(6) and such fees shall be paid until entry of a Final Decree or an order converting or dismissing the Chapter 11 Case.

**ARTICLE VII.
DISPUTED CLAIMS**

A. No Distribution Pending Allowance

Notwithstanding any other provision of the Plan, the Responsible Person shall not Distribute any Cash or other property on account of any Disputed Claim unless and until such Claim becomes Allowed.

B. Resolution of Disputed Claims

Unless otherwise ordered by the Bankruptcy Court, after notice and a hearing, on and after the Effective Date, the Responsible Person shall have the right to make and File objections to Claims or Interests, settle, compromise, withdraw, or litigate to judgment objections on behalf of the Debtor's Estate to any and all Claims or Interests, except for Claims deemed Allowed by the Plan, regardless of whether such Claims or Interests are in a Class or otherwise. From and after the Effective Date, the Responsible Person (1) may settle or compromise any Disputed Claim without any further notice to or action, order, or approval of the Bankruptcy Court and (2) shall succeed to the Debtor's rights with respect to any objections to Claims or Interests Filed by the Debtor that remain pending as of the Effective Date. From and after the Effective Date, the Responsible Person shall have the sole authority to direct the Claims Agent to adjust the claims register to reflect any such settlements or compromises without any further notice to or action, order, or approval of the Bankruptcy Court. The costs of pursuing such actions set forth in Article VI.B of the Plan shall be paid from the Assets.

C. Objection Deadline

All objections to Claims shall be Filed and served upon the holders of each such Claim on or before the Claims Objection Bar Date, unless otherwise ordered by the Bankruptcy Court after notice and a hearing.

D. Estimation of Claims

At any time, the Debtor or the Responsible Person may request that the Bankruptcy Court estimate any Disputed Claim to the extent permitted by section 502(c) of the Bankruptcy Code regardless of whether the Debtor or the Responsible Person has previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall have jurisdiction to estimate any Claim at any time during litigation concerning any objection to such Claim, including during the pendency of any appeal relating to any such objection. If the Bankruptcy Court estimates any Disputed Claim, that estimated amount shall constitute either the Allowed amount of such Claim or a maximum limitation on the Claim, as

determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the Claim, the Debtor or the Responsible Person may elect to pursue supplemental proceedings to object to the ultimate allowance of the Claim. 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.

ARTICLE VIII. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Rejection of Executory Contracts and Unexpired Leases

The Plan shall constitute a motion to reject all executory contracts and unexpired leases not previously assumed and assigned pursuant to an order of the Bankruptcy Court, and the Protected Parties and the Reorganized Debtor shall have no further liability thereunder. The entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of any such rejections pursuant to sections 365(a) and 1123 of the Bankruptcy Code and that the rejection thereof is in the best interest of the Debtor, the Estate and all parties in interest in the Chapter 11 Case.

B. Claims Based on Rejection of Executory Contracts or Unexpired Leases

Claims created by the rejection of executory contracts and unexpired leases pursuant to Article VII.A of the Plan, or the termination of any executory contract or unexpired lease after the entry of the Confirmation Order, but prior to the Effective Date, must be filed with the Bankruptcy Court and served on the Reorganized Debtor and the Responsible Person no later than thirty (30) days after the Effective Date. Any Claims arising from the rejection of an executory contract or unexpired lease pursuant to Article VII.A of the Plan for which proofs of Claim are not timely filed within that time period will be forever barred from assertion against the Debtor, the Estate, the Reorganized Debtor, the Responsible Person, their successors and assigns, and their assets and properties, unless otherwise ordered by the Bankruptcy Court or as otherwise provided herein. All such Claims shall, as of the Effective Date, be subject to the permanent injunction set forth in Article IX.E of the Plan. Unless otherwise ordered by the Bankruptcy Court, all such Claims that are timely filed as provided herein shall be treated as General Unsecured Claims under the Plan and shall be subject to the provisions of Article III of the Plan.

ARTICLE IX. CONDITIONS PRECEDENT TO THE EFFECTIVE DATE

A. Conditions Precedent

The following are conditions precedent to the Effective Date that must be satisfied or waived:

1. The Confirmation Order has become a Final Order.

2. There shall be no stay or injunction in effect with respect to the Confirmation Order, which such Confirmation Order shall contain approval of the releases provided for under the Plan.

3. The appointment of the Responsible Person shall have been confirmed by entry of the Confirmation Order or other order of the Bankruptcy Court.

4. The Initial Budget shall have been approved by both the Debtor and the Official Committee.

B. Waiver

Notwithstanding the foregoing conditions in Article IX.A herein, the Debtor reserves, in its sole discretion, the right to waive the occurrence of any condition precedent to the Effective Date or to modify any of the foregoing conditions precedent. Any such written waiver of a condition precedent set forth in this Article may be effected at any time, without notice, without leave or order of the Bankruptcy Court, and without any formal action other than proceeding to consummate the Plan. Any actions required to be taken on the Effective Date shall take place and shall be deemed to have occurred simultaneously, and no such action shall be deemed to have occurred prior to the taking of any other such action.

**ARTICLE X.
INDEMNIFICATION, RELEASE, INJUNCTIVE AND RELATED PROVISIONS**

A. Compromise and Settlement

Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the Distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith settlement and compromise of all Claims and Equity Interests. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all Claims and Equity Interests, as well as a finding by the Bankruptcy Court that such compromise or settlement is fair, equitable, reasonable and in the best interests of the Debtor, the Estate and holders of Claims and Equity Interests.

B. Releases

1. **Releases by the Debtor.** Notwithstanding anything contained in the Plan to the contrary, as of the Effective Date, for the good and valuable consideration provided by each of the Releasees, the Debtor hereby provides a full discharge and release to the Releasees (and each such Releasee so released shall be deemed to release and discharge the Debtor) from any and all Causes of Action, existing as of the Effective Date or thereafter arising, 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 to the Debtor (including those in any way related to the Chapter 11 Case or the Plan), including, without limitation, those Causes of Action the Debtor would have been legally entitled to assert or that any Person would have been legally entitled to assert for or on behalf of the Debtor; *provided, however*, that the provisions of Article IX.B.1 of the Plan shall not operate to waive or release any Causes of

Action expressly set forth in and preserved by the Plan; *provided, further*, that the provisions of Article IX.B.1 of the Plan shall not release or otherwise affect any objection that has been or may be filed with respect to any Claim asserted by a Releasee; *provided, further*, that the provisions of Article IX.B.1 of the Plan shall not operate to waive or release any Causes of Action accrued by the Debtor in the ordinary course of business against holders of General Unsecured Claims.

2. Releases by the Releasing Parties. Except as otherwise provided in Article IX.B of the Plan, each Releasing Party who votes to accept the Plan and does not mark such ballot to indicate their refusal to grant the release provided for in this paragraph, shall be deemed to fully, completely, unconditionally, irrevocably, and forever release the Releasees of and from any and all Claims and Causes of Action, as of the Effective Date or thereafter arising, 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 to the Debtor and its current and former affiliates and Representatives.

3. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the releases set forth in Article IX.B of the Plan pursuant to Bankruptcy Rule 9019 and its finding that they are: (a) in exchange for good and valuable consideration, representing a good faith settlement and compromise of the Claims and Causes of Action thereby released; (b) in the best interests of the Debtor and all holders of Claims and Equity Interests; (c) fair, equitable and reasonable; (d) approved after due notice and opportunity for hearing; and (e) a bar to any of the Debtor or Releasing Parties, subject to Article IX.B of the Plan, asserting any Claim or Cause of Action thereby released.

C. Exculpation

Notwithstanding anything contained in the Plan to the contrary, the Exculpated Parties shall neither have nor incur any liability to any Entity for any Claims and Causes of Action arising after the Petition Date, including any act taken or omitted to be taken in connection with, or related to formulating, negotiating, preparing, disseminating, implementing, administering, confirming or consummating the Plan, the Disclosure Statement, or any other contract, instrument, release or other agreement or document created or entered into in connection with the Plan or any other postpetition act taken or omitted to be taken in connection with or in contemplation of the Sale or in connection with the Chapter 11 Case; provided, however, that the provisions of Article IX.C of the Plan shall have no effect on the liability of any Person that results from any such act or omission that is determined in a Final Order to have constituted gross negligence or willful misconduct; provided, further, that each Exculpated Party shall be entitled to rely upon the advice of counsel concerning its duties; provided, further, that the provisions of Article IX.C of the Plan shall not apply to any acts, omissions, Claims, Causes of Action or other obligations expressly set forth in and preserved by the Plan or any defenses thereto.

D. Preservation of Causes of Action**1. Vesting of Causes of Action**

(a) Except as otherwise provided in the Plan or Confirmation Order, in accordance with section 1123(b)(3) of the Bankruptcy Code, any Causes of Action that the Debtor or the Estate may hold against any Person shall vest in the Reorganized Debtor on and after the Effective Date.

(b) Except as otherwise provided in the Plan or Confirmation Order, after the Effective Date, the Responsible Person shall have the exclusive right, but not the obligation, to investigate, institute, prosecute, abandon, settle or compromise any Causes of Action, in his or her sole discretion and without further order of the Bankruptcy Court, in any court or other tribunal, including, without limitation, in an adversary proceeding filed in the Chapter 11 Case.

2. Preservation of All Causes of Action Not Expressly Settled or Released

(a) Unless a Cause of Action against any Person is expressly waived, relinquished, released, compromised or settled in the Plan or any Final Order (including the Confirmation Order), the Debtor and/or the Estate expressly reserve such Cause of Action for the Reorganized Debtor and Responsible Person 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 upon or after the entry of the Confirmation Order or the Effective Date based on the Disclosure Statement, Plan or Confirmation Order, except where such Causes of Action have been expressly released in the Plan (including, without limitation, and for the avoidance of doubt, the releases contained in Article IX.B.1 of the Plan) or any other Final Order (including the Confirmation Order). In addition, the Debtor and the Estate expressly reserve the right of the Responsible Person to pursue or adopt any claims alleged in any lawsuit in which the Debtor is a defendant or an interested party, against any Person, including, without limitation, the plaintiffs or co-defendants in such lawsuits.

(b) Subject to the description in the immediately preceding paragraph, any Person to whom the Debtor has incurred an obligation (whether on account of services, purchase or sale of goods or otherwise), or who has received services from the Debtor or a transfer of money or property of the Debtor, or who has transacted business with the Debtor, or leased equipment or property from or to the Debtor should assume that any such obligation, transfer, or transaction may be reviewed by the Responsible Person subsequent to the Effective Date and may be the subject of an action after the Effective Date, regardless of whether: (i) such Person filed a proof of claim against the Debtor in the Chapter 11 Case; (ii) the Debtor has objected to any such Person's proof of claim; (iii) any such Person's Claim was included in the Schedules; (iv) the Debtor has objected to any such Person's scheduled Claim; or (v) any such Person's scheduled Claim has been identified by the Debtor as disputed, contingent or unliquidated.

E. Injunction

1. From and after the Effective Date, all Persons are permanently enjoined from commencing or continuing in any manner against the Debtor, the Estate, the Responsible Person, their successors and assigns, and their assets and properties, as the case may be, any suit, action or other proceeding, on account of or respecting any Claim, demand, liability, obligation, debt, right, Cause of Action, interest or remedy released or to be released pursuant to the Plan or the Confirmation Order.

2. Except as otherwise expressly provided for in the Plan or in obligations issued pursuant to the Plan, from and after the Effective Date, all Entities shall be precluded from asserting against the Debtor, the Estate, the Responsible Person, their successors and assigns, and their assets and properties, any other Claims or Equity Interests 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.

3. The rights afforded in the Plan and the treatment of all Claims and Equity Interests in the Plan shall be in exchange for and in complete satisfaction of Claims and Equity Interests of any nature whatsoever, against the Debtor or any of its assets or properties. On the Effective Date, all such Claims against, and Equity Interests in, the Debtor shall be satisfied and released in full.

4. Except as otherwise expressly provided for in the Plan or in obligations issued pursuant to the Plan, all Persons are permanently enjoined, on and after the Effective Date, on account of any Claim or Equity Interest satisfied and released by the Plan, from:

(a) commencing or continuing in any manner any action or other proceeding of any kind against the Debtor, the Estate, the Responsible Person, their successors and assigns, and their assets and properties;

(b) enforcing, attaching, collecting or recovering by any manner or means any judgment, award, decree or order against the Debtor, the Estate, the Responsible Person, their successors and assigns, and their assets and properties;

(c) creating, perfecting or enforcing any encumbrance of any kind against the Debtor, the Estate, the Responsible Person, their successors and assigns, and their assets and properties;

(d) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from the Debtor or against the property or Estate of the Debtor, except to the extent a right to setoff, recoupment or subrogation is asserted with respect to a timely filed proof of claim; and

(e) commencing or continuing in any manner any action or other proceeding of any kind in respect of any Claim, Equity Interest or Cause of Action released or settled under the Plan.

F. Releases of Liens

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement or document created pursuant to the Plan, on the Effective Date, all Liens against property of the Estate shall be fully released and discharged.

**ARTICLE XI.
RETENTION OF JURISDICTION**

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall, after the Effective Date, retain such jurisdiction over the Chapter 11 Case and all Entities with respect to all matters related to the Chapter 11 Case, the Debtor, the Reorganized Debtor and the Plan as is legally permissible, including, without limitation, jurisdiction to:

1. allow, disallow, determine, liquidate, classify, estimate or establish the priority or secured or unsecured status of any Claim or Equity Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the allowance or priority of Claims or Equity Interests;
2. grant, deny or otherwise resolve any and all applications of Professionals or Persons retained in the Chapter 11 Case by the Debtor or the Official Committee for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or the Plan, for periods ending on or before the Effective Date;
3. resolve any matters related to the assumption, assignment or rejection of any executory contract or unexpired lease to which the Debtor is party or with respect to which the Debtor may be liable and to hear, determine and, if necessary, liquidate, any Claims arising therefrom;
4. ensure that Distributions to holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;
5. decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters and grant or deny any applications involving the Debtor that may be pending on the Effective Date or instituted by the Responsible Person after the Effective Date, *provided, however*, that the Debtor and the Estate and, following the Effective Date, the Responsible Person shall reserve the right of the Responsible Person to commence actions in all appropriate jurisdictions;
6. enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all other contracts, instruments, releases, indentures and other agreements or documents adopted in connection with the Plan;
7. resolve any cases, controversies, suits or disputes that may arise in connection with the Effective Date, interpretation or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;

8. issue injunctions, enforce them, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with the Effective Date or enforcement of the Plan, except as otherwise provided in the Plan;
9. enforce Article IX.A, Article IX.B and Article IX.C of the Plan;
10. enforce the Injunction set forth in Article IX.E of the Plan;
11. resolve any cases, controversies, suits or disputes with respect to the releases, injunction and other provisions contained in Article IX of the Plan, and enter such orders as may be necessary or appropriate to implement or enforce all such releases, injunctions and other provisions;
12. enter and implement such orders as necessary or appropriate if the Confirmation Order is modified, stayed, reversed, revoked or vacated;
13. resolve any other matters that may arise in connection with or relate to the Plan, the Confirmation Order or any contract, instrument, release, indenture or other agreement or document adopted in connection with the Plan; and
14. enter an order and/or the Final Decree concluding the Chapter 11 Case.

ARTICLE XII. MISCELLANEOUS PROVISIONS

A. Modification of Plan

Subject to the limitations contained in the Plan: (1) the Debtor reserves the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, after consultation with the Official Committee, to amend or modify the Plan prior to the entry of the Confirmation Order, including amendments or modifications to satisfy section 1129(b) of the Bankruptcy Code; and (2) after the entry of the Confirmation Order, the Debtor or the Responsible Person may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan.

B. Revocation of Plan

The Debtor reserves the right to revoke or withdraw the Plan prior to the entry of the Confirmation Order and to file subsequent chapter 11 plans. If the Debtor revokes or withdraws the Plan or if entry of the Confirmation Order or the Effective Date does not occur, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan, assumption or rejection of executory contracts or leases effected by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null and void; and (3) nothing contained in the Plan shall: (a) constitute a waiver or release of any Claims by or against, or any Equity Interests in, the Debtor or any other Entity; (b) prejudice in any manner the rights of the Debtor or any other Entity; or (c) constitute an admission of any sort by the Debtor or any other Entity.

C. Binding Effect

On the Effective Date, the provisions of the Plan shall bind any holder of a Claim against, or Equity Interest in, the Debtor and such holder's respective successors and assigns, whether or not the Claim or Equity Interest of such holder is Impaired under the Plan, whether or not such holder has accepted the Plan and whether or not such holder is entitled to a Distribution under the Plan.

D. Successors and Assigns

The rights, benefits and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such Entity.

E. Governing Law

Except to the extent that the Bankruptcy Code or Bankruptcy Rules apply, and subject to the provisions of any contract, instrument, release, indenture or other agreement or document entered into in connection with the Plan, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the state of Delaware, without giving effect to the principles of conflict of laws thereof.

F. Reservation of Rights

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless and until the Bankruptcy Court enters the Confirmation Order and the Effective Date has occurred. Neither the filing of the Plan, any statement or provision contained in the Plan, nor the taking of any action by the Debtor or any Entity with respect to the Plan shall be or shall be deemed to be an admission or waiver of any rights of: (1) the Debtor with respect to the holders of Claims or Equity Interests or other parties-in-interest; or (2) any holder of a Claim or other party-in-interest prior to the Effective Date.

G. Article 1146 Exemption

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant to the Plan shall not be subject to any stamp tax or other similar tax or governmental assessment in the United States, and the Confirmation Order shall direct the appropriate state or local governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation instruments or other documents pursuant to such transfers of property without the payment of any such tax or governmental assessment.

H. Section 1125(e) Good Faith Compliance

Confirmation of the Plan shall act as a finding by the Bankruptcy Court that the Debtor and each of its Representatives have acted in "good faith" under section 1125(e) of the Bankruptcy Code.

I. Further Assurances

The Debtor, all holders of Claims receiving Distributions under the Plan and all other parties in interest shall, from time to time, prepare, execute and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan or the Confirmation Order.

J. Service of Documents

Any pleading, notice or other document required by the Plan to be served on or delivered to the Debtor shall be sent by first class U.S. mail, postage prepaid as follows:

To the Debtor:

Mercantile Bancorp, Inc.
200 North 33rd Street
Quincy, Illinois 62301
Attn: Lee Roy Keith

with a copy to:

DLA Piper LLP (US)
203 N. LaSalle Street, Suite 1900
Chicago, Illinois 60601
Attn: Kimberly D. Newmarch, Esq.
James R. Irving, Esq.
Aaron M. Paushter, Esq.

-and-

DLA Piper LLP (US)
1201 North Market Street, Suite 2100
Wilmington, Delaware 19801
Attn: Stuart M. Brown, Esq.

To the Responsible Person:

[_____]
[_____]
[_____]
[_____]

To the Official Committee:

Kirkland & Ellis LLP
300 N. LaSalle Street
Chicago, Illinois 60654
Attn: David R. Seligman, Esq.
Jeffrey W. Gettleman, Esq.

To the Plan Oversight Committee:

[]
[]
[]
[]

K. Filing of Additional Documents

On or before the Effective Date, the Debtor may file with the Bankruptcy Court all agreements and other documents that may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

L. No Stay of Confirmation Order

The Confirmation Order shall contain a waiver of any stay of enforcement otherwise applicable, including pursuant to Bankruptcy Rules 3020(e), 6004(h) and 7062.

**ARTICLE XIII.
SOLICITATION AND VOTING PROCEDURES**

On April 3, 2014, the Bankruptcy Court entered the Disclosure Statement Order approving the adequacy of the Disclosure Statement and the Solicitation Procedures. A copy of the Solicitation Procedures will be attached as an exhibit to the Disclosure Statement Order. In addition to approving the Solicitation Procedures, the Disclosure Statement Order will establish certain dates and deadlines, including the date for the Confirmation Hearing, the deadline for parties to object to confirmation of the Plan, the Voting Record Date and the Voting Deadline. The Disclosure Statement Order will also approve the forms of Ballots and certain confirmation-related notices. The Disclosure Statement Order and the Solicitation Procedures should be read in conjunction with the Disclosure Statement.

A. Solicitation Package

1. Contents of Solicitation Package

The following materials shall constitute the solicitation package:

- Plan;
- Disclosure Statement;

- Disclosure Statement Order;
- Confirmation Hearing Notice;
- Ballots, Master Ballots and voting instructions (if applicable); and
- pre-addressed, postage pre-paid return envelope (if applicable).

2. Distribution of Solicitation Package

The Debtor shall serve, or cause to be served, all of the materials in the solicitation package on holders of General Unsecured Claims in Class 1.

The Debtor shall serve, or cause to be served, the Notice of Non-Voting Status and the Confirmation Hearing Notice on holders of Equity Interests in Class 2.

The Debtor also shall serve, or cause to be served, all of the materials in the solicitation package (except Ballots) on (a) the U.S. Trustee; (b) counsel to the Official Committee; (c) the Internal Revenue Service; (d) the Securities and Exchange Commission; (e) the United States Department of Justice; (f) the FDIC; and (g) the Notice Parties.

B. Voting Instructions And General Tabulation Procedures

1. Voting Record Dates

The Bankruptcy Court has approved April 3, 2014, as the Voting Record Date.

2. Voting Deadline and Ballot Submission

The Bankruptcy Court has approved May 19, 2014, at 5:00 p.m., prevailing Eastern Time, as the Voting Deadline.

For holders of all Claims, the Voting Agent will answer questions regarding the procedures and requirements for voting to accept or reject the Plan and for objecting to the Plan, provide additional copies of all materials and oversee the voting tabulation. The Voting Agent will also process and tabulate ballots for each Class entitled to vote to accept or reject the Plan.

TO BE COUNTED AS VOTES TO ACCEPT OR REJECT THE PLAN, BALLOTS AND MASTER BALLOTS CAST BY HOLDERS IN THE CLASS ENTITLED TO VOTE MUST BE RECEIVED BY THE VOTING AGENT BY THE VOTING DEADLINE, AT THE ADDRESS LISTED ON THE BALLOT, WHETHER BY FIRST CLASS MAIL, OVERNIGHT COURIER OR PERSONAL DELIVERY. THE BALLOTS AND THE PRE-ADDRESSED, POSTAGE PRE-PAID ENVELOPES ACCOMPANYING THE BALLOTS WILL CLEARLY INDICATE WHERE THE BALLOT MUST BE RETURNED.

Ballots and Master Ballots must be **actually received** by the Voting Agent. If holders of Claims have any questions on the procedures for voting on the Plan, they may call the Voting Agent at the following telephone number: (312) 368-7234.

To obtain an additional copy of the Plan, the Disclosure Statement or other solicitation package materials (except Ballots), parties may (a) visit the Claims Agent's website at <http://www.upshotservices.com/mercantilebancorp>; (b) write to DLA Piper LLP (US), 203 N. LaSalle Street, Suite 1900, Chicago, IL 60601 (Attn: James R. Irving, Esq.); (c) call Mr. Irving at (312) 368-7234; (d) e-mail Mr. Irving at jim.irving@dlapiper.com; or (e) access PACER at <http://www.deb.uscourts.gov/>.

Ballots and Master Ballots received after the Voting Deadline will not be counted by the Debtor in connection with the Debtor's request for confirmation of the Plan.

3. **Who May Vote**

In general, a holder of a claim or interest may vote to accept or to reject a plan if no party-in-interest has objected to such claim or interest, and the claim or interest is Impaired by the plan. If the holder of an Impaired claim or interest will not receive any distribution under the plan in respect of such Claim or Equity Interest, the Bankruptcy Code deems such holder to have rejected the plan. If the Claim or Equity Interest is not Impaired, the Bankruptcy Code deems that the holder of such Claim or Equity Interest has accepted the plan and the plan proponent need not solicit such holder's vote.

Pursuant to section 1124 of the Bankruptcy Code, a class of Claims or Equity Interests is deemed to be "impaired" under a plan unless the plan: (a) leaves unaltered the legal, equitable and contractual rights to which the Claim or Equity Interest entitles the holder of such class 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 or any fixed price at which the debtor may redeem the security.

Only holders of General Unsecured Claims in Class 1 shall be entitled to vote on the Plan.

4. **General Ballot Tabulation**

The following voting procedures and standard assumptions shall be used in tabulating Ballots and Master Ballots:

- Except as otherwise provided herein, unless the Ballot or Master Ballot being furnished is timely submitted on or prior to the Voting Deadline, the Voting Agent shall reject such Ballot or Master Ballot as invalid and, therefore, the Debtor shall decline to count it in connection with confirmation of the Plan;
- The Voting Agent will date-stamp all Ballots and Master Ballots when received. The Voting Agent shall retain the original Ballots and an electronic copy of the same for a period of one year after the Effective Date of the Plan, unless otherwise ordered by the Bankruptcy Court;

- As soon as reasonably practicable before the Confirmation Hearing, unless such other date is set by the Bankruptcy Court, the Voting Agent will File a voting report with the Bankruptcy Court. The voting report shall, among other things, delineate every irregular Ballot including, but not limited to, those Ballots that are late or (in whole or in material part) illegible, unidentifiable, lacking original signatures or lacking necessary information, received via facsimile or electronic mail, or damaged. The voting report shall indicate the Debtor's intentions with regard to such irregular Ballots;
- The method of delivery of Ballots and Master Ballots to be sent to Voting Agent is at the election and risk of each holder, and except as otherwise provided, a Ballot will be deemed delivered only when the Voting Agent actually receives the original executed Ballot or Master Ballot;
- An original executed Ballot is required to be submitted by the Entity submitting such Ballot. Delivery of a Ballot to the Voting Agent by facsimile, e-mail, or any other electronic means will not be valid;
- No Ballot should be sent to any of the Debtor, the Debtor's agents (other than the Voting Agent) or the Indenture Trustee, and if so sent will not be counted;
- If multiple Ballots are received from the same holder with respect to the same Claim prior to the Voting Deadline, the last Ballot timely received will be deemed to reflect that voter's intent and will supersede and revoke any prior Ballot;
- Holders must vote all of their Claims within a particular Class either to accept or reject the Plan and may not split any votes. Accordingly, a Ballot that partially rejects and partially accepts the Plan will not be counted;
- The Debtor, subject to contrary order of the Bankruptcy Court, may waive any defects or irregularities as to any particular Ballot at any time, either before or after the close of voting, and any such waivers will be documented in the voting report;
- Neither the Debtor nor any other Entity will be under any duty to provide notification of defects or irregularities with respect to delivered Ballots other than as provided in the voting report, nor will any of them incur any liability for failure to provide such notification;
- Unless waived or as ordered by the Bankruptcy Court, any defects or irregularities in connection with deliveries of Ballots must be cured prior to the Voting Deadline or such Ballots will not be counted;
- In the event a designation of lack of good faith is requested by a party-in-interest under section 1126(e) of the Bankruptcy Code, the Bankruptcy Court will determine whether any vote to accept or reject the Plan cast with respect to that Claim will be counted for purposes of determining whether the Plan has been accepted or rejected;

- Subject to any contrary order of the Bankruptcy Court, the Debtor reserves the right to reject any and all Ballots and Master Ballots not in proper form, the acceptance of which, in the opinion of the Debtor, would not be in accordance with the provisions of the Bankruptcy Code or the Bankruptcy Rules; provided, however, that any such rejections will be documented in the voting report; and
- The following Ballots and Master Ballots shall not be counted in determining the acceptance or rejection of the Plan: (i) any Ballot or Master Ballot that is illegible or contains insufficient information to permit the identification of the holder; (ii) any Ballot or Master Ballot cast by an Entity that does not hold a General Unsecured Claim in Class 1; (iii) any unsigned Ballot or Master Ballot or any Ballot or Master Ballot lacking an original signature; (iv) any Ballot not marked to accept or reject the Plan, or marked both to accept and reject the Plan; and (v) any Ballot or Master Ballot submitted by any Entity not entitled to vote pursuant to the procedures described herein.

5. Solicitation and Tabulation Procedures for Master Ballots in Class 1

The following procedures will be used to solicit and tabulate votes from holders of TruPS Claims in Class 1:

- The Debtor will cause a solicitation package to be mailed by first class mail, postage prepaid, to each Master Ballot Agent for distribution to the holders of TruPS Claims as of the Record Date.
- Pursuant to Bankruptcy Rules 1007(i) and 3017(e), to permit such mailing and facilitate the transmittal of solicitation packages to the holders of TruPS Claims as soon as practicable after the Record Date, the Debtor or the Voting Agent shall obtain from Wilmington Trust, Hare & Co., as nominee for Bank of New York Mellon, Cede & Co., as nominee for the Depository Trust Company and any other entities holding records of the identities of the Master Ballot Agents, the Master Ballot Agent Register.
- Upon receipt of the Master Ballot Agent Register, the Voting Agent will (i) contact each Master Ballot Agent to determine the number of solicitation packages needed by the Master Ballot Agent for distribution to the applicable holders of TruPS Claims for whom the Master Ballot Agent performs services and (ii) deliver to each Master Ballot Agent a Master Class 1 Ballot and the requisite number of solicitation packages with Individual Class 1 Ballots.
- The Master Ballot Agents will be required to distribute the solicitation package they receive within seven (7) days of receipt of such packages to the holders of TruPS Claims for whom they provide services. In particular, to obtain the votes of the holders of TruPS Claims, the Master Ballot Agents will include as part of each solicitation package sent to a holder of TruPS Claims an Individual Class 1 Ballot and a return envelope provided by and addressed to the Master Ballot Agent. The holders of TruPS Claims then must return the Individual Class 1 Ballots to the

Master Ballot Agent in the manner and by the deadline directed by the Master Ballot Agent in the instructions accompanying the Individual Class 1 Ballots. Upon receipt of the completed Individual Class 1 Ballots from the holders of TruPS Claims for whom they provide services, the Master Ballot Agent will summarize the votes of its respective holders of TruPS Claims on a Master Class 1 Ballot in accordance with the instructions attached to the Master Class 1 Ballot. The Master Ballot Agent must return the Master Class 1 Ballot to the Voting Agent so that it is received prior to the Voting Deadline. The Master Ballot Agent will be required to retain the Individual Class 1 Ballots cast by the holders of TruPS Claims for inspection for a period of one year following the Effective Date.

- Upon written request, the Debtor will reimburse each Master Ballot Agent in accordance with customary procedures for their reasonable, actual and necessary out-of-pocket expenses incurred in performing the tasks described above. No other fees, commissions or other remuneration will be payable to any Master Ballot Agent (or their agents or intermediaries) in connection with the distribution of solicitation package to holders of TruPS Claims or the completion of Master Class 1 Ballots. All requests for such reimbursement must be received by the Debtor on or before the first business day that is thirty (30) business days after the Plan becomes effective.

ARTICLE XIV. CONFIRMATION PROCEDURES

A. Confirmation Hearing

The Confirmation Hearing will commence on [] at [] prevailing Eastern Time, before the Honorable Kevin J. Carey, U.S. Bankruptcy Judge, in the U.S. Bankruptcy Court for the District of Delaware, 824 Market Street, 5th Floor, Courtroom 5, Wilmington, Delaware 19801. The Confirmation Hearing may be adjourned from time to time without further notice except for an announcement of the adjourned date made at the Confirmation Hearing or any adjournment thereof.

The Plan Objection Deadline is [] prevailing Eastern Time on [].

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

The Debtor's proposed schedule will provide Entities sufficient notice of the Plan Objection Deadline, which will be more than the 28 days as required by Bankruptcy Rule 2002(b). The Debtor believes that the Plan Objection Deadline will afford the Bankruptcy Court, the Debtor and other parties-in-interest reasonable time to consider the Plan Objections prior to the Confirmation Hearing.

THE BANKRUPTCY COURT MAY NOT CONSIDER PLAN OBJECTIONS UNLESS THEY ARE TIMELY SERVED AND FILED IN COMPLIANCE WITH THE DISCLOSURE STATEMENT ORDER.

Plan Objections must be served on all of the following parties:

Counsel to the Debtor:

DLA Piper LLP (US)
203 N. LaSalle Street, Suite 1900
Chicago, Illinois 60601
Attn: Kimberly D. Newmarch, Esq.
James R. Irving, Esq.
Aaron M. Paushter, Esq.

-and-

DLA Piper LLP (US)
1201 North Market Street, Suite 2100
Wilmington, Delaware 19801
Attn: Stuart M. Brown, Esq.

Counsel to the Official Committee:

Kirkland & Ellis LLP
300 N. LaSalle Street
Chicago, Illinois 60654
Attn: David R. Seligman, Esq.
Jeffrey W. Gettleman, Esq.

Clerk of the Bankruptcy Court:

Clerk of the Bankruptcy Court
U.S. Bankruptcy Court for the District of Delaware
824 Market Street
Wilmington, Delaware 19801

United States Trustee:

Office of the U.S. Trustee for the District of Delaware
844 King Street, Room 2207
Lockbox #35
Wilmington, Delaware 19899-0035
Attn: Mark Kenney, Esq.

B. 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 Debtor believes:

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

- It has 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 to be made or promised under the Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Case, or in connection with the Plan and incident to the Chapter 11 Case, has been disclosed to the Bankruptcy Court, and any such payment made before confirmation of the Plan is reasonable;
- Either each holder of an Impaired Claim or Equity Interest will have accepted the Plan, or will receive or retain under the Plan on account of such Claim or Interest, 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 was liquidated on that date under chapter 7 of the Bankruptcy Code.
- The Class that is entitled to vote on the Plan will have accepted the Plan.
- Except to the extent the holder of a particular Claim will agree to a different treatment of its Claim, the Plan provides that Administrative Claims, Priority Tax Claims and Other Priority Claims will be paid in full on the Effective Date, or as soon thereafter as is reasonably practicable.
- Confirmation of the Plan is not likely to be followed by the liquidation (other than as contemplated by the Plan) or the need for further financial reorganization of the Debtor or any successors thereto under the Plan.
- It will have paid the required filing fees pursuant to 28 U.S.C. § 1930.
- There will be sufficient funds for the Responsible Person to pay quarterly fees to the Office of the U.S. Trustee on or before the last day of the calendar month following the calendar quarter for which the fee is owed in the Chapter 11 Case (including any fraction thereof), until the case is closed, converted or dismissed, whichever occurs first.

1. **Best Interests of Creditors Test/Liquidation Analysis**

Often called the “best interests” test, section 1129(a)(7) of the Bankruptcy Code requires that the Bankruptcy Court find, as a condition to confirmation, that the Plan provides, 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 with 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 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 Case was converted to a chapter 7 case and the assets of the 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 Plan Distribution that such holder would receive if the Plan were confirmed.

In chapter 7 cases, unsecured 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 fully or any such payment is provided for: (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.

The Debtor believes that the value of any Distributions if the Chapter 11 Case was converted to a case under chapter 7 of the Bankruptcy Code would be less than the value of Distributions under the Plan because, among other reasons Distributions in a chapter 7 case may not occur until a later date than Distributions under the Plan would occur, thereby reducing the present value of such Distributions. In the event that the Chapter 11 Case was converted to a case under chapter 7 of the Bankruptcy Code, 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 Case and the Claims against the Debtor. The proceeds received in a chapter 7 liquidation would likely be further depleted by the fees and expenses of a chapter 7 trustee and the trustee's professional advisors, as well as by the accrual of claims throughout the chapter 7 period that must be paid on a priority basis.

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 Debtor or the need for further financial reorganization, unless the Plan contemplates such liquidation. Indeed, section 1123(b)(4) of the Bankruptcy Code permits liquidation plans that "provide for the sale of all or substantially all of the property of the estate, and the Distribution of the proceeds of such sale among holders of claims or interests" in chapter 11 proceedings. The Plan provides for the liquidation of the Debtor by the distribution of the Sale proceeds and remaining assets. Further, the Debtor maintains that there is a reasonable expectation that the payments required to be made during the term of the Plan will, in fact, be made.

3. Acceptance by Impaired Classes

The Bankruptcy Code requires, as a condition to confirmation, that, except as described below, each class of Claims or Equity Interests that is Impaired under a plan, accept the plan.

Section 1126(d) of the Bankruptcy Code defines acceptance of a plan by a class of impaired Claims or Equity Interests as acceptance by holders of at least two-thirds in amount and more than one-half in number of such Claims or Equity Interests.

The Equity Interests in Class 2 are Impaired under the Plan, but will receive no distribution, and so are deemed to have rejected the Plan.

The Claims in Class 1 are Impaired under the Plan, and as a result, the holders of Claims in Class 1 are entitled to vote on the Plan. Such Voting Class must accept the Plan for the Plan to be confirmed. As stated above, Class 1 will have accepted the Plan if the Plan is accepted by at least two-thirds in amount and more than one-half in number of the Claims in Class 1 (other than

any interests designated under section 1126(e) of the Bankruptcy Code) that have voted to accept or reject the Plan.

As described more fully in Article XV.A.4 hereof, the Bankruptcy Court may confirm the Plan over the deemed rejection of the Plan by the Equity Interest in Class 2 if the Bankruptcy Court determines that the plan “does not discriminate unfairly” and is “fair and equitable” with respect to the Equity Interest in Class 2. The Debtor believes that the Plan satisfies these requirements and the Debtor may request such nonconsensual Confirmation in accordance with subsection 1129(b) of the Bankruptcy Code.

C. Contact for More Information

Any interested party desiring further information about the Plan may contact legal counsel to the Debtor:

DLA PIPER LLP (US)
203 N. LaSalle Street, Suite 1900
Chicago, Illinois 60601
Attn: James R. Irving, Esq.
Telephone: (312) 368-7234

ARTICLE XV.
PLAN-RELATED RISK FACTORS AND ALTERNATIVES
TO CONFIRMATION AND CONSUMMATION OF THE PLAN

PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN, ALL HOLDERS OF CLAIMS 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.

A. Certain Bankruptcy Law Considerations

1. Parties-in-Interest May Object to the Debtor’s 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 Debtor believes that the classification of Claims and Equity Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtor created (i) one Class of Claims encompassing Claims that are substantially similar to the other Claims in such Class, and (ii) one Class of Equity Interests encompassing Equity Interests that are substantially similar to the other Equity Interests in each such Class. Nevertheless, there can be no assurance the Bankruptcy Court will reach the same conclusion.

2. **Failure to Satisfy Vote Requirement**

If votes are received in an amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Debtor intends to seek, as promptly as practicable thereafter, confirmation of the Plan. In the event that sufficient votes are not received, the Debtor may seek approval of an alternative chapter 11 plan. There can be no assurance 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. **Debtor May Not Be Able to Secure Confirmation of the Plan**

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a chapter 11 plan, including, among other requirements, a finding 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 and equity interests within a particular class under such plan will not be less than the value of distributions such holders would receive if the debtor was liquidated under chapter 7 of the Bankruptcy Code.

There can be no assurance the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, there can be no assurance 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 determines that the Disclosure Statement, the balloting procedures and voting results are appropriate, the Bankruptcy Court could still decline to confirm the Plan if it found that any of the statutory requirements for Confirmation had not been met, including the requirement that the terms of the Plan do not “unfairly discriminate” and are “fair and equitable” to non-accepting Classes.

Confirmation of the Plan is also subject to certain conditions as described in the Plan. If the Plan is not confirmed, it is unclear what Distributions, if any, holders of Allowed Claims would receive with respect to their Allowed Claims.

The Debtor, subject to the terms and conditions of the Plan, reserves the right to modify the terms and conditions of the Plan as necessary for confirmation of the Plan. Any such modifications could result in a less favorable treatment of any non-accepting Class, as well as of any Classes junior to such non-accepting Class, than the treatment currently provided in the Plan. Such a 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.

4. **Nonconsensual Confirmation**

The Bankruptcy Court may confirm the Plan over the rejection or deemed rejection of the Plan by class of Claims or Equity Interests if the Plan “does not discriminate unfairly” and is “fair and equitable” with respect to such class. Because the Debtor seeks a cramdown under

section 1129(b) of the Bankruptcy Code with respect to the deemed rejection of the Plan by holders of Equity Interests in Class 2, the Debtor must satisfy the factors listed below.

No Unfair Discrimination. This test applies to classes of claims or equity interests that are of equal priority and are receiving different treatment under a plan of reorganization. The test does not require that the treatment be the same or equivalent, but that such treatment be “fair.”

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

Unsecured Claims. Either (i) each holder of an impaired unsecured claim receives or retains under the plan property of a value equal to the amount of its allowed unsecured claim or (ii) the holders of claims and interests that are junior to the claims of the dissenting class will not receive or retain any property under the plan of reorganization.

Equity Interests. Either (i) each equity interest holder will receive or retain under the plan of reorganization property of a value equal to the greater of (a) the fixed liquidation preference or redemption price, if any, of such stock and (b) the value of the stock or (ii) the holders of interests that are junior to the equity interests of the dissenting class will not receive or retain any property under the plan of reorganization.

The Debtor believes the Plan will satisfy both the “no unfair discrimination” requirement and the “fair and equitable” requirement, notwithstanding that Class 2 will receive no Distribution, because as to such Class, there is no class of equal priority receiving more favorable treatment and no class that is junior to such dissenting Class will receive or retain any property on account of the Claims or Equity Interests in such class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach this conclusion.

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

Except as otherwise provided in the Plan, the Debtor reserves 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 subject to an objection. Any holder of a Claim that is subject to an objection thus may not receive its expected share of the estimated Distributions described in this Disclosure Statement.

6. Risk of Non-Occurrence of the Effective Date

Although the Debtor believes that the Effective Date may occur quickly after the Confirmation Date, there can be no assurance as to such timing, or as to whether the Effective Date will, in fact, occur.

7. Contingencies Not to Affect Votes of Impaired Classes to Accept or Reject the Plan

The Distributions available to holders of Allowed Claims 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 under the Plan, will not affect the validity of the vote taken by the Impaired Class to accept or reject the Plan or require any sort of revote by the Impaired Class.

B. Risk Factors That May Affect Distributions Under The Plan

1. Debtor Cannot State with Any Degree of Certainty What Recovery Will Be Available to holders of Allowed Claims in a Voting Class

A number of unknown factors make certainty in creditor recoveries impossible. First, the Debtor cannot know with any certainty, at this time, the number or amount of Claims that will ultimately be Allowed. Second, the Debtor cannot know with any certainty, at this time, the unclassified Claims that will ultimately be Allowed.

2. Actual Amounts of Allowed Claims May Differ from the Estimated Claims and Adversely Affect the Recovery on Claims

The Claims estimates set forth herein are based on various assumptions. The actual amounts of Allowed Claims may differ significantly from those estimates should one or more underlying assumption prove to be incorrect. Such differences may adversely affect the percentage recovery to holders of Allowed Claims under the Plan. Additionally, the Debtor has made certain assumptions, as described herein, regarding liquidation under chapter 7 of the Bankruptcy Code, which should be read carefully.

C. Disclosure Statement Disclaimer

1. No Waiver of Right to Object or Right to 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 Debtor or the Responsible Person to object to that holder's Allowed Claim, or to bring Causes of Action regardless of whether any Claims or Causes of Action of the Debtor or the Estate are specifically or generally identified herein.

2. Information Was Provided by the Debtor and Was Relied Upon by the Debtor's Advisors

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

D. Liquidation Under Chapter 7

If the Plan is not Confirmed, the Chapter 11 Case may be converted to a case under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be elected or appointed to liquidate the assets of the Debtor for Distribution in accordance with the priorities established by the Bankruptcy Code. The Debtor believes that any such conversion would likely reduce any Distribution to holders of Claims based on, among other things, the (i) increased costs of a chapter 7 case arising from the fees payable to a chapter 7 trustee and professional advisors to such trustee; (ii) substantial increases in claims which would be satisfied on a priority basis; and (iii) substantially longer period of time that would elapse until distributions could be made under chapter 7.

**ARTICLE XVI.
CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES**

The following is a summary of certain U.S. federal income tax consequences of the Plan to the Debtor and certain holders of Claims. This summary is based on the Internal Revenue Code, Treasury Regulations thereunder and administrative and judicial interpretations and practice, all as in effect on the date of the Disclosure Statement and all of which are subject to change, with possible retroactive effect. Due to the lack of definitive judicial and administrative authority in a number of areas, substantial uncertainty may exist with respect to some of the tax consequences described below. No opinion of counsel has been obtained and the Debtor does not intend to seek a ruling from the Internal Revenue Service as to any of the tax consequences of the Plan discussed below. There can be no assurance that the Internal Revenue Service will not challenge one or more of the tax consequences of the Plan described below.

This summary does not apply to holders of Claims that are not U.S. Persons (as such term is defined in the Internal Revenue Code) or that are otherwise subject to special treatment under U.S. federal income tax law (including, without limitation, banks, governmental authorities or agencies, financial institutions, insurance companies, pass-through entities, tax-exempt organizations, brokers and dealers in securities, mutual funds, small business investment companies and regulated investment companies). The following discussion assumes that holders of Allowed Claims hold such Claims as “capital assets” within the meaning of section 1221 of the Internal Revenue Code. Moreover, this summary does not purport to cover all aspects of U.S. federal income taxation that may apply to the Debtor and holders of Allowed Claims based upon their particular circumstances. Additionally, this summary does not discuss any tax consequences that may arise under any laws other than U.S. federal income tax law, including under state, local or foreign tax law.

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM. ALL HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES APPLICABLE UNDER THE PLAN.

INTERNAL REVENUE SERVICE CIRCULAR 230 DISCLOSURE: TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE INTERNAL REVENUE SERVICE, ANY TAX ADVICE CONTAINED IN THIS DISCLOSURE STATEMENT (INCLUDING ANY ATTACHMENTS) IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING TAX-RELATED PENALTIES UNDER THE INTERNAL REVENUE CODE. TAX ADVICE CONTAINED IN THIS DISCLOSURE STATEMENT (INCLUDING ANY ATTACHMENTS) IS NOT WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED BY THE DISCLOSURE STATEMENT. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

A. Federal Income Tax Consequences to the Debtor

1. Overview of Current Year Tax Position

The Debtor has filed a consolidated federal income tax return with the IRS and consolidated state income tax returns with the State of Illinois and State of Missouri for all tax years up to and including the tax year ending 2012. The Debtor expects to have substantial losses for the tax year ending December, 2013 and, thus, does not expect to incur any substantial tax liability as a result of implementation of the Plan.

2. Cancellation of Indebtedness

The Internal Revenue Code provides that a debtor in a chapter 11 bankruptcy case must reduce certain of its tax attributes by the amount of any COD income that is realized as a result of the bankruptcy plan, instead of recognizing the income. In general, COD income is the excess of the amount of a taxpayer's indebtedness that is discharged over the amount or value of the consideration exchanged therefor.

Tax attributes that are subject to reduction include net operating losses, capital losses, loss carryovers, certain tax credits and, subject to certain limitations, the tax basis of property. The reduction of tax attributes occurs after the determination of the taxpayer's tax for the taxable year in which the COD income is realized. To the extent the Debtor realizes COD income and is required to reduce its tax attributes as a result of the Plan, the reduction would principally affect certain loss carryovers and tax credits to which the Debtor would otherwise be entitled and the tax basis of the Debtor's assets.

3. Alternative Minimum Tax

In general, a federal alternative minimum tax AMT is imposed on a corporation's alternative minimum taxable income AMTI at a 20% rate to the extent that AMT exceeds the corporation's regular federal income tax for the year. AMTI is generally equal to regular taxable income with certain adjustments. For purposes of computing AMTI, certain tax deductions and other beneficial allowances are modified or eliminated. In particular, a corporation generally is entitled to offset no more than 90% of its AMTI with NOL carrybacks and carryforwards (as recomputed for AMT purposes). Accordingly, the Debtor's use of their NOLs in both carryback and carryforward years may be subject to limitations for AMT purposes in addition to any other

limitations that may apply. The Debtor believes that losses for the years ending 2010, 2011, 2012 and 2013 will be sufficient enough to eliminate all or substantially all current year AMTI of the Debtor. As a result, the Debtor does not anticipate having any AMT tax liability for the tax year ending 2013 as a result of the transactions that occur upon or pursuant to confirmation of the Plan.

B. Federal Income Tax Consequences to Holders of General Unsecured Claims

Each holder of an Allowed General Unsecured Claim may recognize either gain or loss upon receipt of such payment equal to the difference between the “amount realized” by such creditor and such creditor’s adjusted tax basis in his, her or its Claim. The amount realized is equal to the value of such creditor’s payment with respect to his, her or its Claim. Any gain or loss realized by an unsecured creditor should constitute ordinary income or loss to such creditor unless such Claim is a capital asset. If a Claim constitutes a capital asset in the hands of an unsecured creditor, and it has been held for more than one year, such creditor will realize long-term capital gain or loss upon the receipt of payment.

The tax consequences to unsecured creditors will differ and will depend on factors specific to each such creditor, including but not limited to: (i) whether the unsecured creditor’s Claim (or a portion thereof) constitutes a Claim for principal or interest, (ii) the origin of the unsecured creditor’s Claim, (iii) whether the unsecured creditor is a U.S. person or a foreign person for U.S. federal income tax purposes, (iv) whether the unsecured creditor reports income on the accrual or cash basis method, and (v) whether the unsecured creditor has taken a bad debt deduction or otherwise recognized a loss with respect to the Claim.

THERE ARE MANY FACTORS THAT WILL DETERMINE THE TAX CONSEQUENCES TO EACH UNSECURED CREDITOR. FURTHERMORE, THE TAX CONSEQUENCES OF THE PLAN ARE COMPLEX AND, IN SOME CASES, UNCERTAIN. THEREFORE IT IS IMPORTANT THAT EACH CREDITOR OBTAIN HIS, HER OR ITS OWN PROFESSIONAL TAX ADVICE REGARDING THE TAX CONSEQUENCES TO SUCH CREDITOR AS A RESULT OF THE PLAN.

C. Federal Income Tax Treatment of Equity Interests

In accordance with the Plan, Equity Interests of the Debtor will receive no Distribution under the Plan on account of such Equity Interests. The character of any recognized loss will depend upon several factors including, but not limited to, the status of the holder, the nature of the Equity Interest in the holder’s hands, the purpose and circumstances of its acquisition, the holder’s holding period of the Equity Interest, and the extent to which the holder had previously claimed a deduction for the worthlessness of all or a portion of the Equity Interest.

THERE ARE MANY FACTORS THAT WILL DETERMINE THE TAX CONSEQUENCES TO EACH HOLDER OF AN EQUITY INTEREST OF THE DEBTOR. FURTHERMORE, THE TAX CONSEQUENCES OF THE PLAN ARE COMPLEX AND, IN SOME CASES, UNCERTAIN. THEREFORE IT IS IMPORTANT THAT EACH HOLDER OF AN EQUITY INTEREST OF THE DEBTOR OBTAIN HIS, HER OR ITS OWN

PROFESSIONAL TAX ADVICE REGARDING THE TAX CONSEQUENCES TO SUCH HOLDER OF AN EQUITY INTEREST OF THE DEBTOR AS A RESULT OF THE PLAN.

D. Withholding and Reporting

Payments of interest, dividends, and certain other payments are generally subject to federal backup withholding at the rate of 28% unless the payee of such payment furnishes such payee's correct taxpayer identification number (social security number or employer identification number) to the payor. The Responsible Person may be required to withhold the applicable percentage of any payments made to a holder who does not provide his, her or its taxpayer identification number. Backup withholding is not an additional tax, but an advance payment of tax that may be refunded by the Internal Revenue Service to the extent such withholding results in an overpayment of tax by the taxpayer.

THE FOREGOING IS INTENDED TO BE ONLY A SUMMARY OF CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN, AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE FEDERAL, STATE AND LOCAL INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN ARE COMPLEX AND, IN SOME CASES, UNCERTAIN. SUCH CONSEQUENCES MAY ALSO VARY BASED ON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER OF A CLAIM OR EQUITY INTEREST. ACCORDINGLY, EACH HOLDER OF A CLAIM OR EQUITY INTEREST IS STRONGLY URGED TO CONSULT WITH HIS, HER OR ITS OWN TAX ADVISOR REGARDING THE FEDERAL, STATE AND LOCAL INCOME AND OTHER TAX CONSEQUENCES UNDER THE PLAN.

ARTICLE XVII. GLOSSARY OF DEFINED TERMS

Unless the context otherwise requires, the following terms shall have the following meanings when used in capitalized form herein:

1. *"Accrued Professional Compensation"* means, at any given moment, all accrued and/or unpaid fees for legal, financial advisory, accounting and other professional services and reimbursement of expenses of such professionals that are awardable and allowable under sections 328, 330(a) or 331 of the Bankruptcy Code, or otherwise rendered prior to the Effective Date, including in connection with (a) applications filed pursuant to sections 330 and 331 of the Bankruptcy Code; (b) motions seeking the enforcement of the provisions of the Plan or Confirmation Order by all Professionals in the Chapter 11 Case that the Bankruptcy Court has not denied by a Final Order, to the extent that any such fees and expenses have not previously been paid regardless of whether a fee application has been filed for any such amount; and (c) applications for allowance of Administrative Claims arising under sections 503(b)(2), 503(b)(3), 503(b)(4) or 503(b)(6) of the Bankruptcy Code. To the extent the Bankruptcy Court or any higher court denies by a Final Order any amount of a Professional's fees or expenses or any such Professional voluntarily waives or reduces its fees or expenses, then those amounts shall no longer be Accrued Professional Compensation.

2. “*Administrative Claims*” means Claims for costs and expenses of administration under sections 503(b), 507(b) or 1114(e)(2) of the Bankruptcy Code, including, without limitation, the actual and necessary costs and expenses incurred on and after the Petition Date and before the Effective Date of preserving the Estate and operating the business of the Debtor (such as wages, salaries or commissions for services and payments for goods and other services and leased premises). Notwithstanding the foregoing, (i) any fees or charges assessed against the Estate of the Debtor under section 1930 of chapter 123 of title 28 of the United States Code are excluded from the definition of Administrative Claims and shall be paid in accordance with Article V.P of the Plan, and (ii) Accrued Professional Compensation is excluded from the definition of Administrative Claims and shall be paid in accordance with Article II.C of the Plan.

3. “*Administrative Claims Bar Date*” means the first Business Day that is thirty (30) days after the Effective Date and is the deadline for a holder of an Administrative Claim to file a request with the Bankruptcy Court for payment of such Administrative Claim in the manner indicated in Article II herein; *provided, however*, that Administrative Claims that arise under section 503(b)(9) of the Bankruptcy Code shall only be deemed timely filed for purposes of this Plan to the extent such Claims were filed in accordance with the terms of the Bar Date Order.

4. “*Allowed*” means, with respect to any Claim or Equity Interest, except as otherwise provided by a Final Order of the Bankruptcy Court: (a) a Claim or Equity Interest that has been scheduled by the Debtor in its schedules of liabilities as not disputed, not contingent and not unliquidated and as to which no objection has been Filed by the Claims Objection Bar Date; (b) a Claim or Equity Interest that either is not Disputed or has been allowed by a Final Order; (c) a Claim or Equity Interest that has been reviewed and deemed allowed by the Responsible Person; (d) a Claim or Equity Interest that is allowed: (i) in any stipulation of amount and nature of Claim executed prior to the entry of the Confirmation Order and approved by the Bankruptcy Court by a Final Order or (ii) in any stipulation with the Debtor of amount and nature of Claim or Equity Interest executed on or after the entry of the Confirmation Order; (e) a Claim or Equity Interest that is deemed allowed pursuant to the terms hereof or Allowed in the Confirmation Order; or (f) a Disputed Claim as to which a proof of claim has been timely Filed and as to which no objection has been Filed by the Claims Objection Bar Date.

5. “*Assets*” means all assets of the Debtor as of the Effective Date, including all Cash of the Estate, Causes of Action, if any, Books and Records and Privileges.

6. “*Ballot*” means the form of ballot, approved by the Disclosure Statement Order, used to record votes in favor of or opposed to the Plan.

7. “*Bank Assets*” means the Debtor’s ownership interest in Mercantile Bank and certain related assets.

8. “*Bankruptcy Code*” means section 101, *et seq.* of title 11 of the United States Code, and applicable portions of titles 18 and 28 of the United States Code, as in effect as of the Petition Date.

9. “*Bankruptcy Court*” means the United States Bankruptcy Court for the District of Delaware, or such other court of competent jurisdiction exercising jurisdiction over the Debtor

and the Assets or any portion thereof, or any proceeding arising under or related to the Bankruptcy Code or the Chapter 11 Case.

10. “*Bankruptcy Rules*” means the Federal Rules of Bankruptcy Procedure, promulgated under 28 U.S.C. § 2075, the Local Rules of Bankruptcy Practice and Procedure of the U.S. Bankruptcy Court for the District of Delaware, the Local Rules of Civil Practice and Procedure of the U.S. District Court for the District of Delaware, and general orders and chambers procedures of the Bankruptcy Court, each as applicable to the Chapter 11 Case and as amended from time to time.

11. “*Bar Date Order*” means the Order Granting Motion of Debtor Mercantile Bancorp, Inc. for Entry of an Order Establishing Deadlines for Filing Proofs of Claim and Section 503(b)(9) Claim Requests and Approving the Form and Manner of Notice Thereof, entered by the Bankruptcy Court on August 6, 2013 at docket number 102.

12. “*Bidding Procedures Objection*” means the Official Committee of Trust Preferred Securities Holders’ Objection to Motion of Debtor Mercantile Bancorp, Inc., Pursuant to Sections 105(a), 363 and 365 of the Bankruptcy Code, for an Order (I)(a) Approving Procedures in connection with the Sale of all of the Debtor’s Shares in Mercantile Bank and the Related Trademark for Mercantile Bank’s “M” Logo; (b) Approving the Stalking Horse Bidder Fee; (c) Scheduling the Related Auction and Hearing to Consider Approval of Sale; (d) Approving Procedures Related to the Assumption of Certain Executory Contracts and Unexpired Leases; (e) Approving the Form and Manner of Notice Thereof; and (f) Granting Related Relief; and (II)(a) Authorizing the Sale of all of the Debtor’s Shares in Mercantile Bank and the Related Trademark for Mercantile Bank’s “M” Logo Pursuant to the Successful Bidder’s Purchase Agreement Free and Clear of Liens, Claims, Encumbrances, and Other Interests; (b) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases Related Thereto; and (c) Granting Related Relief, filed by the Official Committee on July 31, 2013 at docket number 72.

13. “*Bidding Procedures Order*” means the Order (A) Approving Procedures In Connection with the Sale of All of Debtor mercantile Bancorp, Inc.’s Shares in Mercantile Bank and the Related Trademark for Mercantile Bank’s “M” Logo; (B) Scheduling Related Auction and Hearing to Consider Approval of Sale; (C) Approving Procedures Related to the Assumption of Certain of the Debtor’s Executory Contracts and Unexpired Leases; (D) Approving the Form and Manner of Notice Thereof; and (E) Granting Related Relief, entered by the Bankruptcy Court on August 8, 2013 at docket number 109.

14. “*Books and Records*” means all books and records of the Debtor, including, without limitation, all documents and communications of any kind, whether physical or electronic.

15. “*Budgets*” means the Initial Budget and each and every Subsequent Budget.

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

17. “*COD*” means cancellation of debt.

18. “*Capital Securities*” means, collectively, Capital Securities I, Capital Securities II, Capital Securities III and Capital Securities IV.

19. “*Capital Securities I*” means the 10,000 Capital Securities of Mercantile Bancorp Capital Trust I issued pursuant to the Trust I Declaration.

20. “*Capital Securities II*” means the 20,000 Capital Securities of Mercantile Bancorp Capital Trust II issued pursuant to the Trust II Declaration.

21. “*Capital Securities III*” means the 10,000 Capital Securities of Mercantile Bancorp Capital Trust III issued pursuant to the Trust III Declaration.

22. “*Capital Securities IV*” means the 10,000 Capital Securities of Mercantile Bancorp Capital Trust IV issued pursuant to the Trust IV Declaration.

23. “*Cash*” means cash and cash equivalents, including, but not limited to bank deposits, liquid investments, checks and similar items.

24. “*Causes of Action*” means claims, actions, causes of action, choses in action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, remedies, defenses, rights of setoff, recoupment, subrogation, contribution, reimbursement or indemnity, counterclaims and crossclaims (including, without limitation, all claims and any avoidance, preference, recovery, subordination or other actions against insiders and/or any other entities under the Bankruptcy Code) against any other Person, based in law and/or equity, whether under the Bankruptcy Code or other applicable law, whether direct, indirect, derivative or otherwise, whether known, suspected or unsuspected and whether asserted or unasserted as of the Effective Date.

25. “*Chapter 11 Case*” means the chapter 11 case commenced when the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code on the Petition Date and pending in the Bankruptcy Court at case number 13-11634 (KJC).

26. “*Charging Lien*” means any Lien or other priority payment to which the Indenture Trustee is entitled under the terms of the TruPS Documents against distributions to be made to the holders of TruPS Claims.

27. “*Claim*” means a “*claim*” (as that term is defined in section 101(5) of the Bankruptcy Code) against the Debtor.

28. “*Claims Agent*” means UpShot Services LLC, the Bankruptcy Court appointed claims and noticing agent in the Chapter 11 Case.

29. “*Claims Objection Bar Date*” means the deadline for objecting to Claims, which shall be the ninetieth (90th) day following the Effective Date; *provided, however*, that the Debtor or the Responsible Person upon notice and motion may seek extensions of this date from the Bankruptcy Court.

30. “*Class*” means a category of Claims or Equity Interests as set forth in Article III of the Plan pursuant to section 1122(a) of the Bankruptcy Code.

31. “*Committee Advisors*” means Griffin Financial Group, LLC and C&Co./Princeridge LLC, investment bankers and financial advisors to the Official Committee.

32. “*Common Securities*” means the common securities issued by the Trusts, which terms are governed by the applicable Trust Declaration.

33. “*Confirmation Date*” means the date on which the Confirmation Order is entered by the Bankruptcy Court.

34. “*Confirmation Hearing*” means the hearing before the Bankruptcy Court scheduled for _____, 2014 during which the Debtor will seek confirmation of the Plan.

35. “*Confirmation Hearing Notice*” means that certain confirmation hearing notice Filed with the Bankruptcy Court on [_____].

36. “*Confirmation Order*” means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

37. “*Creditor*” means a “creditor” (as that term is defined in section 101(10) of the Bankruptcy Code).

38. “*Debtor*” or “*Debtor-in-Possession*” means Mercantile Bancorp, Inc., a Delaware corporation.

39. “*Disclosure Statement*” means the Disclosure Statement for Debtor Mercantile Bancorp, Inc.’s Plan of Liquidation under Chapter 11 of the Bankruptcy Code, dated February 24, 2014, filed at docket number [____], prepared and distributed in accordance with the Bankruptcy Code, Bankruptcy Rules and any other applicable law, as it is amended, supplemented or modified from time to time.

40. “*Disclosure Statement Order*” means [_____], entered by the Bankruptcy Court on April 3, 2014 at docket number [____].

41. “*Disputed*” means, with respect to any Claim or Equity Interest, any Claim or Equity Interest: (a) listed on the Schedules as unliquidated, disputed or contingent, unless a proof of Claim in a liquidated amount has been timely filed; (b) as to which the Debtor, the Responsible Person or other party has interposed a timely objection or request for estimation in accordance with this Plan, the Confirmation Order, the Bankruptcy Code and the Bankruptcy Rules; or (c) as otherwise disputed by the Debtor in accordance with applicable law, which objection, request for estimation or dispute has not been withdrawn or determined by a Final Order; provided, however, that for purposes of this Plan, the Responsible Person shall have the power, up to and including the Claims Objection Bar Date, to determine a Claim to be Disputed upon review of the claims register and the Books and Records and may cause the amendment of the Schedules to reflect any such determination.

42. “*Disputed Reserve*” means the reserve fund created pursuant to Article VI.B of the Plan, as described in Article VI.B herein.

43. “*Distributions*” means the distributions of Cash to be made in accordance with the Plan.

44. “*DLA Piper*” means DLA Piper LLP (US), the court-authorized bankruptcy counsel of the Debtor.

45. “*DTC*” means The Depository Trust Company.

46. “*Effective Date*” means the date selected by the Debtor that is a Business Day after the entry of the Confirmation Order on which: (a) no stay of the Confirmation Order is in effect; and (b) all conditions specified in Article VIII of the Plan have been satisfied or waived.

47. “*Entity*” means an “*entity*” as that term is defined in section 101(15) of the Bankruptcy Code.

48. “*Equity Bancshares*” means Equity Bancshares, Inc.

49. “*Equity Interest*” means any “equity security” (as that term is defined in section 101(16) of the Bankruptcy Code) in the Debtor that existed immediately prior to the Petition Date.

50. “*Estate*” means the estate of each Debtor created on the Petition Date by section 541 of the Bankruptcy Code.

51. “*Exculpated Parties*” means, collectively, the Debtor, the officers and directors of the Debtor serving in such capacities immediately prior to the Effective Date, the Official Committee and the individual members thereof, and each of the Debtor’s and Official Committee’s respective Professionals (each of the foregoing in its individual capacity as such).

52. “*FDIC*” means the Federal Deposit Insurance Corporation.

53. “*FDIC Waiver*” means the Order of Partial Satisfaction of Cross Guarantee Liability and Conditional Approval of Waiver of the Remainder of Cross Guarantee Liability, issued by the FDIC on November 14, 2013 under file number FDIC-13-410kk.

54. “*File*” or “*Filed*” means, with respect to any motion, pleading or other document, entered on the docket of the Chapter 11 Case.

55. “*Final Decree*” means the decree contemplated under Bankruptcy Rule 3022.

56. “*Final Order*” means an order or judgment of the Bankruptcy Court that has not been reversed, stayed, modified or amended, and as to which the time to file an appeal, motion for reconsideration or rehearing (excluding the times prescribed by Bankruptcy Rules 9023 and 9024), or request for a stay has expired.

57. “*General Bar Date*” means 5:00 p.m., prevailing Eastern time on September 27, 2013, as established in the Bar Date Order as the deadline for each person or entity, other than Governmental Units (as defined in section 101(27) of the Bankruptcy Code) to file a proof of claim against the Debtor.

58. “*General Unsecured Claims*” means Claims against the Debtor that are not Administrative Claims, Priority Tax Claims, Other Priority Claims, secured Claims or Equity Interests, and, for the avoidance of doubt, includes the TruPS Claims.

59. “*Governmental Bar Date*” means 5:00 p.m., prevailing Eastern time on December 27, 2013, as established in the Bar Date Order as the deadline for all Governmental Units (as such term is defined in section 101(27) of the Bankruptcy Code) to file a proof of claim against the Debtor.

60. “*Governmental Unit*” means a “governmental unit” (as that term is defined in section 101(27) of the Bankruptcy Code).

61. “*Impaired*” means “*impaired*” within the meaning of sections 1123(a)(4) and 1124 of the Bankruptcy Code, with respect to any Class of Claims or Equity Interests.

62. “*Indenture Trustee*” means Wilmington Trust Company, as Indenture Trustee, Institutional Trustee or Property Trustee, Delaware Trustee and Guaranty Trustee under the TruPS Documents.

63. “*Indenture Trustee Fees*” means the reasonable compensation, fees and expenses, disbursements and indemnity claims, including, without limitation, attorneys’ fees and agents’ fees, expenses, costs and disbursements, incurred by or owed to the Indenture Trustee under the TruPS Documents and related and ancillary documents, whether incurred prior to or after the Petition Date and whether incurred prior to or after consummation of the Plan.

64. “*Indenture Trustee Fees Claims*” means the Claims filed by the Indenture Trustee for Indenture Trustee Fees, which as of the date hereof consist of Claims Nos. 7, 10, 13 and 16 (such numbers as assigned by the Claims Agent on the official claims register for this Chapter 11 Case), as such Claims may be amended or supplemented. Notwithstanding anything herein to the contrary, the Indenture Trustee Fees Claims shall not be Allowed until, as applicable, (i) for Indenture Trustee Fees incurred prior to the Effective Date, such Indenture Trustee Fees are approved by the Bankruptcy Court as reasonable pursuant to Article II.D.1 of the Plan, or (ii) for Indenture Trustee Fees incurred after the Effective Date, such Indenture Trustee Fees are approved or deemed approved pursuant to Article II.D.2 of the Plan.

65. “*Individual Class 1 Ballot*” means the form of ballot, approved by the Disclosure Statement Order, used to record votes of the holders of TruPS Claims in favor or opposed to the Plan.

66. “*Initial Budget*” means the initial budget submitted by the Responsible Person pursuant to Article IV.G of the Plan, as described in Article V.C hereof.

67. “*Initial Distribution Date*” means the date that is as soon as practicable after the Administrative Claims Bar Date, when Distributions under this Plan shall commence to holders of Allowed Claims.

68. “*Lien*” shall mean a “lien” (as that term is defined in section 101(37) of the Bankruptcy Code), including, without limitation, a deed of trust, mortgage, charge, security interest, pledge or other encumbrance against or interest in property to secure payment or performance of a claim, debt or litigation.

69. “*Master Ballot*” means the form of ballot, approved by the Disclosure Statement Order, used to record votes in favor or opposed to the Plan by the Master Ballot Agent summarizing the Individual Class 1 Ballots prepared by the holders of TruPS Claims.

70. “*Master Ballot Agent*” means the agent responsible for summarizing the votes of holders of TruPS Claims for whom it provides services and summarizing such votes on the applicable Master Ballot.

71. “*Master Ballot Agent Register*” means, as to each Master Ballot Agent: (i) a list in appropriate electronic or other format containing the names and addresses of the Master Ballot Agents and, for each Master Ballot Agent, the aggregate holdings of the holders of TruPS Claims for whom such Master Ballot Agent provides services; and (ii) accompanying mailing labels.

72. “*Mercantile Bank*” means Mercantile Bank (f/k/a Mercantile Trust & Savings Bank), an Illinois banking corporation located in Quincy, Illinois.

73. “*NOL*” means current year net operating losses.

74. “*Notice Parties*” means the Persons entitled to notice in this Chapter 11 Case pursuant to Bankruptcy Rules 2002 and 3017.

75. “*Official Committee*” means the Committee of Trust Preferred Securities Holders for the Chapter 11 Case appointed by the U.S. Trustee pursuant to section 1102 of the Bankruptcy Code on July 16, 2013, which appointment is filed at docket number 42.

76. “*Other Priority Claims*” means Claims accorded priority in right of payment under section 507(a) of the Bankruptcy Code, other than Priority Tax Claims.

77. “*Person*” means a “person” (as that term is defined in section 101(41) of the Bankruptcy Code), including, without limitation, any individual or Entity.

78. “*Petition Date*” means June 27, 2013, the date on which the Debtor commenced the Chapter 11 Case.

79. “*Plan*” means the plan of liquidation under chapter 11 of the Bankruptcy Code, either in its present form or as it may be altered, amended, modified or supplemented from time to time in accordance with the Bankruptcy Code, the Bankruptcy Rules, or order of the Bankruptcy Court, as the case may be.

80. “*Plan Objection Deadline*” means the deadline of [_____], prevailing Eastern Time, on [_____], by which parties must file any objections they have to the Plan.

81. “*Plan Objections*” means objections to the Plan.

82. “*Plan Oversight Committee*” means the committee of three Persons (one of which members may be the Responsible Person, and any of which members may be members of the Official Committee) designated by the Official Committee prior to confirmation of the Plan.

83. “*Priority Tax Claims*” means Claims of Governmental Units accorded priority in right of payment under section 507(a) of the Bankruptcy Code.

84. “*Privileges*” means the right to assert or waive any privilege, including, but not limited to, any attorney-client privilege, work-product protection, or other privilege or immunity attaching to any documents or communications (whether written, electronic or oral), and control over or rights to direct current or former agents, attorneys, advisors and other professionals of the Debtor with respect thereto.

85. “*Professional*” means any Person employed in the Chapter 11 Case pursuant to a Final Order in accordance with sections 327, 328 or 1103 of the Bankruptcy Code, and to be compensated for services rendered prior to and including the Effective Date pursuant to sections 327, 328, 329, 330 or 331 of the Bankruptcy Code.

86. “*Protected Parties*” means any of the Debtor, the Official Committee, the Responsible Person and their respective officers, directors, current (but not former) employees, current (but not former) independent contractors, members, shareholders, advisors, attorneys, representatives, professionals and other agents.

87. “*Record Date*” means the date that the Disclosure Statement Order is entered on the docket by the Bankruptcy Court.

88. “*Releasees*” means, collectively, the Official Committee and each of its members and respective Representatives (each of the members and respective Representatives in its individual capacity as such) and the Debtor’s Professionals.

89. “*Releasing Parties*” means, collectively, holders of Claims or Equity Interests who vote to accept the Plan.

90. “*Reorganized Debtor*” means the Debtor on and after the Effective Date until the date of its dissolution.

91. “*Representatives*” means, with regard to a Person (including the Debtor), any current or former officers, directors, employees, advisors, attorneys, professionals (including Professionals), accountants, investment bankers, financial advisors, consultants, agents and other representatives (including their respective officers, directors, employees, independent contractors, members and professionals).

92. “*Responsible Person*” means [_____] in his capacity as the fiduciary responsible for administering the Estate in accordance with the Plan.

93. “*Royal Palm Bank*” means The Royal Palm Bank of Florida.

94. “*Sale*” means the sale, approved by the Bankruptcy Court pursuant to the Sale Order, of certain of the Debtor’s assets to UCB, pursuant to that certain Purchase Agreement by and between Mercantile Bancorp, Inc., as seller, and UCB, as purchaser, dated as of June 26, 2013 (as amended pursuant to the Sale Order).

95. “*Sale Objection*” means the Official Committee of Trust Preferred Securities Holders’ Objection to Motion of Debtor Mercantile Bancorp, Inc., for an Order, inter alia, Authorizing the Sale of All of the Debtor’s Shares in Mercantile Bank and the Related Trademark for Mercantile Bank’s “M” Logo Pursuant to the Successful Bidder’s Purchase Agreement Free and Clear of Liens, Claims, Encumbrances, and Other Interests, filed by the Official Committee on September 10, 2013 at docket number 148.

96. “*Sale Motion*” means the Motion of Debtor Mercantile Bancorp, Inc., Pursuant to Sections 105(a), 363 and 365 of the Bankruptcy Code, for an Order (I)(a) Approving Procedures in connection with the Sale of all of the Debtor’s Shares in Mercantile Bank and the Related Trademark for Mercantile Bank’s “M” Logo; (b) Approving the Stalking Horse Bidder Fee; (c) Scheduling the Related Auction and Hearing to Consider Approval of Sale; (d) Approving Procedures Related to the Assumption of Certain Executory Contracts and Unexpired Leases; (e) Approving the Form and Manner of Notice Thereof; and (f) Granting Related Relief; and (II)(a) Authorizing the Sale of all of the Debtor’s Shares in Mercantile Bank and the Related Trademark for Mercantile Bank’s “M” Logo Pursuant to the Successful Bidder’s Purchase Agreement Free and Clear of Liens, Claims, Encumbrances, and Other Interests; (b) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases Related Thereto; and (c) Granting Related Relief, filed by the Debtor on the Petition Date at docket number 6.

97. “*Sale Order*” means the Order (A) Authorizing the Sale of Debtor Mercantile Bancorp, Inc.’s Shares in Mercantile Bank and the Related Trademark for Mercantile Bank’s “M” Logo Free and Clear of Liens, Claims, Encumbrances, and Order Interests, Except as Provided In the Successful Bidder’s Purchase Agreement; (B) Authorizing and Approving the Purchase Agreement Related Thereto; and (C) Granting Related Relief, entered by the Bankruptcy Court on September 25, 2013 at docket number 192, approving the Sale and the transactions contemplated thereby.

98. “*Schedules*” mean, collectively, the schedules of assets and liabilities, schedules of executory contracts and statements of financial affairs pursuant to section 521 of the Bankruptcy Code Filed by the Debtor on July 31, 2013 at docket numbers 76 and 77.

99. “*Section 503(b)(9) Bar Date*” means 5:00 p.m., prevailing Eastern time on September 27, 2013, as established in the Bar Date Order as the deadline for each person or entity to file a request for allowance of claim made pursuant to section 503(b)(9) against the Debtor.

100. “*Solicitation Procedures*” means the solicitation procedures annexed as Exhibit 1 to the Disclosure Statement Order.

101. “*Subsequent Budget*” means any budget, following approval of the Initial Budget, submitted by the Responsible Person pursuant to Article IV.G of the Plan, as described in Article V.C hereof.

102. “*Subsequent Distribution Date*” means any date that a Distribution not made on the Initial Distribution Date is made.

103. “*Subsidiary Bank*” means, collectively, HNB National Bank, Marine Bank, Brown County State Bank, Heartland Bank, Royal Palm Bank and Mercantile Bank.

104. “*Success Fee*” means any amount earned by the Committee Advisor pursuant to the orders approving the retention of the Committee Advisors, entered by the Bankruptcy Court on November 13, 2013 at docket numbers 237 and 238, that is Allowed by the Bankruptcy Court by a Final Order and that is to be paid solely from the Distributions to holders of TruPS Claims.

105. “*TruPS Claims*” means the Claims filed by the Indenture Trustee under the TruPS Documents, and including any Claims related to or arising out of the Trust Junior Subordinated Debentures, the TruPS Indentures, the Trust Declarations, the TruPS Guarantees, and any related and ancillary documents and instruments, which Claims include, but are not limited to, principal and interest as of the Petition Date and, if applicable, post-petition interest. For the avoidance of doubt, TruPS Claims shall include all of the Claims set forth in the preceding sentence that could be asserted by one or more of the several parties thereto without duplication.

106. “*TruPS Documents*” means collectively the TruPS Indentures, Trust Declarations, and TruPS Guarantees.

107. “*TruPS Guarantees*” means, collectively, (i) the Guarantee Agreement dated as of August 25, 2005 (as amended and/or supplemented) by the Debtor, as guarantor, and Wilmington Trust, as guarantee trustee; (ii) the Guarantee Agreement dated July 13, 2006 (as amended and/or supplemented) by the Debtor, as guarantor, and Wilmington Trust, as guarantee trustee; (iii) the Guarantee Agreement dated July 13, 2006 (as amended and/or supplemented) by the Debtor, as guarantor, and Wilmington Trust, as guarantee trustee; and (iv) the Guarantee Agreement dated August 30, 2007 (as amended and/or supplemented) by the Debtor, as guarantor, and Wilmington Trust, as guarantee trustee, pursuant which the Debtor agreed to, *inter alia*, guarantee payment of all amounts due and owing under the TruPS Documents.

108. “*TruPS Indentures*” means, collectively, (i) the Indenture dated as of August 25, 2005 (as amended and/or supplemented), between the Debtor, as issuer, and Wilmington Trust, as trustee, pursuant to which the Debtor issued the Fixed/Floating Rate Junior Subordinated Debt Securities Due 2035; (ii) the Junior Subordinated Indenture dated as of July 13, 2006 (as amended and/or supplemented), between the Debtor, as issuer, and Wilmington Trust, as trustee, pursuant to which the Debtor issued the Floating Rate Junior Subordinated Note Due 2036; (iii) the Indenture dated as of July 13, 2006 (as amended and/or supplemented), between the Debtor, as issuer, and Wilmington Trust, as trustee, pursuant to which the Debtor issued the Fixed/Floating Rate Junior Subordinated Debt Securities Due 2036; and (iv) the Junior

Subordinated Indenture dated as of August 30, 2007 (as amended and/or supplemented), between the Debtor, as issuer, and Wilmington Trust, as trustee, pursuant to which the Debtor issued the Junior Subordinated Note Due 2037.

109. “*Trust Declarations*” means, collectively, the Trust I Declaration, the Trust II Declaration, the Trust III Declaration and the Trust IV Declaration.

110. “*Trust I*” means Mercantile Bancorp Capital Trust I, a statutory business trust, formed under Delaware law pursuant to that certain Amended and Restated Declaration of Trust dated as of August 25, 2005 (as amended and/or supplemented) by and among Wilmington Trust, as Delaware Trustee and Institutional Trustee, the Debtor, as sponsor, and the administrators named therein (the “Trust I Declaration”), established for the sole purpose of issuing securities representing undivided beneficial interests in Trust I’s assets.

111. “*Trust II*” means Mercantile Bancorp Capital Trust II, a statutory business trust, formed under Delaware law pursuant to that certain Amended and Restated Trust Agreement dated as of July 13, 2006 (as amended and/or supplemented) by and among Wilmington Trust, as Delaware Trustee and Property Trustee, the Debtor, as depositor, and the administrative Trustees named therein (the “Trust II Declaration”), established for the sole purpose of issuing securities representing undivided beneficial interests in Trust II’s assets.

112. “*Trust III*” means Mercantile Bancorp Capital Trust III, a statutory business trust, formed under Delaware law pursuant to that certain Amended and Restated Declaration of Trust dated as of July 13, 2006 (as amended and/or supplemented) by and among Wilmington Trust, as Delaware Trustee and Institutional Trustee, the Debtor, as sponsor, and the administrators named therein (the “Trust III Declaration”), established for the sole purpose of issuing securities representing undivided beneficial interests in Trust III’s assets.

113. “*Trust IV*” means Mercantile Bancorp Capital Trust IV, a statutory business trust, formed under Delaware law pursuant to that certain Amended and Restated Trust Agreement dated as of August 30, 2007 (as amended and/or supplemented) by and among Wilmington Trust, as Delaware Trustee and Property Trustee, the Debtor, as depositor, and the administrative Trustees named therein (the “Trust IV Declaration”), established for the sole purpose of issuing securities representing undivided beneficial interests in Trust IV’s assets.

114. “*Trust Junior Subordinated Debentures*” means, collectively, the Trust I Junior Subordinated Debentures, the Trust II Junior Subordinated Debentures, the Trust III Junior Subordinated Debentures, and the Trust IV Junior Subordinated Debentures.

115. “*Trust I Junior Subordinated Debentures*” means the \$10,310,000 of Mercantile Bancorp, Inc.’s Fixed/Floating Rate Junior Subordinated Debt Securities Due 2035.

116. “*Trust II Junior Subordinated Debentures*” means the \$20,619,000 of Mercantile Bancorp, Inc.’s Floating Rate Junior Subordinated Notes Due 2036.

117. “*Trust III Junior Subordinated Debentures*” means the \$10,310,000 of Mercantile Bancorp, Inc.’s Fixed/Floating Rate Junior Subordinated Debt Securities Due 2036.

118. “*Trust IV Junior Subordinated Debentures*” means the \$20,619,000 of Mercantile Bancorp, Inc.’s Junior Subordinated Notes Due 2037.

119. “*Trusts*” means, collectively, Trust I, Trust II, Trust III and Trust IV.

120. “*UCB*” means United Community Bancorp, Inc., or its designee as Purchaser under the Sale Order.

121. “*U.S. Trustee*” means the United States Trustee appointed under Article 591 of title 28 of the United States Code to serve in the District of Delaware.

122. “*Unimpaired*” means not “*impaired*” within the meaning of sections 1123(a)(4) and 1124 of the Bankruptcy Code, with respect to a Claim, Equity Interest, or Class of Claims or Equity Interests.

123. “*Voting Agent*” means DLA Piper.

124. “*Voting Deadline*” means the deadline of 5:00 p.m. prevailing Eastern Time, on May 19, 2014, to accept or reject the Plan.

125. “*Voting Record Date*” means April 3, 2014, the date on which holders of Claims that are entitled to vote to accept or reject the Plan will be determined.

126. “*Wilmington Trust*” means Wilmington Trust Company, a Delaware chartered trust company, and its successors and assigns.

ARTICLE XVIII. CONCLUSION AND RECOMMENDATION

The Debtor believes the Plan is in the best interests of all holders of Claims and urges all holders of Claims entitled to vote to accept the Plan and to evidence such acceptance by returning their Ballots so they will be received by the Voting Agent by no later than 5:00 p.m. (prevailing Eastern Time) on May 19, 2014.

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Dated: _____, 2014
Wilmington, Delaware

Mercantile Bancorp, Inc.

By: _____
Name: Lee Roy Keith
Title: President & Chief Executive Officer