THIS IS NOT A SOLICITATION OF VOTES ON THE PLAN. VOTES MAY NOT BE SOLICITED UNTIL THE BANKRUPTCY COURT HAS APPROVED A DISCLOSURE STATEMENT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT YET BEEN APPROVED BY THE BANKRUPTCY COURT. THE INFORMATION IN THIS DISCLOSURE STATEMENT IS SUBJECT TO CHANGE. THIS DISCLOSURE STATEMENT IS NOT AN OFFER TO SELL ANY SECURITIES AND IS NOT SOLICITING AN OFFER TO BUY ANY SECURITIES.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
Nuo Therapeutics, Inc.,	Case No. 16-10192 (MFW)
Debtor.	

DISCLOSURE STATEMENT FOR THE PLAN OF REORGANIZATION OF THE DEBTOR

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Dated: March 18, 2016

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DISCLAIMERS

THIS DISCLOSURE STATEMENT PROVIDES INFORMATION REGARDING THE PLAN OF REORGANIZATION OF NUO THERAPEUTICS, INC. THAT THE DEBTOR IS SEEKING TO HAVE CONFIRMED BY THE BANKRUPTCY COURT. THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS INCLUDED FOR PURPOSES OF SOLICITING ACCEPTANCES TO, AND CONFIRMATION OF, THE PLAN AND MAY NOT BE RELIED ON FOR ANY OTHER PURPOSE. APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE A DETERMINATION OR RECOMMENDATION BY THE BANKRUPTCY COURT AS TO THE FAIRNESS OR THE MERITS OF THE PLAN.

THIS DISCLOSURE STATEMENT CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE PLAN, CERTAIN STATUTORY PROVISIONS, CERTAIN DOCUMENTS RELATING TO THE PLAN, AND CERTAIN FINANCIAL INFORMATION. ALTHOUGH THE DEBTOR BELIEVES THAT THESE SUMMARIES ARE FAIR AND ACCURATE AND PROVIDE ADEQUATE INFORMATION WITH RESPECT TO THE DOCUMENTS SUMMARIZED, SUCH SUMMARIES ARE QUALIFIED TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF, OR ARE INCONSISTENT WITH, SUCH DOCUMENTS.

ALTHOUGH THE DEBTOR HAS MADE EVERY EFFORT TO BE ACCURATE, THE FINANCIAL INFORMATION CONTAINED HEREIN HAS NOT BEEN THE SUBJECT OF AN AUDIT OR OTHER REVIEW BY AN ACCOUNTING FIRM. IN THE EVENT OF ANY CONFLICT, INCONSISTENCY, OR DISCREPANCY BETWEEN THE TERMS AND PROVISIONS IN THE PLAN, THIS DISCLOSURE STATEMENT, THE EXHIBITS ANNEXED TO THIS DISCLOSURE STATEMENT, OR THE FINANCIAL INFORMATION INCORPORATED HEREIN OR THEREIN BY REFERENCE, THE PLAN SHALL GOVERN FOR ALL PURPOSES. ALL HOLDERS OF CLAIMS SHOULD READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING ON THE PLAN.

THE STATEMENTS AND FINANCIAL INFORMATION CONTAINED HEREIN HAVE BEEN MADE AS OF THE DATE HEREOF UNLESS OTHERWISE SPECIFIED. HOLDERS OF CLAIMS AND EQUITY INTERESTS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER AT THE TIME OF SUCH REVIEW THAT THERE HAVE BEEN NO CHANGES IN THE FACTS SET FORTH HEREIN. ALTHOUGH THE DEBTOR HAS MADE AN EFFORT TO DISCLOSE WHERE CHANGES IN PRESENT CIRCUMSTANCES COULD REASONABLY BE EXPECTED TO AFFECT MATERIALLY THE RECOVERY UNDER THE PLAN, THIS DISCLOSURE STATEMENT IS QUALIFIED TO THE EXTENT CERTAIN EVENTS DO OCCUR.

IRS CIRCULAR 230 NOTICE: TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, HOLDERS OF CLAIMS AND EQUITY INTERESTS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY HOLDERS OF CLAIMS OR INTERESTS FOR THE PURPOSE OF

AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING BY THE PLAN PROPONENT OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS OF CLAIMS AND EQUITY INTERESTS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NON-BANKRUPTCY LAW. THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY FEDERAL, STATE, LOCAL OR FOREIGN REGULATORY AGENCY, NOR HAS THE SEC OR ANY OTHER SUCH AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT. PERSONS OR ENTITIES HOLDING OR TRADING IN, OR OTHERWISE PURCHASING, SELLING, OR TRANSFERRING, SECURITIES OF OR CLAIMS AGAINST THE DEBTOR SHOULD EVALUATE THIS DISCLOSURE STATEMENT AND THE PLAN IN LIGHT OF THE PURPOSE FOR WHICH THEY WERE PREPARED.

THE DEBTOR MAKES STATEMENTS IN THIS DISCLOSURE STATEMENT THAT ARE CONSIDERED FORWARD-LOOKING STATEMENTS UNDER THE FEDERAL SECURITIES LAWS. STATEMENTS CONCERNING THESE AND OTHER MATTERS ARE NOT GUARANTEES OF THE DEBTOR'S FUTURE PERFORMANCE. SUCH FORWARD-LOOKING STATEMENTS REPRESENT THE DEBTOR'S ESTIMATES AND ASSUMPTIONS ONLY AS OF THE DATE SUCH STATEMENTS WERE MADE AND INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, AND OTHER UNKNOWN FACTORS THAT COULD IMPACT THE DEBTOR'S RESTRUCTURING PLANS OR CAUSE THE ACTUAL RESULTS OF THE DEBTOR TO BE MATERIALLY DIFFERENT FROM THE HISTORICAL RESULTS OR FROM ANY FUTURE RESULTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. IN ADDITION TO STATEMENTS THAT EXPLICITLY DESCRIBE SUCH RISKS AND UNCERTAINTIES, READERS ARE URGED TO CONSIDER STATEMENTS LABELED WITH THE TERMS "BELIEVES," "BELIEF," "EXPECTS," "INTENDS," "ANTICIPATES," "PLANS," OR SIMILAR TERMS TO BE UNCERTAIN AND FORWARD-LOOKING. THERE CAN BE NO ASSURANCE THAT THE RESTRUCTURING TRANSACTION DESCRIBED HEREIN WILL BE CONSUMMATED. CREDITORS AND OTHER INTERESTED PARTIES SHOULD SEE THE SECTION OF THIS DISCLOSURE STATEMENT ENTITLED "RISK FACTORS" FOR A DISCUSSION OF CERTAIN FACTORS THAT MAY AFFECT THE FUTURE FINANCIAL PERFORMANCE OF THE REORGANIZED DEBTOR.

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THE DEBTOR HEREBY ADOPTS AND INCORPORATES EACH EXHIBIT ATTACHED TO THIS DISCLOSURE STATEMENT BY REFERENCE AS THOUGH FULLY SET FORTH HEREIN

I. INTRODUCTION

Nuo Therapeutics, Inc. ("Nuo" or the "Debtor") hereby submits this disclosure statement (the "Disclosure Statement") pursuant to sections 1125 and 1126(b) of Title 11 of the United States Code (the "Bankruptcy Code"), in connection with the solicitation of votes on the *Plan of Reorganization of the Debtor*, dated March 18, 2016 (as amended, supplemented or otherwise modified from time to time pursuant to its terms, the "Plan"). A copy of the Plan is attached hereto as **Exhibit A**.[1]

The Debtor's senior secured lenders (Deerfield Private Design Fund II, L.P., Deerfield Private Design International II, L.P. and Deerfield Special Situations Fund, L.P. ("Deerfield" or "Lenders")), the Official Committee of Unsecured Creditors appointed in the Debtor's case (the "Committee"), as well as the Ad Hoc Committee of Equity Holders (the "Ad Hoc Committee"), support the Plan and confirmation thereof.

The purpose of this Disclosure Statement is to enable holders of Claims and Equity Interests that are impaired under the Plan and who are entitled to vote to make an informed decision in exercising their right to accept or reject the Plan. This Disclosure Statement sets forth certain information regarding the Debtor's prepetition operating and financial history, its reasons for seeking protection and reorganization under chapter 11 of the Bankruptcy Code and the anticipated organization, operations, and financing of the Debtor upon its successful emergence from bankruptcy protection. This Disclosure Statement also describes certain terms and provisions of the Plan, certain effects of confirmation of the Plan, certain risk factors associated with the Plan, the business of the Debtor and Reorganized Debtor, and the securities that may be issued under the Plan, and the manner in which Distributions will be made under the Plan. In addition, this Disclosure Statement discusses the confirmation process and the voting procedures that holders of Claims and Equity Interests entitled to vote under the Plan must follow for their votes to be counted.

A. Overview of the Plan

1. General Structure of the Plan

The provisions of the Plan incorporate the terms of a settlement among the Debtor, the Lenders, the Committee, and the Ad Hoc Committee, as detailed in that certain Chapter 11 Plan Term Sheet attached as Exhibit B to that certain Waiver and First Amendment to Senior Secured, Super Priority Debtor-in-Possession Credit Agreement annexed to the Final DIP Order, entered on March 9, 2016 [Docket Entry No. 187], a copy of which is attached hereto as Exhibit D.

Generally, the Plan contemplates that, prior to the Effective Date, the Debtor will seek to raise not less than $10,500,000 in funding (of which $3,000,000 may be in the form of backstop irrevocable capital call commitments from creditworthy obligors in the reasonable judgment of the Lenders) through a private placement of common stock of the Reorganized Debtor (in such

[1] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan. The summary of the Plan provided herein is qualified in its entirety by reference to the Plan. In the case of any inconsistency between the summary herein and the Plan, the Plan shall govern.

event, a Successful Capital Raise). If the Debtor achieves a Successful Capital Raise, then the amount raised will be available, along with proceeds of the DIP Loan Agreement (consistent with the Budget), to pay in full all amounts owing by the Debtor under the Plan. If the Debtor is unable to achieve a Successful Capital Raise (in such event, an Unsuccessful Capital Raise), then the Plan contemplates alternative treatment of certain Claims and Equity Interests. The proposed treatment of Claims and Equity Interests in the event of a Successful Capital Raise is described herein under "**Scenario A**", and the proposed treatment of Claims and Equity Interests in the event of an Unsuccessful Capital Raise is described herein under "**Scenario B**".

THE DEBTOR BELIEVES THAT THE PLAN IS FAIR AND EQUITABLE, WILL MAXIMIZE THE VALUE TO THE ESTATE, IS IN THE BEST INTERESTS OF THE DEBTOR AND ITS STAKEHOLDERS, AND WILL ENABLE THE DEBTOR TO SUCCESSFULLY REORGANIZE AND ACCOMPLISH THE OBJECTIVES OF CHAPTER 11.

THE PLAN HAS THE FULL SUPPORT OF DEERFIELD, THE COMMITTEE AND THE AD HOC COMMITTEE.

FOR THESE REASONS, THE DEBTOR, DEERFIELD, THE COMMITTEE, AND THE AD HOC COMMITTEE URGE HOLDERS OF CLAIMS AND EQUITY INTERESTS WHO ARE ENTITLED TO VOTE TO TIMELY RETURN THEIR BALLOTS AND TO VOTE TO ACCEPT THE PLAN.

2. Material Terms of the Plan

The following is an overview of certain material terms of the Plan:

- The Debtor will be reorganized pursuant to the Plan and continue in operation following the Effective Date.

- All Allowed Administrative Expense Claims and Allowed Priority Tax Claims will be paid or otherwise satisfied in full as required by the Bankruptcy Code, unless otherwise agreed to by the Debtor and the holders of such Claims.

- The Debtor shall continue to pay all Ordinary Course Liabilities accrued prior to the Effective Date pursuant to the payment terms and conditions of the particular transaction giving rise to the Ordinary Course Liability, and the Budget. The Reorganized Debtor shall continue to pay each Ordinary Course Liability accrued after the Effective Date, pursuant to the payment terms and conditions of the particular transaction giving rise to the Ordinary Course Liability.

- The Plan is seeking affirmative waivers and releases from holders of Claims against and Equity Interests in the Debtor. Both Creditors and Equity Interest holders will be afforded an opportunity to opt out of such waivers and releases, but in order for any existing holder of Common Stock Equity Interests to receive or retain any equity interest in the Reorganized Debtor, such holder must: (i) properly submit a Ballot indicating a vote in favor of the Plan, and (ii) not mark such Ballot to indicate that the holder is opting out of the releases set forth herein.

- Certain core distinctions between Scenario A and Scenario B are briefly summarized below, as such distinctions relate to the proposed treatment of General Unsecured Claims and Common Stock Equity Interests:[2]

General Unsecured Claims

Scenario A: In the event of a Successful Capital Raise, each Holder of an Allowed General Unsecured Claim will receive:

(i) if total Allowed Unsecured Claims are less than $2,000,000, an amount necessary to pay such Allowed Claim in full in Cash without post-petition interest;

(ii) if total Allowed Unsecured Claims are between $2,000,000 and $3,000,000, the lesser of (i) an amount necessary to pay such Allowed Claim in full in Cash without post-petition interest or (ii) a Pro Rata Share of a cash fund in the amount of $2,250,000;

(iii) if total Allowed Unsecured Claims are between $3,000,001 and $4,000,000, a Pro Rata Share of a cash fund in the amount of $2,500,000;

(iv) if total Allowed Unsecured Claims are greater than $4,000,001, a Pro Rata Share of a cash fund in the amount of $2,750,000.

Scenario B: In the event of an Unsuccessful Capital Raise, each Holder of an Allowed General Unsecured Claim will receive the lesser of (i) an amount necessary to pay such Allowed Claim in full in Cash without post-petition interest or (ii) a Pro Rata Share of a cash fund in the amount of $2,000,000.

Common Stock Equity Interests

For the purpose of the Plan, existing Equity Interests are deemed to have no value. As of the Petition Date, the Debtor was unable to fund current operations absent significant infusions of debtor-in-possession ("DIP") financing. This DIP financing was made available from Deerfield, the only party willing to provide DIP financing to the Debtor. Deerfield agreed to provide additional DIP financing to the Debtor to allow it to maintain ongoing operations only on condition that the Plan be filed with the Court by no later than March 18, 2016, and that the Plan Effective Date be no later than May 4, 2016. Absent such financing, the Debtor would have been forced to convert the Case to a chapter 7 liquidation, which the Debtor's liquidation analysis (to be filed with the Plan Supplement) will show would yield no value for Equity Interests.

Holders of Common Stock Equity Interests in the Debtor who vote in favor of the Plan and do not opt out of providing releases and waivers are entitled to receive their Pro Rata Share

[2] This is only a summary, and relates only to the proposed treatment of General Unsecured Claims and Common Stock Equity Interests. Reference is made to the proposed treatment of all Claims and Interests, as otherwise detailed herein. To the extent this summary differs from any treatment otherwise described in the Plan, then the other terms of the Plan shall control.

of 5% of New Common Stock of the Reorganized Debtor under Scenario B, and a higher, yet-to-be determined, percentage of New Common Stock of the Reorganized Debtor in Scenario A.

Scenario A: In the event of a Successful Capital Raise, investors in such private placement of New Common Stock of the Reorganized Debtor ("New Investors") will receive 100% of the New Common Stock of the Reorganized Debtor on the Effective Date, and will be deemed to allocate to existing holders of Common Stock Equity Interests in the Debtor who vote in favor of the Plan and do not opt out of providing releases and waivers a percentage of the New Common Stock, which percentage will be set forth in the Plan Supplement and will be not less than 5% of the New Common Stock ("Scenario A Allocated New Common Stock"). The allocation of New Common Stock of the Reorganized Debtor among existing holders of Common Stock Equity Interests who vote in favor of the Plan and do not opt out of providing releases and waivers will be based on a Pro Rata Share of such holders' existing Common Stock Equity Interests. Any such holder who does not affirmatively and timely submit a signed ballot or other acceptable signed document agreeing to such third-party releases shall not receive their Pro Rata Share of the Scenario A Allocated New Common Stock and such share shall be distributed to the New Investors.

Scenario B: In the event of an Unsuccessful Capital Raise, Lenders will receive 100% of the New Common Stock of the Reorganized Debtor on the Effective Date in exchange for a portion of the Lenders' Secured Claims. The Lenders will allocate to existing holders of Common Stock Equity Interests in the Debtor who do not opt out of the third-party releases set forth in the Plan their Pro Rata Share (based on their existing holdings of Common Stock Equity Interests of the Debtor on the Record Date) of 5% of the Lenders' New Common Stock (the "Scenario B Allocated New Common Stock") on the Effective Date. Any such holder who does not affirmatively and timely submit a signed ballot or other acceptable signed document agreeing to such third-party releases shall not receive their Pro Rata Share of the Scenario B Allocated New Common Stock and such share shall be distributed to Lenders.

In either Scenario A or Scenario B, in order for any existing holder of Common Stock Equity Interests to receive New Common Stock of the Reorganized Debtor, such holder must: (A)(i) timely submit a Ballot indicating a vote in favor of the Plan, and (ii) not mark such Ballot to indicate that the holder is opting out of the releases set forth herein, or (B) provide other signed documentation acceptable to the Reorganized Debtor agreeing to such third-party releases no later than sixty (60) days after the Effective Date. Class 5 Common Stock Equity Interest holders who do not opt out of third-party releases and waivers set forth in the Plan, or otherwise agree to such third-party releases, shall receive their Pro Rata Share of the Scenario A Allocated New Common Stock or Scenario B Allocated Stock, as the case may be, on the later of (i) thirty (30) days after the Effective Date, for those who voted in favor of the Plan, or (ii) thirty (30) days after the execution and delivery of a form of agreement acceptable to the Debtor (or Reorganized Debtor) and the Lenders agreeing to such third-party releases (a "Release Document"). Any portion of the Scenario A Allocated New Common Stock or Scenario B Allocated New Common Stock not timely claimed by the execution and delivery of a ballot which does not opt out of the third party releases or other Release Document shall be returned, respectively, to the New Investors or Lenders.

3. Summary of Treatment of Claims and Equity Interests Under the Plan

The table below summarizes the classification and treatment of the Claims and Equity Interests under the Plan.

THE PROJECTED RECOVERIES SET FORTH IN THE TABLE BELOW ARE ESTIMATES ONLY AND THEREFORE ARE SUBJECT TO CHANGE. FOR A COMPLETE DESCRIPTION OF THE CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS, REFERENCE SHOULD BE MADE TO THE ENTIRE PLAN.

Class	Claim / Equity Interest	Summary of Treatment	Projected Recovery Under Plan
1	Pre-Petition Claims of the Debtor's Lenders	Impaired, Entitled to Vote on Plan	< 100%*
2	Other Allowed Secured Claims	Unimpaired, Deemed to Accept Plan	100%
3	Unsecured Priority Claims	Unimpaired, Deemed to Accept Plan	100%
4	General Unsecured Claims	Impaired, Entitled to Vote on Plan	[95-100%]
5	Common Stock Equity Interests	Impaired, Entitled to Vote on Plan	5% or greater
6	Other Equity Interests	Impaired, Deemed to Reject Plan	0%

*** Compromised in accordance with terms of the Plan.**

THE DEBTOR BELIEVES THAT THE PLAN PROVIDES THE BEST RECOVERIES POSSIBLE FOR HOLDERS OF CLAIMS AND EQUITY INTERESTS AGAINST THE DEBTOR AND THUS STRONGLY RECOMMENDS THAT YOU VOTE TO ACCEPT THE PLAN. THE COMMITTEE AND THE AD HOC COMMITTEE ALSO SUPPORT THE CONFIRMATION OF THE PLAN.

B. Plan Voting Instructions and Procedures

1. Voting Rights

Under the Bankruptcy Code, acceptance of a plan of reorganization by a class of claims or interests is determined by calculating the number and the amount of claims voting to accept, based on the actual total allowed claims voting on the plan. Specifically, under section 1126(c) of the Bankruptcy Code, "A class of claims has accepted a plan if such plan has been accepted by creditors … that hold at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors … that have accepted or rejected such plan." 11 U.S.C. § 1126(c). And under section 1126(d) of the Bankruptcy Code, "A class of interests has

accepted a plan if such plan has been accepted by holders of such interests … that hold at least two-thirds in amount of the allowed interests of such class held by holders of such interests … that have accepted or rejected such plan." 11 U.S.C. § 1126(d).

Under the Bankruptcy Code, only classes of claims or interests that are "impaired" and that are not deemed as a matter of law to have rejected a plan of reorganization under section 1126 of the Bankruptcy Code are entitled to vote to accept or reject a plan. Any class that is "unimpaired" is not entitled to vote to accept or reject a plan of reorganization and is conclusively presumed to have accepted the plan. As set forth in section 1124 of the Bankruptcy Code, a class is "impaired" if the legal, equitable, or contractual rights attaching to the claims or equity interests of that class are modified or altered.

The Plan classifies the following Classes as the only impaired classes and that are entitled to vote to accept or reject the Plan: (i) Class 1: Pre-Petition Claims of the Debtor's Lenders; (ii) Class 4: General Unsecured Claims; and (iii) Class 5: Common Stock Equity Interests.

Claims in Classes 2 and 3 are unimpaired by the Plan, and such holders are deemed to have accepted the Plan and are therefore not entitled to vote on the Plan.

Holders of Other Equity Interests in Class 6 will not receive or retain any property under the Plan, and are, therefore, deemed to reject the Plan and are not entitled to vote on the Plan.

2. Solicitation Materials

The Debtor, with the approval of the Bankruptcy Court, has engaged Epiq Bankruptcy Solutions, LLC (the "Voting Agent") to serve as the voting agent to process and tabulate Ballots for each Class entitled to vote on the Plan and to generally oversee the voting process. The following materials shall constitute the solicitation package (the "Solicitation Package"):

- This Disclosure Statement, including the Plan and all other Exhibits annexed thereto;
- The Bankruptcy Court order conditionally approving this Disclosure Statement (the "Conditional Disclosure Statement Order");
- The notice of, among other things, (i) the date, time, and place of the hearing to consider Confirmation of the Plan and related matters and (ii) the deadline for filing objections to Confirmation of the Plan and the Disclosure Statement (the "Confirmation Hearing Notice");
- One or more Ballots, as applicable, to be used in voting to accept or to reject the Plan and applicable instructions with respect thereto (the "Voting Instructions");
- A letter from the Committee recommending that General Unsecured Creditors vote to accept the Plan;

- A letter from the Ad Hoc Committee recommending that holders of Equity Interests vote to accept the Plan;
- A pre-addressed return envelope; and
- Such other materials as the Bankruptcy Court may direct or approve.

The Debtor, through the Voting Agent, will distribute the Solicitation Package in accordance with the Conditional Disclosure Statement Order. The Solicitation Package, excluding Ballots, is also available at the Voting Agent's website at http://dm.epiq11.com/NUO.

Prior to the Confirmation Hearing, the Debtor intends to file a Plan Supplement that may include, among other things, (a) any supplemented list of the Executory Contracts identified on the Schedule of Assumed Contracts and Unexpired Leases, and the Cure Amount relating to each Executory Contract identified, (b) a liquidation analysis, (c) a feasibility analysis, (d) the Reorganized Debtor's certificate of incorporation and by-laws, and any related corporate documents attendant to Scenario A or Scenario B, as applicable, (e) the identity of any proposed members of the Reorganized Debtor's board and the proposed executive officers of the Reorganized Debtor, under Scenario A and Scenario B, as applicable, (f) the identity of any insider that will be employed or retained by the Reorganized Debtor, and the nature of any compensation for such insider, and (g) the terms for issuance of New Common Stock. As the Plan Supplement is updated or otherwise modified, such modified or updated documents will be made available on the Voting Agent's website at http://dm.epiq11.com/NUO.

If you are the holder of a Claim or Equity Interest and believe that you are entitled to vote on the Plan, but you did not receive a Ballot or your Ballot is damaged or illegible, or if you have any questions concerning voting procedures, you should contact the Voting Agent via email to: tabulation@epiqsystems.com with a reference to "Nuo Therapeutics, Inc." in the subject line, or by telephone at (646) 282-2400. If the reason that you did not receive a Ballot is because your Claim is subject to a pending claim objection and you wish to vote on the Plan, you must file a motion pursuant to Bankruptcy Rule 3018 with the Bankruptcy Court for the temporary allowance of your Claim for voting purposes by April 20, 2016, or you will not be entitled to vote to accept or reject the Plan.

THE DEBTOR AND REORGANIZED DEBTOR, AS APPLICABLE, RESERVE THE RIGHT THROUGH THE CLAIM OBJECTION PROCESS TO OBJECT TO OR SEEK TO DISALLOW ANY CLAIM FOR DISTRIBUTION PURPOSES.

3. Voting Instructions

All votes to accept or reject the Plan must be cast by using the Ballots enclosed with the Solicitation Packages. No votes other than ones using such Ballots will be counted, except to the extent the Bankruptcy Court orders otherwise. By the Conditional Disclosure Statement Order, the Bankruptcy Court has fixed the Voting Record Date for the determination of the holders of Claims and Equity Interests who are entitled to (a) receive a copy of this Disclosure Statement and all of the related materials and (b) vote to accept or reject the Plan. The Voting Record Date

and all of the Debtor's solicitation and voting procedures shall apply to all of the Debtor's Creditors and other parties in interest.

After carefully reviewing the Plan, this Disclosure Statement, and the detailed instructions accompanying your Ballot, you are asked to indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the accompanying Ballot.

The deadline to vote on the Plan is April 20, 2016 at 4:00 p.m. (Eastern Time) (the "Voting Deadline"). In order for your vote to be counted, your Ballot must be properly completed in accordance with the Voting Instructions on the Ballot, and received no later than the Voting Deadline at the following address:

If sent by First Class Mail
Nuo Therapeutics, Inc.
Ballot Processing Center
c/o Epiq Bankruptcy Solutions, LLC
P.O. Box 4422
Beaverton, OR 97076-4422

If sent by personal delivery or overnight courier
Nuo Therapeutics, Inc.
Ballot Processing Center
c/o Epiq Bankruptcy Solutions, LLC
10300 SW Allen Blvd.
Beaverton, OR 97005

Only the Holders of Claims and Equity Interests in the following Classes as of the Voting Record Date are entitled to vote to accept or reject the Plan: Class 1 Pre-Petition Claims of the Debtor's Lenders, Class 4 General Unsecured Claims, and Class 5 Common Stock Equity Interests, and they may do so by completing the appropriate Ballots and returning them in the envelope provided by the Voting Agent so as to be actually received by the Voting Agent by the Voting Deadline. Each holder of a Claim or Equity Interest must vote its entire Claim or Equity Interest within a particular Class either to accept or reject the Plan and may not split such votes. If multiple Ballots are received from the same holder with respect to the same Claim or Equity Interest prior to the Voting Deadline, the last timely received, properly executed Ballot will be deemed to reflect that voter's intent and will supersede and revoke any prior Ballot. The Ballots will clearly indicate the appropriate return address. It is important to follow the specific instructions provided on each Ballot.

Unless otherwise provided in the Voting Instructions accompanying the Ballots or otherwise ordered by the Bankruptcy Court, the following Ballots will not be counted in determining whether the Plan has been accepted or rejected:

- Any Ballot that fails to clearly indicate an acceptance or rejection, or that indicates both an acceptance and a rejection, of the Plan;

- Any Ballot received after the Voting Deadline, except if the Debtor has granted an extension of the Voting Deadline with respect to such Ballot, or by order of the Bankruptcy Court;
- Any Ballot containing a vote that the Bankruptcy Court determines was not solicited or procured in good faith or in accordance with the applicable provisions of the Bankruptcy Code;
- Any Ballot that is illegible or contains insufficient information to permit the identification of the Claim or Equity Interest holder;
- Any Ballot cast by a Person or Entity that does not hold an Allowed Claim in a voting Class; and
- Any unsigned Ballot or Ballot without an original signature.

Any party who has previously submitted to the Voting Agent prior to the Voting Deadline a properly completed Ballot may revoke such Ballot and change its vote by submitting to the Voting Agent prior to the Voting Deadline a subsequent properly completed Ballot for acceptance or rejection of the Plan. In the case where more than one timely, properly completed Ballot is received, only the Ballot that bears the latest date will be counted for purposes of determining whether the requisite acceptances have been received. Any party who has delivered a properly completed Ballot for the acceptance or rejection of the Plan that wishes to withdraw such acceptance or rejection rather than changing its vote may withdraw such acceptance or rejection by delivering a written notice of withdrawal to the Voting Agent at any time prior to the Voting Deadline. To be valid, a notice of withdrawal must (i) contain the description of the Claims or Equity Interests to which it relates, (ii) be signed by the withdrawing party in the same manner as the Ballot being withdrawn, (iii) contain a certification that the withdrawing party owns the Claims or Equity Interests and possesses the right to withdraw the vote sought to be withdrawn, and (iv) be actually received by the Voting Agent prior to the Voting Deadline.

The Debtor, in its sole discretion, subject to contrary order of the Court, may waive any defect in any Ballot at any time, either before or after the close of voting, and without notice. Except as otherwise provided herein, the Debtor may, in its sole discretion, reject such defective Ballot as invalid and, therefore, not count it in connection with confirmation of the Plan.

ALL BALLOTS ARE ACCOMPANIED BY VOTING INSTRUCTIONS. IT IS IMPORTANT THAT THE HOLDER OF A CLAIM IN THE CLASS ENTITLED TO VOTE FOLLOW THE SPECIFIC INSTRUCTIONS PROVIDED WITH EACH BALLOT.

If you have any questions about (a) the procedure for voting your Claim, (b) the Solicitation Package that you have received, or (c) the amount of your Claim, or if you wish to obtain, at your own expense (unless otherwise specifically required by Bankruptcy Rule 3017(d)), an additional copy of the Plan, this Disclosure Statement, or any appendices or Exhibits to such documents, please contact the Voting Agent via email to: tabulation@epiqsystems.com with a reference to "Nuo Therapeutics, Inc." in the subject line,

or by telephone at (646) 282-2400. Copies of the Plan, Disclosure Statement, and other documents filed in this Bankruptcy Case may be obtained free of charge on the Voting Agent's website at http://dm.epiq11.com/NUO. Documents filed in this case may also be examined between the hours of 8:00 a.m. and 4:00 p.m., prevailing Eastern Time, Monday through Friday, at the Office of the Clerk of the Bankruptcy Court, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801.

The Voting Agent will process and tabulate Ballots for the Class(es) entitled to vote to accept or reject the Plan and will file a voting report (the "Voting Report") as soon as reasonably practicable following the Voting Deadline. The Voting Report will, among other things, describe every Ballot that does not conform to the Voting Instructions or that contains any form of irregularity, including, but not limited to, those Ballots that are late, illegible (in whole or in material part), unidentifiable, lacking signatures, lacking necessary information, or damaged.

THE DEBTOR, DEERFIELD, THE COMMITTEE, AND THE AD HOC COMMITTEE URGE HOLDERS OF CLAIMS AND EQUITY INTERESTS WHO ARE ENTITLED TO VOTE TO TIMELY RETURN THEIR BALLOTS AND TO VOTE TO ACCEPT THE PLAN BY THE VOTING DEADLINE.

4. Confirmation Hearing and Deadline for Objections to Confirmation

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 Bankruptcy Court has scheduled the Confirmation Hearing to commence on **April 25, 2016 at 10:30 a.m. (Eastern Time)**, before the Honorable Mary F. Walrath, United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 5th Floor, Wilmington, Delaware 19801. The Confirmation Hearing Notice, which sets forth the time and date of the Confirmation Hearing has been included along with this Disclosure Statement. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice, except for an announcement of the adjourned date made at the Confirmation Hearing or any adjournment thereof.

Objections to Confirmation of the Plan and adequacy of the Disclosure Statement must be filed and served on the Debtor and certain other entities, all in accordance with the Confirmation Hearing Notice, so that they are actually received by no later than **April 20, 2016 at 4 p.m. (Eastern Time)**. Unless objections to Confirmation of the Plan and adequacy of the Disclosure Statement are timely served and filed in compliance with the Conditional Disclosure Statement Order, which is attached to this Disclosure Statement, they may not be considered by the Bankruptcy Court.

II. GENERAL INFORMATION ABOUT THE DEBTOR

A. Background

The Debtor is a Delaware corporation, organized in 1998. Its principal offices are located at 207A Perry Parkway, Suite 1, Gaithersburg, Maryland 20877.

The Debtor is a biomedical company that pioneers leading-edge biodynamic therapies. The Debtor's flagship product, Aurix™, is a biodynamic hematogel that uses a patient's own platelets and plasma as a catalyst for healing. It is the only therapy of its kind that is FDA-cleared for use on a variety of wound etiologies. The use of autologous (derived from the same individual) biological therapies for tissue repair and regeneration is part of a transformative clinical strategy designed to improve long term recovery in complex chronic conditions with significant unmet medical needs.

The Debtor's current commercial offerings consist of point of care technologies for the safe and efficient separation of autologous blood and bone marrow to produce platelet based therapies or cell concentrates. Today, the Debtor has two distinct platelet rich plasma ("PRP") devices: (i) the Aurix™ System ("Aurix") for wound care, and (ii) the Angel® Whole Blood Separation System ("Angel" or the "Angel® Business") for orthopedics markets. The Debtor's product sales are predominantly (approximately 84%) in the U.S., where it sells the Aurix product through direct sales representatives and generates royalty revenues under a License Agreement between the Debtor and Arthrex, Inc. for the Angel product line. Growth drivers in the U.S. include the treatment of chronic wounds with Aurix in the Veterans Affairs healthcare system and the Medicare population under a National Coverage Determination ("NCD") when registry data is collected under Center for Medicare & Medicaid Services' ("CMS") Coverage with Evidence Development ("CED") program, and a worldwide distribution and licensing agreement that allows Arthrex as a partner to promote the Angel system for uses other than wound care.

B. Prepetition Capital Structure

1. Senior Secured Debt – Deerfield Facility Agreement

On or about March 31, 2014, the Debtor entered into that certain Facility Agreement (the "Deerfield Facility Agreement"), under which the Debtor obtained a $35 million five-year senior secured convertible credit facility by and between the Debtor and Deerfield Private Design Fund II, L.P., Deerfield Private Design International II, L.P., Deerfield Special Situations Fund, L.P.; and Deerfield Special Situations International Master Fund, L.P. The Debtor understands that, as of January 1, 2015, Deerfield Special Situations International Master Fund, L.P. transferred its assets (including its rights and obligations under the Deerfield Facility Agreement) to Deerfield Special Situations Fund, L.P. As defined above, the following three Deerfield entities: (i) Deerfield Private Design Fund II, L.P.; (ii) Deerfield Private Design International II, L.P.; and (iii) Deerfield Special Situations Fund, L.P., are referred to collectively herein as "Deerfield".

The Deerfield Facility Agreement is structured as a purchase of senior secured convertible notes (the "Notes"), which bear interest at a rate of 5.75% per annum, payable quarterly in arrears in cash or, at the Debtor's election, in registered shares of common stock; provided, that during the five quarters ending September 30, 2015, the Debtor had the option of having all or any portion of accrued interest added to the outstanding principal balance. The Debtor elected to have all portions of accrued interest added to the principal balance until September 30, 2015, beginning with interest due for the third quarter of 2014. Outstanding amounts under the Deerfield Facility Agreement are

due in full on March 31, 2019.

As of September 30, 2015, the total debt outstanding under the Deerfield Facility Agreement was approximately $37.6 million, including accrued interest. The Deerfield Facility Agreement required the Debtor to maintain a compensating cash balance of $5.0 million in deposit accounts subject to control agreements in favor of Deerfield. As of September 30, 2015, the Debtor had approximately $4.1 million in cash and cash equivalents and was not in compliance with this covenant. The terms of the Deerfield Facility Agreement also required the Debtor to pay Deerfield accrued interest in the amount of approximately $2.6 million on October 1, 2015, which the Debtor was unable to do.

On November 11, 2015, the Debtor entered into a letter agreement with Deerfield and certain of its affiliates pursuant to which the Deerfield Facility Agreement was modified to provide that: (i) between November 11, 2015 and December 4, 2015, the amount of cash required to be maintained in a deposit account subject to control agreements in favor of Deerfield was reduced from $5,000,000 to $1,750,000, and (ii) the date for payment of the accrued interest amount originally payable on October 1, 2015 was extended to December 4, 2015.

On December 4, 2015, the Debtor entered into a letter agreement with Deerfield and certain of its affiliates pursuant to which the Deerfield Facility Agreement was modified to provide that: (i) between December 4, 2015 and December 17, 2015, the amount of cash required to be maintained in a deposit account subject to control agreements in favor of Deerfield was reduced to $1,375,000, and (ii) the date for payment of the accrued interest amount originally payable on October 1, 2015 was extended to December 17, 2015.

On December 17, 2015, the Debtor entered into a letter agreement with Deerfield and certain of its affiliates pursuant to which the Deerfield Facility Agreement was modified to provide that: (i) between December 18, 2015 and January 7, 2016, the amount of cash required to be maintained in a deposit account subject to control agreements in favor of Deerfield was reduced to $500,000, and (ii) the date for payment of the accrued interest amount originally payable on October 1, 2015 was extended to January 7, 2016. No further agreement or extension has been reached or granted.

Deerfield was afforded the right to convert the principal amount of the Notes into shares of the Debtor's common stock ("Conversion Shares") at a per share price equal to $0.52. In addition, the Debtor granted to Deerfield the option to require the Debtor to redeem up to 33.33% of the total amount drawn under the facility, together with any accrued and unpaid interest thereon, on each of the second, third, and fourth anniversaries of the closing with the option right triggered upon the Debtor's net revenues falling below certain quarterly milestone amounts. Revenue for the three month period ended September 30, 2015 was less than the amounts required under the Deerfield Facility Agreement.

Contemporaneously with the Deerfield Facility Agreement, the Debtor entered into a security agreement which provides, among other things, that its obligations under the Notes were secured by a first priority security interest, subject to customary permitted liens, on all the Debtor's assets. Contemporaneously with the Deerfield Facility Agreement, the Debtor also

entered into a Registration Rights Agreement pursuant to which it filed a registration statement to register the resale of the Conversion Shares and the shares underlying the stock purchase warrants. In connection with the March 31, 2014 and June 25, 2014 draws under the Deerfield Facility Agreement in the aggregate amount of $35 million, the debtor issued to Deerfield warrants to purchase approximately 96.2 million shares of the Debtor's common stock.

2. Other Secured Obligations

The Debtor directly or indirectly leases certain machinery and equipment such as photocopiers under various secured leasing agreements.

3. Unsecured Debt

As of the Petition Date, in addition to the foregoing secured indebtedness, the Debtor owed material amounts with respect to various unsecured obligations, including approximately $3,191,913.11 million in trade and other business debt. In the Debtor's filed Schedules of Liabilities (Schedule F), the Debtor scheduled approximately $2,805,556.19 million in general unsecured claims.

4. Common Stock Equity Interests

The Debtor's existing common stock is presently quoted for trading under the symbol "NUOT" on the OTCQX (with the bankruptcy, NUOT now trades on OTC Pink). As of the Petition Date, there were approximately 125.68 million shares of the Debtor's common stock outstanding, with a total market capitalization of approximately $6.28 million. As explained above, the Debtor's Plan is treating Common Stock Equity Interests in the Debtor as having no value, although existing shareholders are entitled to receive New Common Stock in the Reorganized Debtor on the terms and conditions set forth herein and in the Plan.

C. SEC Filings

As a public company, Nuo has been required to file appropriate reports with the SEC, including quarterly statements of its operational and financial status and reports of significant events. All of Nuo's public securities filings are available at www.sec.gov/edgar.shtml. Nuo has been making certain filings with the SEC postpetition including Form 8-Ks.

D. Events Leading to the Filing of the Chapter 11 Bankruptcy Case

The Debtor faces a challenging competitive environment as the chronic wound market has many therapies that directly compete with Aurix that have established habitual use patterns and provider contracts to encourage standardized use. Acceptance of new products, like Aurix, has been slow often due to reimbursement rates and issues. Also, several suppliers to the chronic wound market have established market shares and significant resources to devote to sales and marketing efforts.

In light of the challenging reimbursement and competitive environment in which the

Debtor's primary product competes, historically the Debtor's revenues were insufficient to cover operating expenses, which consist primarily of employee compensation, professional fees, consulting expenses, clinical trial costs, and other general business expenses such as insurance, travel related expenses, and sales and marketing related items.

In response to those challenges, on August 11, 2015, the Debtor's Board of Directors approved a realignment plan (the "Realignment Plan") with the goal of preserving and maximizing the value of the Debtor's existing assets. The Realignment Plan eliminated approximately 30% of the Debtor's workforce and was aimed at the preservation of cash and cash equivalents to fund the Debtor's continuing operations and support the Debtor's revised business objectives. In connection with the Realignment Plan, Martin P. Rosendale stepped down as Chief Executive officer effective August 14, 2015. Mr. Rosendale briefly served as a consultant on an as-needed, but limited basis. Effective August 15, 2015, Dean Tozer was appointed as the Debtor's President and Chief Executive Officer. Immediately prior to such appointment, Mr. Tozer served as the Debtor's Chief Commercial Officer. The Debtor recognized severance costs totaling approximately $0.80 million to executives and non-executives in connection with the Realignment Plan, with certain modest severance expenses not expected to be fully paid until the first quarter of 2016.

On January 8, 2016, the board of directors of the Debtor provided written notice to terminate, without cause, the employment relationship between the Debtor and Mr. Tozer. Also on January 8, 2016, the board appointed David E. Jorden as the Debtor's Acting Chief Executive Officer, effective immediately. Effective January 12, 2016, Dean Tozer resigned from the board of directors of the Debtor as a result of his earlier termination.

The Debtor has continued to experience losses following implementation of the Realignment Plan, and faces severe liquidity pressures that have created difficulty in servicing its existing debt, difficulty in obtaining additional or replacement financing, and challenges in funding its ongoing operations. The Debtor's deteriorating financial condition left the Debtor with no choice but to seek relief under chapter 11 of the Bankruptcy Code by filing the Petition.

However, the Debtor notes that positive clinical data amassed to date and, most importantly, the recently increased reimbursement rate by CMS for the Aurix product effective January 1, 2016 are positive developments for the company. More specifically, CMS had previously reimbursed Aurix at a national average of $430 during 2015. Based on the Debtor's continued interaction with CMS on the issues of resource utilization and clinical intensity associated with Aurix, when CMS announced its final rules for Hospital Outpatient Prospective Payment System rates in late October, the 2016 national average reimbursement rate was increased to $1,411 per treatment. This significant increase is a potentially transformative development for the Debtor's business as now, for the first time, the positive clinical attributes of the product can be matched with a reimbursement rate that both recognizes the product's value proposition and provides the hospital outpatient wound care clinic the financial motivation to utilize Aurix.

On January 4, 2016, the Debtor and RestorixHealth, Inc. ("Restorix") entered into a non-binding statement of intent with regard to a business partnership whereby, under CMS' CED program, the Debtor and Restorix will work in collaboration with up to 30 Restorix partner hospitals to initially enroll up to 1,600 patients over an initial 13 month period in three separate

and distinct protocols for the treatment of diabetic foot ulcers, venous leg ulcers, and pressure ulcers. On March 14, 2016, the Debtor filed a motion [Docket No. 195] for entry of an order authorizing and approving the Debtor's entry into a certain Collaboration Agreement between the Debtor and Restorix, pursuant to which Restorix will, among other things, be provided certain local geographic exclusivity benefits over a defined period of time to use Aurix in up to thirty (30) of their partner hospitals in exchange for certain commitments to ensure a minimum number of patients are enrolled in protocols described above. A hearing before the Bankruptcy Court to authorize the Debtor to enter into the Collaboration Agreement is scheduled for March 22, 2016.

E. Corporate Management

The Debtor is governed by a four member Board of Directors. The current members of the Board of Directors are (i) David E. Jorden, (ii) Joseph Del Guercio, (iii) Stephen N. Keith, and (iv) C. Eric Winzer. The Debtor's management team includes (i) David E. Jorden, Acting Chief Executive Officer and Acting Chief Financial Officer, (ii) Peter Clausen, PhD, Chief Scientific Officer; and (iii) Richard James DeMaio, Vice-President / Controller.

F. Revenues

As set forth in the Debtor's Form 10-Q for period ending September 30, 2015, filed with the SEC, the Debtor's financial statements reflect assets of $19,151,928 and liabilities of $13,119,282 as of September 30, 2015, and $9,901,562 in revenue for the nine months ending September 30, 2015.

III. THE CHAPTER 11 BANKRUPTCY CASE

On January 26, 2016, the Debtor commenced a voluntary case under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. The Debtor continues to operate its business and manage its properties as a debtor in possession under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court.

An immediate effect of commencement of the Bankruptcy Case was the imposition of the automatic stay under the Bankruptcy Code which, with limited exceptions, enjoins the commencement or continuation of all collection efforts by Creditors, the enforcement of liens against property of the Debtor, and the continuation of litigation against the Debtor during the pendency of the Bankruptcy Case. The automatic stay will remain in effect, unless modified by the Bankruptcy Court, until the Effective Date.

A. First Day Orders

On or about the Petition Date, the Debtor filed certain "first day" motions and applications with the Bankruptcy Court seeking certain immediate relief to aid in the efficient administration of this Bankruptcy Case and to facilitate the Debtor's transition to debtor-in-possession status. The Bankruptcy Court held a hearing on these first day motions on January 28, 2016. Following the first day hearing, the Bankruptcy Court entered the following orders:

- INTERIM ORDER UNDER SECTIONS 105, 361, 362, 363(c), 363(e), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), 364(e), AND 507 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 2002, 4001 AND 9014 (I) AUTHORIZING DEBTOR TO OBTAIN POSTPETITION FINANCING; (II) AUTHORIZING DEBTOR TO USE CASH COLLATERAL; (III) GRANTING ADEQUATE PROTECTION TO PREPETITION SECURED PARTIES; (IV) SCHEDULING A FINAL HEARING AND (V) GRANTING RELATED RELIEF [Docket No. 32];

- INTERIM ORDER PURSUANT TO SECTIONS 105, 363, 507, 1107, AND 1108 OF THE BANKRUPTCY CODE (I) AUTHORIZING THE DEBTOR TO PAY PREPETITION WAGES, SALARIES, AND BENEFITS, (II) AUTHORIZING THE DEBTOR TO CONTINUE EMPLOYEE BENEFIT PROGRAMS IN THE ORDINARY COURSE OF BUSINESS AND (III) DIRECTING ALL BANKS TO HONOR PREPETITION CHECKS FOR PAYMENT OF PREPETITION WAGE, SALARY, AND BENEFIT OBLIGATIONS [Docket No. 33];

- INTERIM ORDER (I) AUTHORIZING CONTINUED MAINTENANCE OF EXISTING BANK ACCOUNTS; (II) AUTHORIZING CONTINUED USE OF EXISTING CASH MANAGEMENT SYSTEM; (III) AUTHORIZING CONTINUED USE OF EXISTING CHECKS AND BUSINESS FORMS; (IV) AUTHORIZING THE OPENING AND CLOSURE OF BANK ACCOUNTS; AND (V) WAIVING THE REQUIREMENTS OF SECTION 345(b) OF THE BANKRUPTCY CODE [Docket No. 34];

- INTERIM ORDER AUTHORIZING THE PAYMENT OF PREPETITION TRUST FUND TAXES IN THE ORDINARY COURSE OF BUSINESS [Docket No. 35];

- INTERIM ORDER GRANTING DEBTOR'S MOTION PURSUANT TO SECTIONS 105(A), 362(D), 363(B), 363(C) AND 503(B) OF THE BANKRUPTCY CODE (I) FOR AUTHORIZATION TO (A) CONTINUE ITS WORKERS' COMPENSATION, LIABILITY, PROPERTY, AND OTHER INSURANCE PROGRAMS, (B) PAY ALL OBLIGATIONS IN RESPECT THEREOF AND (C) ENTER INTO PREMIUM FINANCING AGREEMENTS IN THE ORDINARY COURSE OF BUSINESS, AND (II) FOR AUTHORIZATION OF FINANCIAL INSTITUTIONS TO HONOR AND PROCESS CHECKS AND TRANSFERS RELATED TO SUCH OBLIGATIONS [Docket No. 36];

- INTERIM ORDER GRANTING MOTION PURSUANT TO SECTIONS 105 AND 366 OF THE BANKRUPTCY CODE FOR ENTRY OF INTERIM AND FINAL ORDERS (I) PROHIBITING UTILITY COMPANIES FROM ALTERING, REFUSING OR DISCONTINUING SERVICES TO, OR DISCRIMINATING AGAINST, THE DEBTOR AND (II) DETERMINING THAT THE UTILITY COMPANIES ARE ADEQUATELY ASSURED OF POST-PETITION PAYMENT [Docket No. 37];

- ORDER APPOINTING EPIQ BANKRUPTCY SOLUTIONS, LLC AS CLAIMS AND NOTICING AGENT, *NUNC PRO TUNC* TO THE PETITION DATE [Docket No. 38];

- INTERIM ORDER PURSUANT TO SECTIONS 105(A), 363(B), 1107, AND 1108 OF THE BANKRUPTCY CODE AUTHORIZING, BUT NOT REQUIRING, PAYMENT OF PREPETITION CLAIMS OF CERTAIN VENDORS [Docket No. 39];

- INTERIM ORDER ESTABLISHING NOTICE AND OBJECTION PROCEDURES FOR TRANSFERS OF EQUITY SECURITIES AND SCHEDULING A FINAL HEARING [Docket No. 51].

The Bankruptcy Court subsequently entered the following orders on a final basis:

- FINAL ORDER PURSUANT TO SECTIONS 105(A), 363(B), 1107, AND 1108 OF THE BANKRUPTCY CODE AUTHORIZING, BUT NOT REQUIRING, PAYMENT OF PREPETITION CLAIMS OF CERTAIN VENDORS [Docket No. -133];

- FINAL ORDER PURSUANT TO SECTIONS 105, 363, 507, 1107, AND 1108 OF THE BANKRUPTCY CODE (I) AUTHORIZING THE DEBTOR TO PAY PREPETITION WAGES, SALARIES, AND BENEFITS, (II) AUTHORIZING THE DEBTOR TO CONTINUE EMPLOYEE BENEFIT PROGRAMS IN THE ORDINARY COURSE OF BUSINESS AND (III) DIRECTING ALL BANKS TO HONOR PREPETITION CHECKS FOR PAYMENT OF PREPETITION WAGE, SALARY, AND BENEFIT OBLIGATIONS [Docket No. 134];

- FINAL ORDER GRANTING MOTION PURSUANT TO SECTIONS 105 AND 366 OF THE BANKRUPTCY CODE FOR ENTRY OF INTERIM AND FINAL ORDERS (I) PROHIBITING UTILITY COMPANIES FROM ALTERING, REFUSING OR DISCONTINUING SERVICES TO, OR DISCRIMINATING AGAINST, THE DEBTOR AND (II) DETERMINING THAT THE UTILITY COMPANIES ARE ADEQUATELY ASSURED OF POST-PETITION PAYMENT [Docket No. 135];

- FINAL ORDER GRANTING DEBTOR'S MOTION PURSUANT TO SECTIONS 105(**A**), 362(D), 363(B), 363(C) AND 503(B) OF THE BANKRUPTCY CODE (I) FOR AUTHORIZATION TO (A) CONTINUE ITS WORKERS' COMPENSATION, LIABILITY, PROPERTY, AND OTHER INSURANCE PROGRAMS, (B) PAY ALL OBLIGATIONS IN RESPECT THEREOF AND (C) ENTER INTO PREMIUM FINANCING AGREEMENTS IN THE ORDINARY COURSE OF BUSINESS, AND (II) FOR AUTHORIZATION OF FINANCIAL INSTITUTIONS TO HONOR AND PROCESS CHECKS AND TRANSFERS RELATED TO SUCH OBLIGATIONS [Docket No. 137];

- FINAL ORDER ESTABLISHING NOTICE AND OBJECTION PROCEDURES FOR TRANSFERS OF EQUITY SECURITIES [Docket No. 138];

- FINAL ORDER AUTHORIZING THE PAYMENT OF PREPETITION TRUST FUND TAXES IN THE ORDINARY COURSE OF BUSINESS [Docket No. 141];

- FINAL ORDER (I) AUTHORIZING CONTINUED MAINTENANCE OF EXISTING BANK ACCOUNTS; (II) AUTHORIZING CONTINUED USE OF EXISTING CASH MANAGEMENT SYSTEM; (III) AUTHORIZING CONTINUED USE OF EXISTING CHECKS AND BUSINESS FORMS; (IV) AUTHORIZING THE OPENING AND CLOSURE OF BANK ACCOUNTS; AND (V) WAIVING THE REQUIREMENTS OF SECTION 345(b) OF THE BANKRUPTCY CODE [Docket No. 143];

- FINAL ORDER UNDER SECTIONS 105, 361, 362, 363(c), 363(e), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), 364(e), AND 507 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 2002, 4001 AND 9014 (I) AUTHORIZING DEBTOR TO OBTAIN POSTPETITION FINANCING; (II) AUTHORIZING DEBTOR TO USE CASH COLLATERAL; (III) GRANTING ADEQUATE PROTECTION TO PREPETITION SECURED LENDERS; AND (IV) GRANTING RELATED RELIEF [Docket No. 187].

B. Additional Orders and Filings

On and after the Petition Date, the Debtor filed a number of motions and applications to retain professionals, to streamline the administration of the Bankruptcy Case, and to obtain other relief in the best interests of the Debtor and its Estate. The Bankruptcy Court entered the following orders granting such motions and applications:

- ORDER GRANTING DEBTORS MOTION FOR AN ORDER AUTHORIZING AND APPROVING DEBTORS (I) RETENTION AND EMPLOYMENT OF WINTER HARBOR LLC AND (II) EMPLOYMENT OF SHAUN MARTIN AS CHIEF RESTRUCTURING OFFICER, NUNC PRO TUNC TO THE PETITION DATE [Docket No. 131];

- ORDER (A) APPROVING THE EMPLOYMENT AND RETENTION OF EPIQ BANKRUPTCY SOLUTIONS, LLC AS ADMINISTRATIVE ADVISOR FOR THE DEBTOR, EFFECTIVE *NUNC PRO TUNC* TO THE PETITION DATE, AND (B) GRANTING RELATED RELIEF [Docket No. 132];

- ORDER APPROVING EMPLOYMENT OF GORDIAN GROUP, LLC AS INVESTMENT BANKER AND FINANCIAL ADVISOR TO THE DEBTOR, *NUNC PRO TUNC* TO THE PETITION DATE, PURSUANT TO BANKRUPTCY CODE SECTIONS 327 AND 328 [Docket No. 136];

- ORDER PURSUANT TO 11 U.S.C. 327(A), FED.R.BANKR P. 2014 AND 2016, AND DEL. BANKR.L.R. 2014-1 AND 2016-1 AUTHORIZING RETENTION AND

EMPLOYMENT OF DENTONS US LLP AS BANKRUPTCY COUNSEL FOR THE DEBTOR, *NUNC PRO TUNC* TO THE PETITION DATE [Docket No. 139];

- ORDER PURSUANT TO 11 U.S.C. 327, FED.R.BANKR P. 2014 AND 2016, AND DEL. BANKR.L.R. 2014-1 AND 2016-1 AUTHORIZING THE RETENTION AND EMPLOYMENT OF ASHBY & GEDDES, P.A. AS CO-COUNSEL TO THE DEBTOR *NUNC PRO TUNC* TO THE PETITION DATE [Docket No. 140];

- ORDER PURSUANT TO 11 U.S.C. 105(A) AND 331 ESTABLISHING PROCEDURES FOR INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES OF PROFESSIONALS [Docket No. 142];

- ORDER AUTHORIZING DEBTOR TO RETAIN AND COMPENSATE PROFESSIONALS USED IN THE ORDINARY COURSE OF BUSINESS [Docket No. 144];

- ORDER AUTHORIZING AND APPROVING KEY EMPLOYEE RETENTION PLAN [Docket No. 148];

- ORDER AUTHORIZING AND APPROVING KEY EMPLOYEE INCENTIVE PLAN [Docket No. 149].

The Committee has filed an application to retain professionals, as follows:

- APPLICATION/MOTION TO EMPLOY/RETAIN PEPPER HAMILTON LLP AS COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS FILED BY OFFICIAL COMMITTEE [Docket No. 161].

C. DIP Loan Agreement

On or about the Petition Date, the Debtor filed a motion seeking Bankruptcy Court approval of debtor-in-possession financing on the terms set forth in that certain Senior Secured Superpriority Debtor-in-Possession Credit Agreement dated as of January 28, 2016 between the Debtor, on the one hand, and the DIP Agent and Lenders, on the other hand (the "DIP Loan Agreement").

Following the first day hearing, the Bankruptcy Court entered the Interim Order under Sections 105, 361, 362, 363(c), 363(e), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), 364(e), and 507 of the Bankruptcy Code and Bankruptcy Rules 2002, 4001 and 9014 (I) Authorizing Debtor to Obtain Postpetition Financing; (II) Authorizing Debtor to Use Cash Collateral; (III) Granting Adequate Protection to Prepetition Secured Parties; (IV) Scheduling a Final Hearing and (V) Granting Related Relief [Docket No. 32] (the "Interim DIP Order").

On March 9, 2016, following a hearing, the Bankruptcy Court entered the Final Order under Sections 105, 361, 362, 363(c), 363(e), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), 364(e), and 507 of the Bankruptcy Code and Bankruptcy Rules 2002, 4001 and 9014 (I) Authorizing Debtor to Obtain Postpetition Financing; (II) Authorizing Debtor to Use Cash Collateral; (III)

Granting Adequate Protection to Prepetition Secured Lenders; and (IV) Granting Related Relief [Docket No. 187] (the "Final DIP Order").

The DIP Loan Agreement, as approved by the Final DIP Order, provides for a senior secured, superpriority credit facility of up to $6.0 million. The Debtor is permitted to use the proceeds thereof to, among other things: (i) fund the Debtor's day-to-day working capital needs, and (ii) pay chapter 11 administrative expenses, including Professional Compensation Claims, in each case, only to the extent permitted under the approved Budget.

D. Contemplated Sale Process, Default Notice, and Waiver

The Debtor originally anticipated that this Bankruptcy Case would involve a sale of substantially all of the Debtor's significant assets pursuant to Section 363 of the Bankruptcy Code, through an auction process approved by the Bankruptcy Court. Under the requirements of the DIP Loan Agreement, the Debtor was required to file a sale procedures motion(the "Sale Motion"), which it did on February 1, 2016. Certain parties filed objections to the Sale Motion. On February 22, 2016, after hearing arguments of counsel and introduction of evidence, the Bankruptcy Court denied the Sale Motion (as well as the Debtor's request for final approval of the DIP Loan Agreement, which was previously approved on an interim basis by the Interim DIP Order). Consequently, on February 23, 2016, the Lenders and DIP Agent declared the Debtor to be in default of the terms of DIP Loan Agreement and notified that the Debtor's ability to use cash collateral would terminate in five days. Thereupon, the Debtor, Lenders, Committee and Ad Hoc then entered into negotiations culminating in the terms of the settlement detailed in the Chapter 11 Plan Term Sheet attached as Exhibit B to that certain Waiver and First Amendment to Senior Secured, Super Priority Debtor-in-Possession Credit Agreement, annexed to the Final DIP Order [Docket Entry No. 187].

E. United States Trustee

The United States Trustee for the District of Delaware (the "U.S. Trustee") has appointed Juliet M. Sarkessian as the attorney for the U.S. Trustee in connection with this Bankruptcy Case. The Debtor has worked cooperatively to address the concerns and comments from the U.S. Trustee's office during this Bankruptcy Case.

F. Ad Hoc Committee of Equity Holders

Prior to the Petition Date, the Debtor was contacted by and communicated with the Ad Hoc Committee. The members of the Ad Hoc Committee are S. Blake Murchison, Scott M. Pittman, and W. Timothy Conn. The Ad Hoc Committee was formed on December 18, 2016 and has been represented since that time by the Chicago law firm of Robbins, Salomon & Patt, Ltd.

G. Appointment of Committee of Unsecured Creditors

On March 11, 2016, the U.S. Trustee filed an Amended Notice of Appointment of Committee of Unsecured Creditors [Docket Nos. 77, 82, 90, and 188]. The current members of the Committee are: (i) AAPC, and (ii) CPA Global Limited. Counsel to the Committee is Pepper Hamilton LLP.

H. Meeting of Creditors

The meeting of creditors under section 341(a) of the Bankruptcy Code was held on March 3, 2016 at 2:00 p.m. at the J. Caleb Boggs Federal Building, 844 King St., Room 5209, Wilmington, Delaware 19801. At the meeting of creditors, the U.S. Trustee and creditors were afforded the opportunity to ask questions of representatives of the Debtor.

I. Schedules, Statements of Financial Affairs and Claims Bar Dates

The Debtor filed its Schedules of Assets and Liabilities and Statement of Financial Affairs on February 25, 2016 [Docket Nos. 157 and 158]. A creditor whose Claim is set forth in the Schedules of Assets and Liabilities and not identified as contingent, unliquidated, or disputed may, but need not, file a proof of claim against that Debtor to be entitled to participate in the Bankruptcy Case or to receive a Distribution under the Plan.

On March 14, 2016, the Debtor filed a motion [Docket No. 193] seeking entry of an order (the "Bar Date Order") establishing April 18, 2016 as the deadline for Creditors to file proofs of claim against the Debtor, other than in respect of governmental units which must file proofs of claim by July 24, 2016. Further, the proposed Bar Date Order will establish certain additional procedures for the filing of claims under section 503(b)(9) of the Bankruptcy Code.

IV. SUMMARY OF THE CHAPTER 11 PLAN

This section provides a summary of the structure and means for implementation of the Plan and the classification and treatment of Claims and Equity Interests under the Plan and is qualified in its entirety by reference to the Plan (as well as the exhibits thereto and definitions therein).

The statements contained in this Disclosure Statement do not purport to be precise or complete statements of all the terms and provisions of the Plan or documents referred to therein, and reference is made to the Plan and to such documents for the full and complete statement of such terms and provisions.

The Plan and the documents referred to therein, and the Order being sought to approve the Plan, control the actual treatment of Claims against and Equity Interests in the Debtor under the Plan and will, upon the occurrence of the Effective Date, be binding upon all holders of Claims against and Equity Interests in the Debtor, the Debtor's Estate, the Reorganized Debtor, all parties receiving property under the Plan, and other parties in interest. In the event of any conflict, inconsistency, or discrepancy between this Disclosure Statement and the Plan, the Plan Supplement, and/or any other operative document, the terms of the Plan, Plan Supplement, and/or such other operative document, as applicable, shall govern and control; provided that, in any event, the terms of the Plan shall govern and control over all other related documents. The Order approving the Plan will govern and control over the Plan and all other relating documents.

A. Treatment of Unclassified Claims

In accordance with section 1123(a)(1) of the Bankruptcy Code, Allowed Administrative Expense Claims and Allowed Priority Tax Claims are not classified and are excluded from the

Classes designated in this Article II of the Plan. The treatment accorded Allowed Administrative Expense Claims and Allowed Priority Tax Claims is set forth in Article IV of the Plan.

1. Administrative Claims

(a) Generally: Allowed Administrative Expense Claims: Except to the extent the holder agrees to other, lesser treatment, each holder of an Allowed Administrative Claim shall be paid cash in respect of such Claim equal to the unpaid portion of such Allowed Administrative Expense Claim. The Allowed Administrative Expense Claim shall be payable within the later of: (i) ten (10) days after the Effective Date, or (ii) ten (10) days after the date on which such Claim becomes an Allowed Administrative Expense Claim. With certain exceptions, the DIP Loan Claim will be treated as part of the Class 1 Claim.

(b) Statutory Fees: All fees payable pursuant to 28 U.S.C. § 1930 shall be paid in cash when due. Post-Effective Date U.S. Trustee fees and post-confirmation reports shall be paid and filed as required by 28 U.S.C. § 1930 until the Bankruptcy Case is closed, converted or dismissed.

(c) Professionals: Except to the extent a Professional agrees to other, lesser treatment, all Professionals or other Persons requesting compensation or reimbursement of expenses from the Debtor pursuant to Sections 327, 328, 330, 331, 503(b) and 1102 of the Code (including any professional or entity requesting compensation for making a substantial contribution in the Bankruptcy Case), shall be paid cash, in respect of such Claim, equal to the unpaid portion of such Allowed Professional Fee and Expense Claim approved by the Bankruptcy Court; provided, however, that such payment shall be limited to the amount set forth in the Budget; provided further, however, that a Professional may seek payment above its budgeted amount if there are other non-Lender designated professional fee amounts available in the Budget not used by such non-Lender professionals or not otherwise allowed to such non-Lender professionals by the Bankruptcy Court.

In the event of a Successful Capital Raise, the Allowed Professional Fee and Expense Claim of Gordian Group, LLC ("Gordian"), the Debtor's investment banker (exclusive of the monthly fee payable to Gordian in the Budget) in the amount of $400,000 (with Lender responsible for funding $100,000 of this amount) shall be paid in full in cash within the later of (i) ten (10) days after the Effective Date and (ii) two (2) business days after the date of approval of the final fee application of Gordian required by the Bankruptcy Court. In the event of an Unsuccessful Capital Raise, the Allowed Professional Fee and Expense Claim of Gordian (exclusive of the monthly fee payable to Gordian in the Budget) shall be limited to $200,000 and funded by Lender within the later of (i) ten (10) days after the Effective Date and (ii) two (2) business days after the date of approval of the final fee application of Gordian required by the Bankruptcy Court. to enable the Reorganized Debtor to make such payment.

In the event of a Successful Capital Raise, Professionals retained by the Debtor (other than Gordian) may seek payment of unpaid professional fees in excess of the amounts set forth in the Budget from the proceeds of such Successful Capital Raise, in the amount no greater than $150,000 in the aggregate for all such Debtor Professionals, in addition to any amounts in the Budget not used by non-Lender professionals or not otherwise allowed to such non-Lender professionals by the Bankruptcy Court, as referenced above.

Ad Hoc Committee: Fees and expenses of the Ad Hoc Committee and its professionals shall be subject to application, hearing, and Bankruptcy Court approval under Code sections 503(b)(3)(D) and 503(b)(4) and, to the extent allowed, treated as Administrative Expense Claims. Their method and amount of payment shall depend on whether the Capital Raise is successful, as follows:

(i) In the event of a Successful Capital Raise, the fees and expenses of the Ad Hoc Committee and its professionals shall be paid in full, subject to a cash cap of $135,000, following approval by the Bankruptcy Court as follows: (i) out-of-pocket expenses of the Ad Hoc Committee members and its professionals shall be paid in cash; (ii) approved hourly fees of the Ad Hoc Committee's professionals shall be paid through a combination of cash and the issuance of common stock of the Reorganized Debtor at the same per share price paid in the Successful Capital Raise (plus a gross-up cash allowance for taxes payable on account of any equity issued), with the cash portion of such approved fee award paid at a maximum rate of $425 per hour and the remaining portion of such fee award paid in common stock of the Reorganized Debtor.

(ii) In the event of an Unsuccessful Capital Raise, the allowed fees and expenses of the Ad Hoc Committee and its professionals shall be paid in cash following approval by the Bankruptcy Court, but limited to a cap of $135,000.

The payment of an Allowed Administrative Expense Claim shall be in full satisfaction, settlement release and discharge of, and in exchange for, such Allowed Administrative Expense Claim.

2. Ordinary Course Liabilities

A holder of an Ordinary Course Liability is not required to file or serve any request for payment of the Ordinary Course Liability. Notwithstanding the provisions of Section 4.1(a) hereof, the Debtor shall continue to pay each Ordinary Course Liability accrued but not yet due and payable as of the Effective Date pursuant to the payment terms and conditions of the particular transaction giving rise to the Ordinary Course Liability and the Budget.

3. Allowed Priority Tax Claims

Except to the extent the holder agrees to other, lesser treatment, each holder of an Allowed Priority Tax Claim shall be paid in cash, in respect of such Claim, equal to the unpaid portion of such Allowed Priority Tax Claim by the later of ten (10) days after (i) the Effective Date, (ii) the date on which such Claim becomes an Allowed Priority Tax Claim; or (iii) as otherwise provided under the Code. To the extent the holder of an Allowed Priority Tax Claim holds a lien to secure its claim under applicable state law, the holder of such Claim shall retain its lien until its Allowed Priority Tax Claim has been paid in full.

The payment of an Allowed Priority Tax Claim shall be in full satisfaction, settlement, release and discharge of, and in exchange for, such Claim.

B. Classification and Treatment of Claims and Equity Interests

1. Class 1: Pre-Petition Claims of the Debtor's Lenders

(a) Classification: Class 1 consists of the Lenders Secured Claims and Equity Interests of the Lenders against the Debtor. In addition, in accordance with the settlement and compromises regarding the Lenders' Secured Claims and Equity Interests set forth in this Plan, the Lenders have agreed to treatment of the Lenders' Total Claim as set forth below.

(b) Treatment: The Lenders' Secured Claims and the Lenders' Equity Interests in the Debtor are impaired. The Lenders Secured Claim and the Lenders DIP Loan Claim shall be Allowed in full. In full and final satisfaction of the Lenders' Total Claim, the Lenders will receive the following:

In all events, whether under Scenario A or Scenario B, on the Effective Date, and in satisfaction of $15 million of Lenders' Total Claim, Lenders will receive an assignment of all of the Debtor's rights, title and interest in and to its existing license agreement with Arthrex, Inc., all associated intellectual property owned by Debtor and licensed thereunder, and all royalty and payment rights thereunder. The Debtor will enter into a transition services agreement with the Lenders as they may reasonably require in respect thereof. In addition:

Scenario A: In the event of a Successful Capital Raise, on the Effective Date, in exchange for the balance of Lenders' Total Claim, which shall include the amount funded by Lenders for the payment of Gordian, Lenders will receive non-convertible, non-dividend paying, preferred equity interests in the Reorganized Debtor in the amount of such balance (estimated to be approximately $29.3 million) (the "Secured Claim Balance"), which shall have a liquidation preference senior to all other equity interests and such other customary terms acceptable to the Debtor and Lenders (the "Preferred Equity"), which terms shall be set forth in the Plan Supplement (as part of the Reorganized Debtor's amended and restated corporate charter, bylaws and related organizational documents, in the event of a Successful Capital Raise), and Lenders shall receive no common stock or other equity interest, and shall be deemed to have waived and released all claims against Released Parties as set forth herein. Preferred Equity interests will be entitled to voting rights representing [__]% of the voting rights of the Reorganized Debtor.

Scenario B: In the event of an Unsuccessful Capital Raise, on the Effective Date, in exchange for the Secured Claim Balance, Lenders will receive 100% of the New Common Stock of the Reorganized Debtor. The Lenders will allocate to existing holders of Common Stock Equity Interests in the Debtor (Class 5) who do not opt out of the third-party releases set forth in the Plan, their Pro Rata Share (based on their existing holdings of Common Stock Equity Interests of the Debtor on the Record Date) of five percent (5%) of the Lenders' New Common Stock (i.e., the Scenario B Allocated New Common Stock). Any such holder who does not affirmatively submit a signed ballot or other acceptable signed document agreeing to such third-party releases no later than sixty (60) days after the Effective Date, shall not receive their Pro Rata Share of the Scenario B Allocated New Common Stock and such share shall be distributed to Lenders. Class 5 Common Stock Equity Interest holders who do not opt out of third-party releases and waivers set forth in the Plan, or otherwise agree thereto, shall receive their Pro Rata Share of the Scenario B Allocated New Common Stock on the later of (i) thirty (30) days after the Effective Date, for those who voted in favor of the Plan, or (ii) thirty (30) days after the

execution and delivery of a form of agreement acceptable to the Debtor (or Reorganized Debtor) and the Lenders agreeing to such Release Document, provided that the last date on which executed forms must be received by the Debtor shall be sixty (60) days after the Effective Date of the Plan. Any portion of the Scenario B Allocated New Common Stock not timely claimed by the execution and delivery of a ballot which does not opt out of the third party releases or other Release Document shall be returned to Lenders.

The distributions to the holders of the Allowed Lenders' Secured Claims shall be in full satisfaction, settlement release and discharge of, and in exchange for such Allowed Lenders' Secured Claims.

2. Class 2: Other Allowed Secured Claims

(c) Classification: Class 2 consists of all Other Allowed Secured Claims against the Debtor.

(d) Treatment: Class 2 Other Allowed Secured Claims are unimpaired. Claims of creditors holding perfected and unavoidable first priority liens on specific items of collateral by virtue of a purchase money security interest or financing lease will, in full and final satisfaction of such allowed Other Secured Claim, be treated in a manner to leave them unimpaired under section 1124 of the Code.

Class 3: Unsecured Priority Claims

(e) Classification: Class 3 consists of all Unsecured Priority Claims against the Debtor.

(f) Treatment: Class 3 Unsecured Priority Claims are unimpaired. Except to the extent the holder agrees to other, lesser treatment, each holder of an Allowed Unsecured Priority Claim shall be paid cash in respect of such Claim in an amount equal to the unpaid portion of such Allowed Unsecured Priority Claim within ten (10) days after (i) the Effective Date, or (ii) the date on which such Claim becomes an Allowed Unsecured Priority Claim. The payment of an Allowed Unsecured Priority Claim shall be in full satisfaction, settlement, release and discharge of, and in exchange for, such Claim.

3. Class 4: General Unsecured Claims

(g) Classification: Class 4 consists of all General Unsecured Claims against the Debtor.

(h) Treatment: Class 4 General Unsecured Claims are impaired. Within the later of sixty (60) days after (i) the Effective Date if the General Unsecured Claim is allowed on the Effective Date, or (ii) the date on which such Claim becomes an Allowed General Unsecured Claim, each holder of an Allowed General Unsecured Claim shall be paid as follows:

(A) Scenario A: In the event of a Successful Capital Raise:

(i) if total Allowed Unsecured Claims are less than $2,000,000, an amount necessary to pay such Allowed Claim in full in Cash without post-petition interest;

(ii) if total Allowed Unsecured Claims are between $2,000,000 and $3,000,000, the lesser of (i) an amount necessary to pay such Allowed Claim in full in Cash without post-petition interest or (ii) a Pro Rata Share of a cash fund in the amount of $2,250,000;

(iii) if total Allowed Unsecured Claims are between $3,000,001 and $4,000,000, a Pro Rata Share of a cash fund in the amount of $2,500,000;

(iv) if total Allowed Unsecured Claims are greater than $4,000,001, a Pro Rata Share of a cash fund in the amount of $2,750,000.

(B) Scenario B: In the event of an Unsuccessful Capital Raise, the lesser of (i) an amount necessary to pay such Allowed Claim in full in Cash without post-petition interest or (ii) a Pro Rata Share of a cash fund in the amount of $2,000,000;

Distributions to holders of Allowed General Unsecured Claims will be made solely from the Class 4 Escrow. In the event of Scenario A (Successful Capital Raise), the following actions will occur sequentially on the Effective Date: (i) the proceeds of the Successful Capital Raise will be placed into an escrow account of the Reorganized Debtor, (ii) the Plan will be deemed effective, and (iii) the Class 4 Corpus will be funded into the Class 4 Escrow, solely by the Reorganized Debtors, using the proceeds of the Successful Capital Raise and (iv) all remaining funds in the escrow under (i) above will be transferred to the Reorganized Debtors. In the event of Scenario B (an Unsuccessful Capital Raise), the Class 4 Corpus will be funded into the Class 4 Escrow by the Lenders and/or Reorganized Debtors on the Effective Date.

In consultation with the Unsecured Creditor Oversight Committee, the Reorganized Debtor shall be entitled to make interim distributions to Allowed General Unsecured Claim, in its discretion, without further notice or Bankruptcy Court approval with the cost of such distributions to be borne by the Class 4 Corpus.

4. Class 5: Common Stock Equity Interests

(a) Classification: Class 5 consists of all Common Stock Equity Interests in the Debtor held as of the Record Date.

(b) Treatment: Class 5 Common Stock Equity Interests are impaired, and shall be treated as follows:

Scenario A: In the event of a Successful Capital Raise, New Investors in the private placement of New Common Stock of the Reorganized Debtor will receive 100% of the New Common Stock of the Reorganized Debtor on the Effective Date, and will be deemed to allocate to existing holders of Common Stock Equity Interests in the Debtor who vote in favor of the Plan and do not opt out of providing releases and waivers a percentage of the New Common Stock, which percentage will be set forth in the Plan Supplement and will be not less than 5% of the New Common Stock (i.e., the Scenario A Allocated New Common Stock). The allocation of Scenario A New Common Stock of the Reorganized Debtor among existing holders of Common

Stock Equity Interests who vote in favor of the Plan and do not opt out of providing releases and waivers will be based on a Pro Rata Share of such holders' existing Common Stock Equity Interests.

Scenario B: In the event of an Unsuccessful Capital Raise, on the Effective Date, in exchange for the Secured Claim Balance, Lenders will receive 100% of the New Common Stock of the Reorganized Debtor. The Lenders will allocate to existing holders of Common Stock Equity Interests in the Debtor (Class 5) who do not opt out of the third-party releases set forth in the Plan, their Pro Rata Share (based on their existing holdings of Common Stock Equity Interests of the Debtor on the Record Date) of five percent (5%) of the Lenders' New Common Stock (i.e., the Scenario B Allocated New Common Stock). Any such existing holder who does not affirmatively and timely submit a signed ballot or other acceptable signed document agreeing to such third-party releases shall not receive their Pro Rata Share of the Scenario B Allocated New Common Stock and such share shall be distributed to Lenders.

In either Scenario A or Scenario B, in order for any existing holder of Common Stock Equity Interests to receive New Common Stock of the Reorganized Debtor, such holder must: (A)(i) timely submit a Ballot indicating a vote in favor of the Plan, and (ii) not mark such Ballot to indicate that the holder is opting out of the releases set forth herein, or (B) provide an executed Release Document acceptable to the Reorganized Debtor agreeing to such third-party releases no later than sixty (60) days after the Effective Date. Class 5 Common Stock Equity Interest holders who do not opt out of third-party releases and waivers set forth in the Plan, or otherwise agree thereto, shall receive their Pro Rata Share of the Scenario A Allocated New Common Stock or Scenario B Allocated New Common Stock, as the case may be, on the later of (i) thirty (30) days after the Effective Date, for those who voted in favor of the Plan, or (ii) thirty (30) days after days the execution and delivery of a Release Document acceptable to the Debtor (or Reorganized Debtor) and the Lenders agreeing to such Release Document, provided that the last date on which executed forms must be received by the Debtor or Reorganized Debtor shall be sixty (60) days after the Effective Date of the Plan. Any portion of the Scenario A Allocated New Common Stock or Scenario B Allocated New Common Stock not timely claimed by the execution and delivery of a ballot which does not opt out of the third party releases or other Release Document shall be returned, respectively, to the New Investors or the Lenders.

The distribution of the New Common Stock in the Reorganized Debtor to or by holders of Common Stock Equity Interests shall be in full satisfaction, settlement, release and discharge of, and in exchange for, such Equity Interests.

5. Class 6: Other Equity Interests

(a) Classification: Class 6 consists of all other Equity Interests in the Debtor that are not Allowed Class 5 Common Stock Equity Interests and that are evidenced by any share certificate or other instrument, whether or not transferable or denominated "stock", or similar security. Other Equity Interests in Class 6 shall include any warrant or right (including a right to convert) to purchase or subscribe to any ownership interest in the Debtor and any right of redemption in respect of any Equity Interest. Class 6 includes all Allowed Claims arising under section 510(b) of the Code, all Allowed Claims arising from the rejection of agreements granting

such Class 6 Other Equity Interests (to the extent, if any, that they constitute executory contracts), and any Allowed Claims based on indemnification rights.

(b) Treatment: Class 6 Other Equity Interests are impaired. Holders of Allowed Class 6 Other Equity Interests shall receive or retain no property or distributions on account of such Allowed Claims or Allowed Other Equity Interests.

C. Acceptance or Rejection of the Plan

1. Impaired Classes of Claims Entitled to Vote

The Plan classifies the following Classes as the only impaired classes that may receive a distribution under the Plan and that are entitled to vote to accept or reject the Plan:

Class 1: Pre-Petition Claims of the Debtor's Lenders

Class 4: General Unsecured Claims

Class 5: Common Stock Equity Interests

2. Presumed Acceptances by Unimpaired Classes

The Plan classifies the following unimpaired claims that are not entitled to vote on the Plan. Pursuant to section 1126(f) of the Bankruptcy Code, each Holder of a Claim in the following Classes is conclusively presumed to have accepted the Plan in respect of such Claims, and is not entitled to vote to accept or reject the Plan:

Class 2: Other Allowed Secured Claims

Class 3: Unsecured Priority Claims

3. Impaired Classes Deemed to Reject Plan

The Plan classifies the following Class as an impaired class that is not entitled to vote to accept or reject the Plan:

Class 6: Other Equity Interests

D. Means for Implementation of the Plan

1. Continued Corporate Existence

Except as otherwise provided in the Plan, the Reorganized Debtor will continue to exist after the Effective Date as a corporate entity, with all of the powers of a corporation under applicable law in the jurisdiction in which the Debtor is incorporated and pursuant to its amended and restated corporate charter, bylaws and any related organizational documents, reflecting either a Successful Capital Raise or an Unsuccessful Capital Raise, as applicable, substantially in the forms to be included in the Plan Supplement.

2. Management and Board of Directors

Scenario A: In the event of a Successful Capital Raise, the Reorganized Debtor shall have five board members, whose names will be disclosed in the Plan Supplement. The Debtor will select (i) executive officers for the Reorganized Debtor and (ii) four board members of such board. Lenders will have sole discretion but not the obligation to select one of the board members. David Jorden shall be designated by the Debtor as Chief Executive Officer and a director of the Reorganized Debtor. The compensation of the board members and David Jorden will be disclosed in the Plan Supplement

Scenario B: In the event of an Unsuccessful Capital Raise, the Reorganized Debtor shall have five board members and the Lenders will have sole discretion to select all board members and executive officers of the Reorganized Debtor.

The identities of the proposed members of the Reorganized Debtor's board and the proposed executive officers of the Reorganized Debtor under Scenario A and Scenario B shall be disclosed in the Plan Supplement. All existing members of the Debtor's board of directors shall be deemed to have resigned as of the Effective Date and be replaced by the newly selected members, except to the extent that any existing members of the Debtor's board of directors are invited to continue service in such role and accept such invitation. The Debtor shall disclose in the Plan Supplement the identity of any insider that will be employed or retained by the Reorganized Debtor, and the nature of any compensation for such insider, in sufficient time to satisfy the disclosure obligations in section 1129(a)(5) of the Bankruptcy Code.

The Reorganized Debtor shall have a President and any such other officers as the board of directors may determine. The President may be a board member. The President's compensation shall be negotiated by the President and the board and shall be disclosed in the Plan Supplement.

3. Limitations while Preferred Equity is outstanding

In Scenario A, the Reorganized Debtor will not be entitled to make any dividends, distributions or other payments to holders of New Common Stock in respect of their New Common Stock while the Preferred Equity to be issued to the Lenders is outstanding or incur any debt, other than ordinary course indebtedness attendant to its business purpose and other debt solely for working capital in an aggregate amount not to exceed $3,000,000 and otherwise on terms reasonably acceptable to a supermajority of the Preferred Equity interests. The full terms of the Preferred Equity will be set forth in the amended and restated corporate charter, bylaws and any related organizational documents of the Reorganized Debtor, as set forth in the Plan Supplement.

4. Post-Effective Date rights and operations

In either Scenario A or Scenario B, the Reorganized Debtor, among other things, may (a) sell, lease, license, and/or dispose of any of the assets in the ordinary course of business (other than the Causes of Action); (b) institute, prosecute, settle, compromise, abandon or release all Causes of Action; (c) prosecute objections to claims filed against the Debtors (subject to Section 6.5 of the Plan); (d) make distributions to the holders of allowed Claims in accordance with the Plan; (e) perform administrative services related to the implementation of the Plan; and (f)

employ attorneys and other professionals, to assist in fulfilling the Reorganized Debtor's obligations under the Plan and Code.

From and after the Effective Date, the Reorganized Debtor and, to the extent applicable, the Unsecured Creditors Oversight Committee, shall, in the ordinary course of business and without the necessity for Bankruptcy Court approval, pay the reasonable fees and expenses of Professionals retained by the Reorganized Debtor and by the Unsecured Creditors Oversight Committee (subject to the payment cap applicable to the Unsecured Creditors Oversight Committee set forth herein) incurred after the Effective Date, including, without limitation, fees and expenses incurred in connection with the implementation and consummation of the Plan. Any professionals retained by the Reorganized Debtor or the Unsecured Creditors Oversight Committee can have served as an estate Professional in this case.

From and after the Effective Date, any person seeking relief from the Bankruptcy Court in the Case shall be required to provide notice only to the Reorganized Debtor; the Lenders; the United States Trustee (and their respective counsel); any person whose rights are directly affected by the relief sought, and to other parties in interest who, after entry of the Confirmation Order, file a request for such notice with the clerk of the Bankruptcy Court and serve a copy of such notice on counsel to the Reorganized Debtor.

5. Unsecured Creditor Oversight Committee

To the extent the total amount of the General Unsecured Claims Filed against the Debtor's estate exceeds $2.25 million, the Reorganized Debtor shall fund and pay for the costs and expenses of an Unsecured Creditor Oversight Committee, not to exceed $125,000, which Committee shall have the right to: (i) review and reconcile all General Unsecured Claims filed against the Debtor's estate; and (ii) object to the allowance of any General Unsecured Claim asserted against the Debtor's estate. The Unsecured Creditor Oversight Committee shall consist of one representative from the Reorganized Debtor and two (2) representatives appointed by the Committee. In the event that total Allowed General Unsecured Claims are reduced below $2.25 million, due to successful objections or otherwise, then the Unsecured Creditor Oversight Committee shall immediately be disbanded, and only reasonable costs and expenses incurred to that date shall be permitted.

6. The Closing

The Closing of any transactions required and contemplated under the Plan shall take place on the Effective Date at the offices of Dentons US LLP, 1221 Avenue of the Americas, New York, NY 10020, or at such other place identified in a notice provided to those parties listed in Section 13.16 of the Plan. The Debtor may reschedule the Closing by making an announcement at the originally scheduled Closing of the new date for the Closing. A notice of the rescheduled Closing shall be filed with the Bankruptcy Court and served on the parties identified in Section 13.12 of the Plan within two (2) days after the originally scheduled Closing. All documents to be executed and delivered by any party as provided in Article VI of the Plan and all actions to be taken by any party to implement the Plan as provided herein shall be in form and substance satisfactory to the Debtor and Lenders.

7. Preservation of Claims, Rights, and Causes of Action

Subject to Section 11 of the Plan, the Reorganized Debtor shall retain and shall have the exclusive right to enforce any and all claims, rights and causes of action. Unless any Claims against a Person are expressly waived, relinquished, exculpated, released, compromised, transferred or settled in the Plan or by a Final Order, in accordance with section 1123(b) of the Bankruptcy Code, the Reorganized Debtor shall retain and may enforce all rights to commence and pursue any and all retained Causes of Action, whether arising before or after the Petition Date, and the Reorganized Debtor's rights to commence, prosecute or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date.

8. Vesting of Property in Reorganized Debtor

On the Effective Date, except as otherwise expressly provided in the Plan or Confirmation Order, all Estate Property, including any "net operating losses" and similar tax attributes, shall vest in the Reorganized Debtor free and clear of all Liens, Claims, and encumbrances of any kind.

As set forth in its Schedules of Assets and Liabilities, the Debtor estimates its net operating loss ("NOL") carryforwards, for U.S. federal income tax purposes, will total approximately $142 million after emergence from bankruptcy, but before taking into account any cancellation of indebtedness or other items of income, gain, loss, deduction or credit resulting from the Plan that could reduce the amount of the Debtor's NOLs. The Debtor has indicated that the amount of such NOLs remains subject to adjustment by the IRS. No assurance can be given as to the amount of the Debtor's NOLs or other tax attributes. The Debtor has indicated that the amount of such NOLs remains subject to adjustment by the IRS. The Reorganized Debtor generally would be entitled under the Plan to use its NOL carryforwards remaining after such reductions in future years to eliminate taxes on a corresponding amount of its income, subject to any applicable limitations due to an ownership change as defined in Section 382 of the Code, the alternative minimum tax, and limitations under applicable state and local tax laws. The Debtor will issue substantial amounts of New Common Stock and other Equity Interests pursuant to the Plan. There can be no assurance that such issuances and other transactions affecting the Debtor or its Equity Interests will not result in an ownership change of the Debtor. If an ownership change occurs, the Reorganized Debtor's use of the NOLs could be severely limited. The present value of the tax savings that could be generated by the existing NOL carryforwards cannot be determined with any certainty, as use of the carryforwards may be subject to certain limitations and is dependent on the Reorganized Debtor having sufficient future income.

If it is assumed solely for purposes herein that the Reorganized Debtor will recognize $142 million of taxable income prior to expiration of the NOL carryforwards, and that the entirety of such estimated NOL carryforwards are available to be applied against the Reorganized Debtor's income without limitation, and if it is further assumed that the highest current federal corporate income tax rate of 35% applies, then the Reorganized Debtor would benefit from a reduction in federal income tax liability of approximately $49.7 million. Reductions in the amount of the Debtor's NOLs, or the occurrence of an ownership change, as noted above, could dramatically reduce the benefit of the NOL carryforwards.

Additional information concerning the Debtor's "net operating losses" will be contained in the Plan Supplement.

9. Exemption From Transfer Taxes

The Plan and the Confirmation Order provide for one or more of the following: (a) the issuance, transfer or exchange of notes, debt instruments and equity securities under or in connection with the Plan; (b) the creation, assignment, recordation or perfection of any lien, pledge, other security interest or other instruments of transfer; (c) the making or assignment of any lease; (d) the creation, execution and delivery of any agreements or other documents creating or evidencing the formation of the Reorganized Debtor or the issuance or ownership of any interest in the Reorganized Debtor; or (e) the making or delivery of any deed or other instrument of transfer under the Plan in connection with the vesting of the Debtor's assets in the Reorganized Debtor pursuant to or in connection with the Plan, including, without limitation, merger agreements, stock purchase agreement, agreements of consolidation, restructuring, disposition, liquidation or dissolution, and transfers of tangible property. Pursuant to section 1146 of the Bankruptcy Code and the Plan, any such act described or contemplated herein will not be subject to any stamp tax, transfer tax, filing or recording tax, or other similar tax.

10. Filing of Additional Documentation

By April 15, 2016, the Debtor may file with the Bankruptcy Court such Plan Supplement, agreements and other documents as may be reasonably necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan or any Plan Document, which shall also constitute Plan Documents.

11. Due Authorization By Holders of Claims and Equity Interests

Each and every holder of a Claim or Equity Interest who elects to participate in the Distributions provided for herein warrants that it is authorized to accept in consideration of its Claim against or Equity Interest in the Debtor the Distributions provided for in the Plan, and that there are no outstanding commitments, agreements, or understandings, express or implied, that may or can in any way defeat or modify the rights conveyed or obligations undertaken by the Creditor under the Plan.

12. Cancellation and Surrender of Instruments, Securities, and Other Documentation.

On the Effective Date, except as otherwise expressly provided in the Plan, all instruments, securities, and other documentation or agreements representing or giving rise to Claims against or Equity Interests in the Debtor (including any rights to acquire Equity Interests in the Debtor) shall be deemed canceled and of no further force or effect, without any further action on the part of the Bankruptcy Court or any Person. Further, on the Effective Date, all outstanding Equity Interests shall be canceled on the books of the Debtor and the Reorganized Debtor and become settled and compromised solely as provided herein and, with respect to the Debtor or the Reorganized Debtor, in consideration of the right to participate in distributions provided by the Plan. The holders of such

canceled instruments, securities, and other documentation shall have no rights arising from or relating to such instruments, securities, or other documentation.

Except to the extent, if any, otherwise provided in the Plan, agreements entered into in connection herewith, and the Confirmation Order, as a condition to participation under the Plan, each holder of an Allowed Equity Interest classified in Class 5 shall surrender its Equity Interests representing said holder's Allowed Equity Interest as a precondition to receiving a distribution under the Plan on account of said Allowed Equity Interest. Any such holder that fails to surrender said Equity Interests within sixty (60) days after the Effective Date will have its right to distributions pursuant to the Plan on account of such securities discharged and will be forever barred from asserting any such Equity Interest against the Debtor, the Reorganized Debtor, or their respective properties. In such case, any distributions reserved for such holder shall be treated pursuant to the provisions set forth in Sections 7.4(d)(e) of the Plan

Unless waived by the Reorganized Debtor, any Person seeking the benefits of being a holder of an Allowed Equity Interest who is unable to surrender the necessary instrument or securities shall supply, if required by the Reorganized Debtor, an indemnity bond acceptable to the Reorganized Debtor, which indemnity bond shall hold harmless the Debtor and the Reorganized Debtor from any damages, liabilities, or costs incurred in treating such Person as the record holder of such Allowed Equity Interest, together with appropriate evidence satisfactory to the Reorganized Debtor of the destruction, loss, or theft of such instrument. Once accepted, such Person shall be treated as the record holder of such Equity Interests for purposes of the Plan.

The New Common Stock shall bear a new CUSIP number that is different from the CUSIP number for Existing Common Stock of the Debtor.

13. Short Selling Bar Representation by Recipients of New Common Stock.

To the extent enforceable under applicable law, and subject to the right of the board of directors of the Reorganized Debtor to waive this covenant, solely under Scenario A, upon receipt of shares of New Common Stock as provided hereunder, said recipients shall be deemed to have affirmatively covenanted to the following Short-Selling Bar Representation and to be bound by its terms:

> This Short-Selling Bar Representation shall serve as the promise and agreement by the recipient of New Common Stock in connection with the Plan to refrain from engaging in "short sales" of New Common Stock for a period of five years following the Plan Effective Date. For purposes of this Short Selling Bar Representation, "short sales" are defined as orders by a Person to its broker or agent to sell presently a specified number of shares held by the broker or agent in return for the Person's promise to replace the securities sold at a later date. The proceeds of the sale are held by the broker or agent pending receipt of the shares promised by the seller.
>
> The prohibition contained in this Short Selling Bar Representation extends to (i) "naked" shorts sales, which are short sales of shares which the seller does not

presently hold and are completed by covering through a market purchase of the shares due, and (ii) short sales "against the box," which are short sales of shares which the seller does presently hold, which are either covered by a market purchase (as with the "naked short") or by delivering the shares held against the shares due.

The recipient of any New Common Stock under the Plan further acknowledges and agrees in this Short Selling Bar Representation that in the event of its breach of this Short Selling Bar Representation, monetary damages shall not constitute a sufficient remedy. Consequently, in the event of any such breach, the recipient acknowledges and agrees that, in addition to other rights and remedies existing in its favor, the Reorganized Debtor may apply to the Bankruptcy Court or to any other court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce or prevent any violations of the provisions hereof, in each case without the requirement of posting a bond or proving actual damages.

14. Legend Against Short-Selling Against Shares of New Common Stock.

Solely in Scenario A, and to the extent enforceable under applicable law, and subject to the right of the board of directors of the Reorganized Debtor to waive this covenant, under Scenario A ,all shares of New Common Stock issued under the Plan shall bear a restrictive legend that prohibits the use of the issued shares by the holder thereof for purposes of covering a short sale by the holder or any other Person designated by the holder or who maintains the New Common Stock on behalf of the holder.

In the event the Bankruptcy Court declines to confirm the Plan because of any or all of the provisions of Section 6.9 or 6.10 of the Plan, such provisions shall be deemed modified to comport with any such ruling by the Bankruptcy Court; provided, however, if the Bankruptcy Court rules that any such modifications would require a resolicitation of votes, such provisions will be deemed deleted from the Plan.

E. Treatment of Executory Contracts and Unexpired Leases

1. Assumption of Executory Contracts

On the Effective Date, all Executory Contracts identified on the Schedule of Assumed Contracts and Unexpired Leases, attached hereto as Exhibit B, shall be deemed assumed by the Reorganized Debtor. The Debtor may amend the Schedule of Assumed Contracts and Unexpired Leases through the deadline to file the Plan Supplement. Entry of the Confirmation Order shall constitute approval of the assumption of such Executory Contracts under sections 365 and 1123 of the Bankruptcy Code.

2. Rejection of Executory Contracts

All Executory Contracts not identified on the Schedule of Assumed Contracts and Unexpired Leases (or assumed by the Debtor previously) shall be deemed rejected on the

Effective Date. Entry of the Confirmation Order shall constitute approval of such rejections under sections 365 and 1123 of the Bankruptcy Code.

3. Procedures Related to Assumption of Executory Contracts

Scenario A: In the event of a Successful Capital Raise, the Debtor, with consultation of the Lenders, will determine which Executory Contracts will be identified on the Schedule of Assumed Contracts and Unexpired Leases, attached hereto as Exhibit B (which schedule may be amended as set forth in any Plan Supplement), which shall be deemed assumed by the Reorganized Debtor.

Scenario B: In the event of an Unsuccessful Capital Raise, Lenders will determine which Executory Contracts will be identified on the Schedule of Assumed Contracts and Unexpired Leases, attached hereto as Exhibit B (which schedule may be amended as set forth in any Plan Supplement), which shall be deemed assumed by the Reorganized Debtor.

(d) **Establishment of Cure Claim Amounts**

The Cure Amounts associated with the assumption of the Executory Contracts pursuant to Section 8.1 of the Plan are specified in the Schedule of Assumed Contracts and Unexpired Leases. Pursuant to the Notice of (I) Possible Assumption of Contracts and Leases, (II) Fixing of Cure Amounts, and (III) Deadline to Object Thereto served by the Debtor, counterparties to the Executory Contracts were required to file Objections to Cure Amount, if any, by the Cure Amount Objection Bar Date.

(e) **Objection to Disputed Cure Amounts**

The Reorganized Debtor shall have the right to examine any Objection to Cure Amount filed by any party, and shall have the right to object to and contest the Disputed Cure Amount asserted therein.

If an objection to a Disputed Cure Amount has not been resolved by the Bankruptcy Court or agreement of the parties by the Effective Date, the Executory Contract related to such Disputed Cure Amount shall be deemed assumed by the Reorganized Debtor effective on the Effective Date; provided, however, the Reorganized Debtor may revoke an assumption of any such Executory Contract within ten (10) days after entry of an order by the Bankruptcy Court adjudicating the objection to the Disputed Cure Amount related to the Executory Contract by filing a notice of such revocation with the Bankruptcy Court and serving a copy on the party(ies) whose Executory Contract is rejected. Any Executory Contract identified in a revocation notice shall be deemed rejected retroactively to the Effective Date.

(f) **Payment of Cure Amounts**

Within ten (10) Business Days after the Effective Date, the Reorganized Debtor shall pay, in Cash, all Cure Amounts related to Executory Contracts listed on the Schedule of Assumed Contracts and Unexpired Leases, other than Disputed Cure Amounts. Subject to the revocation rights described in Section 8.3(b) above, the Reorganized Debtor shall pay all Cure Amounts that are subject to an objection on the Effective Date within ten (10) days after entry of

an order by the Bankruptcy Court resolving the objection or approving an agreement between the parties concerning the Cure Amount.

(g) **No Admission of Liability**

Neither the inclusion nor exclusion of any Executory Contract on the Schedule of Assumed Contracts and Unexpired Leases, nor anything contained in the Plan, shall constitute an admission by the Debtor or any other party that any such contract or unexpired lease is in fact an Executory Contract or that the Debtor has any liability thereunder.

(h) **Reservation of Rights**

Nothing in the Plan shall waive, excuse, limit, diminish, or otherwise alter any of the defenses, claims, causes of action, or other rights of the Debtor under any executory or non-executory contract or any unexpired or expired lease, nor shall any provision of the Plan increase, augment, or add to any of the duties, obligations, responsibilities, or liabilities of the Debtor under any such contract or lease.

4. Rejection Claim Bar Date

Each Claim resulting from the rejection of an Executory Contract pursuant to Section 8.2 of the Plan shall be filed with the Bankruptcy Court no later than the Rejection Claim Bar Date; provided, however, any party whose Executory Contract is rejected pursuant to a rejection notice pursuant to Section 8.3 above may file a rejection damage Claim arising out of such rejection within 30 days after the filing of the revocation notice with the Bankruptcy Court. Any Claim resulting from the rejection of an Executory Contract not filed by the applicable deadline shall be discharged and forever barred, and shall not be entitled to any Distributions under the Plan. The Reorganized Debtor shall have the right to object to any rejection damage Claim.

Any Allowed Claims arising from rejection of executory contracts and unexpired leases will be treated and paid as Allowed General Unsecured Claims.

F. Provisions Governing Distributions

1. Distributions for Allowed Claims

(i) **In General**

The Reorganized Debtor shall make all Distributions required to be made under the Plan. The funds necessary to make Distributions will be made through the operations of the Reorganized Debtor, through funding via the Successful Capital Raise, or, in the event of an Unsuccessful Capital Raise, through loans or capital infusions by the Lenders (with Distributions on account of General Unsecured Claims coming from amounts funded in the Class 4 Escrow in accordance with Section 5.4 hereof).

(j) **Distributions on Allowed Claims Only**

Distributions shall be made only to the holders of Allowed Claims. Until a Disputed Claim becomes an Allowed Claim, the holder of that Disputed Claim shall not receive a Distribution.

(k) **Place and Manner of Payments of Distributions**

Except as otherwise specified in the Plan, Distributions shall be made by mailing such Distribution to the Creditor at the address listed in any proof of claim filed by the Creditor or at such other address as such Creditor shall have specified for payment purposes in a written notice received by the Debtor or the Reorganized Debtor at least twenty (20) days before a Distribution Date. If a Creditor has not filed a proof of claim or interest or sent the Debtor or the Reorganized Debtor a written notice of payment address, then the Distribution(s) for such Creditor will be mailed to the address identified in the Schedules of Assets and Liabilities. The Debtor or the Reorganized Debtor shall distribute any Cash by wire, check, or such other method as it deems appropriate under the circumstances. Before receiving any Distributions, all Creditors, at the request of the Debtor or the Reorganized Debtor, must provide written notification of their respective Federal Tax Identification Numbers or Social Security Numbers to the Debtor or the Reorganized Debtor; otherwise, the Debtor or the Reorganized Debtor may suspend Distributions to any Creditors who have not provided their Federal Tax Identification Numbers or Social Security Numbers.

(l) **Undeliverable Distributions**

If a Distribution made is returned as undeliverable, the Debtor or the Reorganized Debtor shall use reasonable efforts to determine such recipient's then current address. If the Debtor or the Reorganized Debtor cannot determine, or is not notified of, a recipient's then current address within six months after the Effective Date, the Distribution reserved for such recipient shall be deemed an unclaimed Distribution, and Section 7.4(e) of the Plan shall be applicable thereto.

(m) **Unclaimed Distributions**

If the current address for a recipient entitled to a Distribution under the Plan has not been determined within six months after the Effective Date or such recipient has otherwise not been located or submitted a valid Federal Tax Identification Number or Social Security Number to the Debtor or the Reorganized Debtor, then such recipient (i) shall no longer be a holder of an Allowed Claim or Allowed Equity Interest, as the case may be and (ii) shall be deemed to have released such Allowed Claim or Allowed Equity Interest.

(n) **Withholding**

The Debtor or the Reorganized Debtor may at any time withhold from a Distribution to any Person (except the Internal Revenue Service) amounts sufficient to pay any tax or other charge that has been or may be imposed on such Person with respect to the amount distributable or to be distributed under the income tax laws of the United States or of any state or political subdivision or entity by reason of any Distribution provided for in the Plan, whenever such withholding is determined by the Debtor or the Reorganized Debtor to be required by any law, regulation, rule, ruling, directive, or other governmental requirement. The Debtor or the

Reorganized Debtor may enter into agreements with taxing or other authorities for the payment of such amounts that may be withheld in accordance with the provisions of this section

2. Use of DIP Loan Proceeds

Any proceeds drawn under the DIP Loan Agreement and unspent on the Effective Date may be used to pay Allowed Administrative Expenses, Allowed Professional Fees and Ordinary Course Expenses contained in the Budget and which are past due or were not yet due and payable pursuant to the terms relating to such obligations (including allowance of such Professional Fees). In the event of a Successful Capital Raise, any such unspent proceeds on the Effective Date which will not be spent because the obligation in the Budget will not be incurred (e.g., the unused amount of Lender Professional Fees) shall be returned to the Lender on the Effective Date and applied to reduce the DIP Loan balance and, accordingly, shall reduce the amount of the Preferred Equity to be distributed to Lenders pursuant to the treatment provided for Class 1 under the Plan. In the event of an Unsuccessful Capital Raise, such unspent proceeds may be used to pay Allowed Administrative Expenses, Allowed Professional Fees and Ordinary Course Expenses contained in the Budget and any other obligations due and payable under the Plan on or about the Effective Date.

3. No Interest on Claims

Except as set forth in the Plan or in a Final Order of the Bankruptcy Court entered in the Case, no holder of any Claim will be entitled to interest accruing after the Petition Date on such Claim, nor to fees, costs or charges provided under any agreement under which such Claim arose and that were incurred after the Petition Date. Unless otherwise specifically provided for in this Plan or as otherwise required by sections 506(b), 511 or 1129(a)(9)(C)-(D) of the Bankruptcy Code, interest shall not accrue or be paid on any Disputed Claim in respect of the period from the Effective Date to the date a final Distribution is made when and if such Disputed Claim becomes and Allowed Claim.

4. Record Date For Distributions

As of the close of business on the Record Date, the various transfer registers for each of the Classes of Claims or Equity Interests as maintained by the Debtor shall be deemed closed, and there shall be no further changes made to reflect any new record holders of any Claims or Equity Interests occurring on or after the Record Date. The Debtor and the Reorganized Debtor shall have no obligation to recognize any transfer of any Claims or Equity Interests occurring after the Record Date.

5. Fractional Securities

Notwithstanding any other provision of the Plan, only whole numbers of shares of New Common Stock shall be issued. As a result, if the calculated distribution on account of Allowed Equity Interests based upon the record holders thereof on the Record Date would otherwise result in the issuance to any Person of a number of shares of New Common Stock that is not a whole number, then the actual distribution of such New Common Stock shall be rounded down to the nearest lower number. No consideration shall be provided in lieu of fractional shares of New

Common Stock that are rounded down. Any surplus of fractional shares of New Common Stock existing as a result of the rounding process shall be retained by the Reorganized Debtor as treasury stock.

G. Procedures for Resolution of Disputed Claims

1. Right to Object to Claims

The Reorganized Debtor or the Unsecured Creditor Oversight Committee (to the extent created) shall examine all Claims and (except as to any Claims of the Lenders) will have the right, authority, power and discretion to: (i) file objections to the allowance, priority and classification of all Claims; (ii) litigate to judgment, settle or withdraw objections to Claims without any notice or approval of any other party or the Bankruptcy Court; and (iii) request that the Bankruptcy Court estimate any claim pursuant to 11 U.S.C. § 502(c). The deadline to file objections to Claims shall be sixty (60) days after the Effective Date, which date may be extended by the Reorganized Debtor with order of the Bankruptcy Court.

2. Deadline for Responding to Claim Objections

Within 30 days after service of an objection, or such other date as is indicated on such objection or the accompanying notice thereof, the Creditor whose Claim was objected to must file a written response to the objection with the Bankruptcy Court and serve a copy on the Reorganized Debtor. Failure to file a written response within the 30-day time period shall constitute a waiver and release of that portion of the subject Claim that was subject to the objection, and shall cause the Bankruptcy Court to enter a default judgment against the non-responding Creditor or granting the relief requested in the claim objection.

3. Right to Request Estimation of Claims

The Debtor or the Reorganized Debtor may at any time request that the Bankruptcy Court estimate any Disputed Claim pursuant to section 502(c) of the Bankruptcy Code or other applicable law regardless of whether the Debtor or the Reorganized Debtor has previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection. The Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during the pendency of litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any Disputed Claim, such estimated amount shall constitute either (a) the Allowed amount of such Claim, (b) the amount on which a reserve is to be calculated for purposes of any reserve requirement to this Plan or (c) a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Debtor or the Reorganized Debtor (or the Unsecured Creditors Oversight Committee) may pursue supplementary proceedings to object to the allowance of such Claim. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court.

H. Injunctions, Releases, and Discharge

1. Compromise and Settlement of Claims, Interests, and Controversies

The provisions of the Plan incorporate the terms of a settlement among the Debtor, the Lenders, the Committee, and the Ad Hoc Committee, as detailed in that certain Chapter 11 Plan Term Sheet attached as Exhibit B to that certain Waiver and First Amendment to Senior Secured, Super Priority Debtor-in-Possession Credit Agreement annexed to the Final DIP Order.

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits and consideration provided by the Debtor and/or by Lenders pursuant to the Plan, and except as otherwise specifically provided in the Plan or in any contract, instrument, or other agreement or document created pursuant to the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in complete settlement, compromise, and release, effective as of the Effective Date, of Claims, Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, including, but not limited to, all known or unknown liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtor or any of its assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability to the extent such Claims or Interests relate to services performed by employees of the Debtor before the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (a) a proof of Claim or proof of Interest based upon such debt, right, or Interest is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (b) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (c) the holder of such a Claim or Interest has accepted the Plan. Any default by the Debtor with respect to any Claim or Interest that existed immediately before or on account of the filing of the Bankruptcy Case shall be deemed cured on the Effective Date. The Confirmation Order shall be a judicial determination of the settlement, compromise, and release of all Claims and Interests, subject to the Effective Date occurring.

Notwithstanding any provision in the Plan or the Interim DIP Order or Final DIP Order and in furtherance of the agreements and settlements contained in this Plan, upon the occurrence of the Effective Date, all of the agreements, stipulations, waivers and releases provided by the Debtors with respect to Lenders' liens and claims arising under the Deerfield Facility Agreement and related documents as set forth in the Final DIP Order including the Debtor's Stipulations (as such term is defined in the Final DIP Order) shall be final and binding on all persons and parties in interest, including, without limitation, the Committee, the Ad Hoc Committee, and any trustee who may be appointed in the Debtor's bankruptcy case, and the Challenge Period provided and defined in paragraph 24 of the Final DIP Order shall be deemed to have expired on the Effective Date and any Challenge that may be pending on the Effective Date shall be dismissed with prejudice and the persons or parties in interest that commenced such Challenge shall promptly take all actions and execute, deliver and file all documents and pleadings necessary to effect such dismissal.

2. Release 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 and concurrently with

the applicable distributions made pursuant to the Plan and, in the case of a Secured Claim, satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estate shall be fully released, settled, and compromised and all rights, titles, and interests of any holder of such mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estate shall revert to the Debtor and the Reorganized Debtor, as applicable, and their successors and assigns.

3. Subordinated Claims

The allowance, classification, and treatment of all Allowed Claims and Interests and the respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtor reserves the right for the Debtor or the Reorganized Debtor, as applicable, to re-classify any Claim or Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

4. Debtor Release

ON THE EFFECTIVE DATE OF THE PLAN AND TO THE FULLEST EXTENT AUTHORIZED BY APPLICABLE LAW, THE RELEASED PARTIES AND THEIR RESPECTIVE PROPERTY WILL BE EXPRESSLY, UNCONDITIONALLY, GENERALLY AND INDIVIDUALLY AND COLLECTIVELY RELEASED, ACQUITTED AND DISCHARGED BY THE DEBTOR ON BEHALF OF ITSELF, ITS ESTATE, AND THE REORGANIZED DEBTOR (SUCH THAT THE REORGANIZED DEBTOR WILL NOT HOLD ANY CLAIMS OR CAUSES OF ACTION RELEASED PURSUANT TO SECTION 11.4 OF THE PLAN), FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY EACH OF THE RELEASED PARTIES, FROM ANY AND ALL ACTIONS, CLAIMS, DEBTS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES AND LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS ASSERTED ON BEHALF OF THE DEBTOR OR ITS ESTATE, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, MATURED OR UNMATURED, EXISTING OR HEREINAFTER ARISING, IN LAW, EQUITY, CONTRACT, TORT OR OTHERWISE, BY STATUTE, VIOLATIONS OF FEDERAL OR STATE SECURITIES LAWS OR OTHERWISE, BASED IN WHOLE OR IN PART UPON ANY ACT OR OMISSION, TRANSACTION, OR OTHER OCCURRENCE OR CIRCUMSTANCES EXISTING OR TAKING PLACE PRIOR TO OR ON THE EFFECTIVE DATE ARISING FROM OR RELATED IN ANY WAY TO THE DEBTOR, ANY OF THE DEBTOR'S PRESENT OR FORMER ASSETS, THE RELEASED PARTIES' INTERESTS IN OR MANAGEMENT OF THE DEBTOR, THE PLAN, THE DISCLOSURE STATEMENT, THIS BANKRUPTCY CASE, OR ANY RESTRUCTURING OF CLAIMS OR INTERESTS UNDERTAKEN PRIOR TO THE EFFECTIVE DATE, INCLUDING THOSE THAT THE DEBTOR OR THE REORGANIZED DEBTOR WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT OR THAT ANY HOLDER OF A CLAIM AGAINST OR INTEREST IN THE DEBTOR OR ANY OTHER ENTITY COULD HAVE BEEN LEGALLY ENTITLED TO ASSERT DERIVATIVELY OR ON BEHALF OF THE DEBTOR OR ITS ESTATE; PROVIDED,

HOWEVER, THAT THE FOREGOING "DEBTOR RELEASE" SHALL NOT OPERATE TO WAIVE OR RELEASE ANY CLAIMS OR CAUSES OF ACTION OF THE DEBTOR OR ITS ESTATE AGAINST A RELEASED PARTY ARISING UNDER ANY CONTRACTUAL OBLIGATION OWED TO THE DEBTOR THAT IS ENTERED INTO OR ASSUMED PURSUANT TO THE PLAN OR FOR FRAUD, THEFT, CONVERSION, OR MISAPPROPRIATION OF CORPORATE ASSETS.

ENTRY OF THE CONFIRMATION ORDER SHALL CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019, OF THE DEBTOR RELEASE, WHICH INCLUDES BY REFERENCE EACH OF THE RELATED PROVISIONS AND DEFINITIONS CONTAINED IN THE PLAN, *AND*, *FURTHER*, SHALL CONSTITUTE THE BANKRUPTCY COURT'S FINDING THAT THE DEBTOR RELEASE IS: (1) IN EXCHANGE FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY THE RELEASED PARTIES; (2) A GOOD-FAITH SETTLEMENT AND COMPROMISE OF THE CLAIMS RELEASED BY THE DEBTOR RELEASE; (3) IN THE BEST INTERESTS OF THE DEBTOR'S ESTATE AND ALL HOLDERS OF CLAIMS AND INTERESTS; (4) FAIR, EQUITABLE, AND REASONABLE; (5) GIVEN AND MADE AFTER DUE NOTICE AND OPPORTUNITY FOR HEARING; AND (6) A BAR AGAINST ANY OF THE DEBTOR'S ESTATE OR THE REORGANIZED DEBTOR ASSERTING ANY CLAIM OR CAUSE OF ACTION RELEASED PURSUANT TO THE DEBTOR RELEASE.

5. Third Party Release

ON THE EFFECTIVE DATE OF THE PLAN AND TO THE FULLEST EXTENT AUTHORIZED BY APPLICABLE LAW, THE RELEASING PARTIES SHALL BE DEEMED TO HAVE EXPRESSLY, UNCONDITIONALLY, GENERALLY AND INDIVIDUALLY AND COLLECTIVELY, RELEASED AND ACQUITTED THE RELEASED PARTIES AND THEIR RESPECTIVE PROPERTY (INCLUDING THE RELEASED PARTIES' PREDECESSORS, SUCCESSORS AND ASSIGNS, SUBSIDIARIES, AFFILIATES, MANAGED ACCOUNTS OR FUNDS, CURRENT AND FORMER OFFICERS, DIRECTORS, PRINCIPALS, SHAREHOLDERS, DIRECT AND INDIRECT EQUITY HOLDERS, MEMBERS, PARTNERS (GENERAL AND LIMITED), EMPLOYEES, AGENTS, ADVISORY BOARD MEMBERS, FINANCIAL ADVISORS, ATTORNEYS, ACCOUNTANTS, INVESTMENT BANKERS, CONSULTANTS, REPRESENTATIVES, MANAGEMENT COMPANIES, FUND ADVISORS AND OTHER PROFESSIONALS) AND THE RELEASED PARTIES FROM ANY AND ALL ACTIONS, CLAIMS, INTERESTS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES AND LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS ASSERTED ON BEHALF OF THE DEBTOR, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, MATURED OR UNMATURED, EXISTING OR HEREAFTER ARISING, IN LAW, EQUITY, CONTRACT, TORT OR OTHERWISE, THAT SUCH RELEASING PARTIES (WHETHER INDIVIDUALLY OR COLLECTIVELY) EVER HAD, NOW HAS OR HEREAFTER CAN, SHALL OR MAY HAVE, BASED ON OR RELATING TO, OR IN ANY MANNER ARISING FROM OR RELATED IN ANY WAY TO THE DEBTOR, ANY OF THE DEBTOR'S PRESENT OR FORMER ASSETS, THE RELEASED PARTIES' INTERESTS IN THE DEBTOR, MANAGEMENT OF THE DEBTOR, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN THE DEBTOR AND ANY RELEASED PARTY, THE PLAN,

THE DISCLOSURE STATEMENT, THIS BANKRUPTCY CASE, OR ANY RESTRUCTURING OF CLAIMS OR EQUITY INTERESTS UNDERTAKEN PRIOR TO THE EFFECTIVE DATE, INCLUDING THOSE THAT THE DEBTOR OR THE REORGANIZED DEBTOR WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT OR THAT ANY HOLDER OF A CLAIM AGAINST OR EQUITY INTEREST IN THE DEBTOR OR ANY OTHER ENTITY COULD HAVE BEEN LEGALLY ENTITLED TO ASSERT DERIVATIVELY OR ON BEHALF OF THE DEBTOR OR ITS ESTATE, EXCEPT FOR (I) ANY CLAIMS AND CAUSES OF ACTION FOR ACTUAL FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AND (II) THE RIGHT TO RECEIVE DISTRIBUTIONS FROM THE DEBTOR OR THE REORGANIZED DEBTOR ON ACCOUNT OF AN ALLOWED CLAIM AGAINST OR ALLOWED EQUITY INTEREST IN THE DEBTOR PURSUANT TO THE PLAN. FOR THE AVOIDANCE OF DOUBT, THE RELEASING PARTIES SHALL INCLUDE (A) THE RELEASED PARTIES, AND (B) ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS THAT (I) VOTE TO ACCEPT THE PLAN, AND (II) DO NOT AFFIRMATIVELY OPT OUT OF THE THIRD PARTY RELEASE PROVIDED BY THIS SECTION 11.5 PURSUANT TO A DULY EXECUTED BALLOT, AND (C) ANY OTHER PERSON THAT PROVIDES SIGNED DOCUMENTATION ACCEPTABLE TO THE REORGANIZED DEBTOR AGREEING TO SUCH THIRD-PARTY RELEASE NO LATER THAN SIXTY (60) DAYS AFTER THE EFFECTIVE DATE.

ENTRY OF THE CONFIRMATION ORDER SHALL CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019, OF THE THIRD PARTY RELEASE, WHICH INCLUDES BY REFERENCE EACH OF THE RELATED PROVISIONS AND DEFINITIONS CONTAINED IN THE PLAN, *AND*, *FURTHER*, SHALL CONSTITUTE THE BANKRUPTCY COURT'S FINDING THAT THE THIRD PARTY RELEASE IS: (1) IN EXCHANGE FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY THE RELEASED PARTIES; (2) A GOOD-FAITH SETTLEMENT AND COMPROMISE OF THE CLAIMS RELEASED BY THE THIRD PARTY RELEASE; (3) IN THE BEST INTERESTS OF THE DEBTOR AND ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS; (4) FAIR, EQUITABLE, AND REASONABLE; (5) GIVEN AND MADE AFTER DUE NOTICE AND OPPORTUNITY FOR HEARING; AND (6) A BAR TO ANY OF THE RELEASING PARTIES ASSERTING ANY CLAIM RELEASED PURSUANT TO THE THIRD PARTY RELEASE.

6. Exculpation

The Exculpated Parties shall neither have, nor incur any liability to any entity for any prepetition or postpetition act taken or omitted to be taken in connection with the Bankruptcy Case, or related to formulating, negotiating, soliciting, preparing, disseminating, confirming, or implementing the Plan or consummating the Plan, the Disclosure Statement, or any contract, instrument, release, or other agreement or document created or entered into in connection with the Plan or any other prepetition or postpetition act taken or omitted to be taken in connection with or in contemplation of the restructuring or liquidation of the Debtor. Without limiting the foregoing "Exculpation" provided under section 11.6 of the Plan, the rights of any holder of a Claim or Interest to enforce rights arising under the Plan shall be preserved, including the right to compel payment of distributions in accordance with the Plan; provided, that the foregoing "Exculpation" shall have no effect on the liability of any entity solely to the extent resulting 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 his, her, or its duties pursuant to, or in connection with, the Plan or any other related document, instrument, or agreement.

7. Injunction

EXCEPT AS OTHERWISE PROVIDED IN THE PLAN OR THE CONFIRMATION ORDER, ALL ENTITIES WHO HAVE HELD, HOLD, OR MAY HOLD CLAIMS, INTERESTS, CAUSES OF ACTION, OR LIABILITIES THAT: (1) ARE SUBJECT TO COMPROMISE AND SETTLEMENT PURSUANT TO THE TERMS OF THE PLAN; (2) HAVE BEEN RELEASED PURSUANT TO SECTION 11.4 HEREOF; (3) HAVE BEEN RELEASED PURSUANT TO SECTION 11.5 HEREOF; (4) ARE SUBJECT TO EXCULPATION PURSUANT TO ARTICLE SECTION 11.6 HEREOF; OR (5) ARE OTHERWISE STAYED OR TERMINATED PURSUANT TO THE TERMS OF THE PLAN, ARE PERMANENTLY ENJOINED AND PRECLUDED, FROM AND AFTER THE EFFECTIVE DATE, FROM: (A) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND, INCLUDING ON ACCOUNT OF ANY CLAIMS, INTERESTS, CAUSES OF ACTIONS, OR LIABILITIES THAT HAVE BEEN COMPROMISED OR SETTLED AGAINST THE DEBTOR OR THE REORGANIZED DEBTOR, OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR ESTATE OF ANY ENTITY, DIRECTLY OR INDIRECTLY, SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION, OR LIABILITIES; (B) ENFORCING, ATTACHING, COLLECTING, OR RECOVERING BY ANY MANNER OR MEANS ANY JUDGMENT, AWARD, DECREE, OR ORDER AGAINST THE DEBTOR OR THE REORGANIZED DEBTOR, OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR ESTATE OF THE DEBTOR OR ANY ENTITY SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION, OR LIABILITIES; (C) CREATING, PERFECTING, OR ENFORCING ANY LIEN, CLAIM, OR ENCUMBRANCE OF ANY KIND AGAINST THE DEBTOR OR THE REORGANIZED DEBTOR, OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR ESTATE OF THE DEBTOR OR ANY ENTITY SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION, OR LIABILITIES; (D) ASSERTING ANY RIGHT OF SETOFF OR SUBROGATION OF ANY KIND AGAINST ANY OBLIGATION DUE FROM THE DEBTOR OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR ESTATE OF THE DEBTOR OR ANY ENTITY SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION, OR LIABILITIES UNLESS SUCH ENTITY HAS TIMELY ASSERTED SUCH SETOFF OR SUBROGATION RIGHT PRIOR TO CONFIRMATION IN A DOCUMENT FILED WITH THE BANKRUPTCY COURT EXPLICITLY PRESERVING SUCH SETOFF OR SUBROGATION;

AND (E) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND AGAINST THE DEBTOR OR THE REORGANIZED DEBTOR, OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR ESTATE OF THE DEBTOR OR ANY ENTITY SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION, OR LIABILITIES RELEASED, SETTLED, OR COMPROMISED PURSUANT TO THE PLAN; *PROVIDED THAT* NOTHING CONTAINED IN THE PLAN SHALL PRECLUDE AN ENTITY FROM OBTAINING BENEFITS DIRECTLY AND EXPRESSLY PROVIDED TO SUCH ENTITY PURSUANT TO THE TERMS OF THE PLAN; *PROVIDED, FURTHER, THAT* NOTHING CONTAINED IN THE PLAN SHALL BE CONSTRUED TO PREVENT ANY ENTITY FROM DEFENDING AGAINST CLAIMS OBJECTIONS OR COLLECTION ACTIONS WHETHER BY ASSERTING A RIGHT OF SETOFF OR OTHERWISE TO THE EXTENT PERMITTED BY LAW.

8. Waiver of Statutory Limitations on Releases

EACH RELEASING PARTY IN EACH OF THE RELEASES CONTAINED IN THE PLAN (INCLUDING UNDER THIS ARTICLE XI) EXPRESSLY ACKNOWLEDGES THAT ALTHOUGH ORDINARILY A GENERAL RELEASE MAY NOT EXTEND TO CLAIMS WHICH THE RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR, WHICH IF KNOWN BY IT MAY HAVE MATERIALLY AFFECTED ITS SETTLEMENT WITH THE PARTY RELEASED, THEY HAVE CAREFULLY CONSIDERED AND TAKEN INTO ACCOUNT IN DETERMINING TO ENTER INTO THE ABOVE RELEASES THE POSSIBLE EXISTENCE OF SUCH UNKNOWN LOSSES OR CLAIMS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EACH RELEASING PARTY EXPRESSLY WAIVES ANY AND ALL RIGHTS CONFERRED UPON IT BY ANY STATUTE OR RULE OF LAW WHICH PROVIDES THAT A RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CLAIMANT DOES NOT KNOW OR SUSPECT TO EXIST IN ITS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY IT MAY HAVE MATERIALLY AFFECTED ITS SETTLEMENT WITH THE RELEASED PARTY. THE RELEASES CONTAINED IN THIS ARTICLE XI ARE EFFECTIVE REGARDLESS OF WHETHER THOSE RELEASED MATTERS ARE PRESENTLY KNOWN, UNKNOWN, SUSPECTED OR UNSUSPECTED, FORESEEN OR UNFORESEEN.

9. Setoffs

Except as otherwise provided in the Plan, prior to the Effective Date, the Debtor, and on and after the Effective Date, the Reorganized Debtor, pursuant to the Bankruptcy Code (including sections 553 and 558 of the Bankruptcy Code), applicable nonbankruptcy law, or as may be agreed to by the holder of a Claim or Interest, may set off against any Allowed Claim or Interest on account of any proof of Claim or proof of Interest or other pleading Filed with respect thereto prior to the combined hearing and the distributions to be made pursuant to the Plan on account of such Allowed Claim or Interest (before any distribution is made on account of such Allowed Claim or Interest), any claims, rights, and Causes of Action of any nature that the

Debtor's Estate may hold against the holder of such Allowed Claim or Interest, to the extent such claims, rights, or Causes of Action against such holder have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); provided that neither the failure to effect such a setoff nor the allowance of any Claim or Interest pursuant to the Plan shall constitute a waiver or release by the Debtor or the Reorganized Debtor of any such claims, rights, and Causes of Action that the Debtor's Estate may possess against such holder. In no event shall any holder of Claims or Interests be entitled to set off any Claim or Interest against any claim, right, or Cause of Action of the Debtor's Estate unless such holder has timely Filed a proof of Claim (including any proof of Claim timely Filed by the Governmental Bar Date) with the Bankruptcy Court expressly preserving such setoff; provided that nothing in the Plan shall prejudice or be deemed to have prejudiced the Debtor's or the Reorganized Debtor's right to assert that any holder's setoff rights were required to have been asserted by motion or pleading filed with the Bankruptcy Court prior to the Effective Date.

I. Conditions to Confirmation and Effectiveness

1. Conditions to Confirmation

The Confirmation Order will not be effective unless (a) the amount, priority or extent of the administrative, priority or secured claims are satisfactory to the Reorganized Debtor and Lenders in their reasonable discretion, (b) the Confirmation Order shall be in form and substance acceptable to the Debtor, Lenders, Committee and Ad Hoc Committee, in their reasonable discretion, and (c) the final version of the Plan, Plan Supplement, Disclosure Statement and any other related documents, or schedules thereto, shall have been filed in form and substance acceptable to the Debtor, Lenders, Committee and Ad Hoc Committee, in their reasonable discretion.

2. Conditions to Effectiveness

The Plan will not be effective unless (a) the conditions to confirmation above have been either satisfied, or waived, and (b) the Confirmation Order has been entered by the Bankruptcy Court, and no stay or injunction is in effect with respect thereto.

3. Waiver of Conditions

Each of the conditions set forth above in I.2 may be waived in whole or in part by Debtor, Lenders, Committee and Ad Hoc Committee, without any notice to other parties in interest or the Bankruptcy Court and without a hearing.

J. Dissolution of Committee

On the Effective Date, the Committee shall be automatically dissolved and all of its members, Professionals and agents shall be deemed released of their duties, responsibilities and obligations, and shall be without further duties, responsibilities and authority in connection with the Debtor, the Case, the Plan or its implementation.

K. Modification, Revocation or Withdrawal of the Plan

1. Defects, Omissions, and Amendments of the Plan

The Debtor or the Reorganized Debtor may, with the approval of the Bankruptcy Court and without notice to holders of Claims and Equity Interests, insofar as it does not materially and adversely affect holders of Claims and Equity Interests, correct any defect, omission, or inconsistency in the Plan in such a manner and to such extent necessary or desirable to expedite the execution of the Plan. The Debtor may propose amendments or alterations to the Plan before the Confirmation Hearing as provided in section 1127 of the Bankruptcy Code if, in the opinion of the Bankruptcy Court, the modification does not materially and adversely affect the interests of holders of Claims, so long as the Plan, as modified, complies with sections 1122 and 1123 of the Bankruptcy Code and the Debtor has complied with section 1125 of the Bankruptcy Code. The Debtor may propose amendments or alterations to the Plan after the Confirmation Date but prior to substantial consummation, in a manner that, in the opinion of the Bankruptcy Court, does not materially and adversely affect holders of Claims, so long as the Plan, as modified, complies with sections 1122 and 1123 of the Bankruptcy Code, the Debtor has complied with section 1125 of the Bankruptcy Code, and after notice and a hearing, the Bankruptcy Court confirms such Plan, as modified, under section 1129 of the Bankruptcy Code.

2. Withdrawal of the Plan

The Debtor reserves the right to withdraw the Plan at any time prior to the Confirmation Date, with the consent of the Lenders, with advance notice to the Committee and Ad Hoc Committee of two (2) business days. If the Debtor withdraws the Plan prior to the Confirmation Date, or if the Confirmation Date or the Effective Date does not occur, then the Plan shall be deemed null and void. In such event, nothing contained herein shall be deemed to constitute an admission, waiver or release of any claims by or against the Debtor or any other person, or to prejudice in any manner the rights of the Debtor, the Debtor's Estate, or any person in any further proceedings involving the Debtor.

L. Retention of Jurisdiction

1. Exclusive Bankruptcy Court Jurisdiction

Notwithstanding the entry of the Confirmation Order or the occurrence of the Effective Date, the Bankruptcy Court shall retain and have such jurisdiction over the Bankruptcy Case to the maximum extent as is legally permissible, including, without limitation, for the following purposes:

(a) To allow, disallow, determine, liquidate, classify or establish the priority or secured or unsecured status of or estimate any Right of Action, Claim or Equity Interest, including, without limitation, 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;

(b) To ensure that Distributions to holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;

(c) To determine any and all applications or motions pending before the Bankruptcy Court on the Effective Date of the Plan, including without limitation any motions for the rejection, assumption or assumption and assignment of any Executory Contract;

(d) To consider and approve any modification of the Plan, remedy any defect or omission, or reconcile any inconsistency in the Plan, or any order of the Bankruptcy Court, including the Confirmation Order;

(e) To determine all controversies, suits and disputes that may arise in connection with the interpretation, enforcement or consummation of the Plan or any Plan Documents or any entity's obligations in connection with the Plan or any Plan Documents, or to defend any of the rights, benefits, Estate Property transferred, created, or otherwise provided or confirmed by the Plan or the Confirmation Order or to recover damages or other relief for violations thereof;

(f) To consider and act on the compromise and settlement of any claim or cause of action by or against the Debtor or the Reorganized Debtor;

(g) To decide or resolve any and all applications, motions, adversary proceedings, contested or litigated matters, and any other matters, or grant or deny any applications involving the Debtor that may be pending on the Effective Date or that may be brought by the Reorganized Debtor, including claims arising under Chapter 5 of the Bankruptcy Code, or any other related proceedings by the Reorganized Debtor, and to enter and enforce any default judgment on any of the foregoing;

(h) To issue orders in aid of execution and implementation of the Plan or any Plan Documents to the extent authorized by section 1142 of the Bankruptcy Code or provided by the terms of the Plan;

(i) To decide issues concerning the federal or state tax liability of the Debtor which may arise in connection with the confirmation or consummation of the Plan or any Plan Documents;

(j) To interpret and enforce any orders entered by the Bankruptcy Court in the Bankruptcy Case; and

(k) To enter an order closing this Bankruptcy Case.

2. Limitations on Jurisdiction

In no event shall the provisions of the Plan be deemed to confer in the Bankruptcy Court jurisdiction greater than that established by the provisions of 28 U.S.C. §§ 157 and 1334, as well as the applicable circumstances that continue jurisdiction for defense and enforcement of the Plan and Plan Documents. For the avoidance of doubt, however, such jurisdiction shall be deemed, by the entry of the Confirmation Order, to:

a. Permit entry of a final judgment by the Bankruptcy Court in any core proceeding referenced in 28 U.S.C. § 157(b) and to hear and resolve such proceedings in accordance with 28 U.S.C. § 157(c) and any and all related proceedings,

including, without limitation, (i) all proceedings concerning disputes with, or Rights of Action or Claims against, any Person that the Debtor or the Reorganized Debtor or its successors or assigns, may have, and (ii) any and all Rights of Action or other Claims against any Person for harm to or with respect to (x) any Estate Property, including any infringement of IP or conversion of Estate Property, or (y) any Estate Property liened or transferred by the Debtor to any other Person;

b. Include jurisdiction over the recovery of any Estate Property (or property transferred by the Debtor with Bankruptcy Court approval) from any Person wrongly asserting ownership, possession or control of the same, whether pursuant to sections 542, 543, 549, 550 of the Bankruptcy Code or otherwise, as well as to punish any violation of the automatic stay under section 362 of the Bankruptcy Code or any other legal rights of the Debtor under or related to the Bankruptcy Code; and

c. Permit the taking of any default judgment against any Person who has submitted himself or herself to the jurisdiction of the Bankruptcy Court.

V. POST-EFFECTIVE DATE OPERATIONAL/FINANCIAL INFORMATION

The Debtor believes that the Plan meets the feasibility requirement set forth in section 1129(a)(11) of the Bankruptcy Code, as Confirmation is not likely to be followed by liquidation or the need for further financial reorganization of the Reorganized Debtor. In connection with the development of the Plan and for the purposes of determining whether the Plan satisfies this feasibility standard, the ability of the Reorganized Debtor to satisfy its financial obligations while maintaining sufficient liquidity and capital resources has been examined.

The Debtor and Lenders believe that, under either Scenario A or Scenario B, the Reorganized Debtor will be able to achieve profitability in the near term, and will have the financial resources to continue operating until that time. The Debtor and Lenders are confident that the Reorganized Debtor will not require a further financial reorganization. Further, no Distributions to Creditors are dependent on any metrics related to the future operations of the Reorganized Debtor.

VI. RISK FACTORS

A. Risks Related to Bankruptcy

1. Parties May Object to the Plan's Classification of Claims and Equity Interests

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests in such class. The Debtor believes that the classification of the Claims and Equity Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtor created Classes of Claims and Equity Interests, each encompassing Claims or Equity Interests, as applicable, that are substantially similar to the other Claims or Equity

Interests in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will agree.

2. The Debtor May Not Be Able to Obtain Confirmation of the Plan

With regard to any proposed plan of reorganization, the Debtor may not receive the requisite acceptances to confirm a plan. In the event that votes from Claims in a Class entitled to vote are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Debtor intends to seek Confirmation of the Plan by the Bankruptcy Court.

Even if the requisite acceptances of a proposed plan are received, the Bankruptcy Court might not confirm the Plan as proposed if the Bankruptcy Court finds that any of the statutory requirements for confirmation under section 1129 of the Bankruptcy Code have not been met.

3. The Conditions Precedent to the Effective Date of the Plan May Not Occur

As more fully set forth in the Plan, the Effective Date is subject to certain conditions precedent. If such conditions precedent are not met or waived, the Effective Date will not occur.

4. Allowed Claims May Exceed Estimates

The projected Distributions set forth in this Disclosure Statement are based upon, among other things, good faith estimates of the total amounts of Claims that will ultimately be Allowed. The actual amount of Allowed Claims could be materially greater than anticipated, which will impact the distributions to be made to holders of Claims.

B. Risks Related to Financial Information

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

VII. CONFIRMATION OF THE PLAN

A. The 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 Bankruptcy Court has scheduled the Confirmation Hearing to commence on **April 25, 2016 at 10:30 a.m. (Eastern Time)**, before the Honorable Mary F. Walrath, United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Delaware, 824 North

Market Street, 5th Floor, 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.

Objections to Confirmation of the Plan must be filed and served so that they are actually received by no later than **April 20, 2016 at 4:00 p.m. (Eastern Time)**. **Unless objections to Confirmation of the Plan are timely served and filed in compliance with the Conditional Disclosure Statement Order, they may not be considered by the Bankruptcy Court.**

B. Requirements for Confirmation of the Plan

Among the requirements for the Confirmation of the Plan is that the Plan (i) is accepted by all impaired Classes of Claims, or, if rejected by an impaired Class of Claims, that the Plan "does not discriminate unfairly" and is "fair and equitable" as to such impaired Class of Claims; (ii) is feasible; and (iii) is in the "best interests" of holders of Claims and Equity Interests.

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 that: (i) the Plan satisfies or will satisfy all of the necessary statutory requirements of chapter 11 of the Bankruptcy Code; (ii) the Debtor has complied or will have complied with all of the necessary requirements of chapter 11 of the Bankruptcy Code; and (iii) the Plan has been proposed in good faith. Specifically, in addition to other applicable requirements, the Debtor believes that the Plan satisfies or will satisfy the following applicable Confirmation requirements of section 1129 of the Bankruptcy Code:

- The Plan complies with the applicable provisions of the Bankruptcy Code.
- The Debtor, as a plan proponent, 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 made or promised under the Plan for services or for costs and expenses in, or in connection with, the Bankruptcy Case, or in connection with the Plan and incident to the Bankruptcy Case, has been disclosed to the Bankruptcy Court, and any such payment: (1) made before the Confirmation of the Plan is reasonable; or (2) is subject to the approval of the Bankruptcy Court as reasonable, if it is to be fixed after Confirmation of the Plan.
- Either each holder of a Claim in an impaired Class of Claims has accepted the Plan, or will receive or retain under the Plan on account of such Claim property of a value, as of the Effective Date of the Plan, that is not less than the amount that such holder would receive or retain if the Debtor were liquidated on the Effective Date of the Plan under chapter 7 of the Bankruptcy Code.

- Each Class of Claims that is entitled to vote on the Plan will have accepted the Plan.

- Except to the extent a different treatment is agreed to, the Plan provides that all Administrative Claims and Allowed Priority Claims will be paid in full on the Effective Date, or as soon thereafter as is reasonably practicable.

- At least one Class of impaired Claims will have accepted the Plan, determined without including any acceptance of the Plan by any insider holding a Claim in that Class.

- Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor or any successors thereto.

- All accrued and unpaid fees of the type described in 28 U.S.C. § 1930, including the fees of the U.S. Trustee, will be paid as of the Effective Date.

C. Best Interests of Creditors / Liquidation Analysis

Often called the "best interests of creditors" test, section 1129(a)(7) of the Bankruptcy Code requires that a Bankruptcy Court find, as a condition to confirmation of a chapter 11 plan, that the plan provides, with respect to each impaired class, that each holder of a claim or an interest in such class either (i) has accepted the plan or (ii) will receive or retain under the plan property of a value that is not less than the amount that such holder would receive or retain if the debtor liquidated under chapter 7 on the Effective Date. To make these findings, the Bankruptcy Court must: (a) estimate the cash liquidation proceeds that a chapter 7 trustee would generate if the Debtor's Chapter 11 Case was converted to a chapter 7 case on the Effective Date and the assets of the Debtor's 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 the holder's liquidation distribution to the distribution under the Plan that the holder would receive if the Plan were confirmed and consummated.

The Debtor has attached hereto as **Exhibit B** a liquidation analysis prepared by the Debtor's management. Based on this liquidation analysis, the Debtor believes that holders of Claims and Equity Interests will receive equal or greater value as of the Effective Date under the Plan than such holders would receive in a chapter 7 liquidation. In addition, a chapter 7 trustee would be entitled to receive an up to 3% commission under section 326(a) of the Bankruptcy Code with respect to all distributable cash received by the chapter 7 trustee, and the chapter 7 trustee would retain his or her own professionals whose fees, costs and expenses would be paid ahead of holders of Claims and Equity Interests.

D. Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization of the Debtor, or any successor to the Debtor (unless such liquidation or reorganization is proposed in the plan). To determine whether the Plan meets this feasibility requirement, the Debtor has analyzed the ability of the Reorganized Debtor to meet its obligations under the Plan. Further, the Debtor believes that the Reorganized Debtor will be viable following the Effective Date, and that the Plan therefore meets the feasibility requirements of the Bankruptcy Code. The Debtor has attached hereto as **Exhibit C** a feasibility analysis prepared by the Debtor's management, and shall present further information and evidence regarding feasibility as may be necessary in connection with Confirmation of the Plan.

E. Acceptance by Impaired Classes

The Bankruptcy Code requires, as a condition to confirmation, that, except as described in the following section, each class of claims or interests that is impaired under a plan accept the plan. A class that is not "impaired" under a plan is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such class is not required.

A class is "impaired" unless a plan: (a) leaves unaltered the legal, equitable and contractual rights to which the claim or the interest entitles the holder of such claim or interest; or (b) cures any default, reinstates the original terms of such obligation, compensates the holder for certain damages or losses, as applicable, and does not otherwise alter the legal, equitable or contractual rights to which such claim or interest entitles the holder of such claim or interest.

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two-thirds in dollar amount and more than one-half in number of allowed claims in that class, counting only those claims that actually voted to accept or reject the plan. Thus, a Class of impaired Claims will have voted to accept the Plan only if two-thirds in amount and a majority in number actually voting cast their Ballots in favor of acceptance.

F. Confirmation Without Acceptance by All Impaired Classes

Section 1129(b) of the Bankruptcy Code allows a Bankruptcy Court to confirm a plan even if all impaired classes have not accepted it, provided that the plan has been accepted by at least one impaired class of claims, determined without including the acceptance of the plan by any insider. Notwithstanding an impaired class's rejection or deemed rejection of the plan, such plan will be confirmed, at the plan proponent's request, in a procedure commonly known as "cramdown," so long as the plan does not "discriminate unfairly" (as discussed below) and is "fair and equitable" (as discussed below) with respect to each class of claims or interests that is impaired under, and has not accepted, the plan.

To the extent that any impaired Class rejects the Plan or is deemed to have rejected the Plan, to the extent applicable, the Debtor shall request Confirmation of the Plan under section 1129(b) of the Bankruptcy Code. The Debtor reserves the right to alter, amend, modify, revoke, or withdraw the Plan, the Plan Supplement, or any schedule or exhibit, including to amend or modify it to satisfy the requirements of section 1129(b) of the Bankruptcy Code.

1. No Unfair Discrimination

The "unfair discrimination" test applies to classes of claims or interests that reject or are deemed to have rejected a plan and that are of equal priority with another class of claims or interests that is receiving different treatment under such plan. The test does not require that the treatment of such classes of claims or interests be the same or equivalent, but that such treatment be "fair." In general, bankruptcy courts consider whether a plan discriminates unfairly in its treatment of classes of claims of equal rank (*e.g.*, classes of the same legal character). Bankruptcy courts will take into account a number of factors in determining whether a plan discriminates unfairly, and, accordingly, a plan could treat two classes of unsecured creditors differently without unfairly discriminating against either class. The Debtor submits that if the Debtor "crams down" the Plan pursuant to section 1129(b) of the Bankruptcy Code, the Plan is structured such that it does not "discriminate unfairly" against any rejecting Class.

2. Fair and Equitable Test

The "fair and equitable" test applies to classes that reject or are deemed to have rejected a plan and are of different priority and status vis-à-vis another class (*e.g.*, secured versus unsecured claims, or unsecured claims versus equity interests), and includes the general requirement that no class of claims receive more than 100% of the amount of the allowed claims in such class, including interest. As to the rejecting class, the test sets different standards depending upon the type of claims or interests in such rejecting class. The Debtor submits that if the Debtor "crams down" the Plan pursuant to section 1129(b) of the Bankruptcy Code, the Plan is structured such that the applicable "fair and equitable" standards are met.

VIII. CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The following discussion summarizes certain U.S. federal income tax consequences of implementation of the Plan to the Debtor and certain holders of Claims or Equity Interests. This discussion is intended for general information purposes only, and is not a complete analysis of all potential U.S. federal income tax consequences that may be relevant to any particular holder.

This discussion is based on the Internal Revenue Code of 1986, as amended (the "IRC") and the Treasury Regulations promulgated thereunder, judicial decisions and published administrative rulings, and pronouncements of the Internal Revenue Service (the "IRS"), each as in effect on the date hereof. Legislative, judicial, or administrative changes or interpretations enacted or promulgated after the date hereof could alter or modify the discussion set forth below with respect to the U.S. federal income tax consequences of the Plan. Any such changes or interpretations may be retroactive and could significantly affect the U.S. federal income tax consequences described herein.

Except as otherwise set forth herein, this discussion does not address the U.S. federal income tax consequences to holders of Claims or Equity Interests that (a) are unimpaired or otherwise entitled to payment in full in Cash on the Effective Date under the Plan, or (b) are otherwise not entitled to vote under the Plan. The discussion assumes that each holder of a

Claim or Equity Interest holds such Claim or Equity Interest only as a "capital asset" within the meaning of the IRC.

The U.S. federal income tax consequences of the Plan are complex and are subject to substantial uncertainties. The discussion set forth below of certain U.S. federal income tax consequences of the Plan is not binding upon the IRS. Thus, no assurance can be given that the IRS would not assert, or that a court would not sustain, a position different from any discussed herein, resulting in U.S. federal income tax consequences to the Debtor and/or holders of Claims or Equity Interests that are substantially different from those discussed herein. The Debtor has not requested an opinion of counsel with respect to any of the tax aspects of the Plan, and no opinion is given by this Disclosure Statement.

This discussion does not apply to a holder of a Claim or Equity Interest that is not a "United States person," as such term is defined in the IRC. Moreover, this discussion does not address U.S. federal taxes other than income taxes nor any state, local, U.S. possession, or non-U.S. tax consequences of the Plan, nor does it purport to address all aspects of U.S. federal income taxation that may be relevant to United States persons in light of their individual circumstances or to United States persons that may be subject to special tax rules, such as persons who are related to the Debtor within the meaning of the IRC, governments or governmental entities, broker-dealers, banks, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, real estate mortgage investment conduits, tax-exempt organizations, pass-through entities, beneficial owners of pass-through entities, Subchapter S corporations, employees of the Debtor, persons who received their Claims or Equity Interests as compensation, persons that hold Claims or Equity Interests as part of a straddle, hedge, conversion transaction, or other integrated investment, persons using a mark to market method of accounting, and holders of Claims or Equity Interests that are themselves in bankruptcy. If a partnership or entity treated as a partnership for U.S. federal income tax purposes holds Claims or Equity Interests, the tax treatment of a partner generally will depend on the status of the partner and the activities of the partnership.

THE FOLLOWING SUMMARY OF CERTAIN U.S. 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 OR EQUITY INTEREST. THIS SUMMARY IS LIMITED TO THE U.S. FEDERAL INCOME TAX ISSUES ADDRESSED IN THIS DISCLOSURE STATEMENT. ADDITIONAL ISSUES MAY EXIST THAT ARE NOT ADDRESSED IN THIS SUMMARY AND THAT COULD AFFECT THE U.S. FEDERAL TAX TREATMENT OF CONSUMMATION OF THE PLAN. ALL HOLDERS OF CLAIMS OR EQUITY INTERESTS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE FEDERAL, STATE, LOCAL, U.S. POSSESSION INCOME, NON-U.S. INCOME, ESTATE, GIFT, AND OTHER TAX CONSEQUENCES OF THE PLAN.

A. Certain United States Federal Income Tax Consequences to the Debtor

Cancellation of Indebtedness

A taxpayer generally must include in gross income the amount by which indebtedness discharged exceeds any consideration (i.e., the issue price of debt instruments or the fair market value of property, including stock of the taxpayer) given in exchange for such discharge (such excess, "COD income"). Section 108 of the Code provides two relevant exceptions to this general rule: first, COD income is not included in gross income to the extent the payment of such indebtedness would have given rise to a deduction (the "Deductible Payment Exception") and second, any COD income realized may be excluded from gross income if the cancellation occurs in a case under the Bankruptcy Code, but only if the taxpayer is under the jurisdiction of a bankruptcy court and the cancellation is granted by the court or is pursuant to a plan approved by the court (the "Bankruptcy Exception"). Any COD income excluded from gross income under the Bankruptcy Exception generally must be applied to reduce certain tax attributes of the taxpayer, including net operating losses ("NOLs"), by the amount of COD income that is excluded. The Debtor believes that, as a result of the Plan, it may realize a material amount of COD income for U.S. federal income tax purposes, some or all of which may be excluded from gross income under the Bankruptcy Exception or the Deductible Payment Exception.

Net Operating Losses

As set forth in its Schedules of Assets and Liabilities, the Debtor estimates its NOL carryforwards, for U.S. federal income tax purposes, will total approximately $142 million after emergence from bankruptcy, but before taking into account any cancellation of indebtedness or other items of income, gain, loss, deduction or credit resulting from the Plan that could reduce the amount of the Debtor's NOLs. No assurance can be given as to the amount of the Debtor's NOLs or other tax attributes. The Debtor has indicated that the amount of such NOLs remains subject to adjustment by the IRS.

Section 382

Net Operating Losses. Under Section 382 of the Code, if a corporation with NOLs (a "loss corporation") undergoes an "ownership change," the amount of its pre-change NOLs that may be utilized to offset post-change taxable income is subject to an annual limitation (the "Section 382 Limitation"). In general terms, an "ownership change" will occur if one or more of the corporation's 5% shareholders increase their ownership, in the aggregate, by more than 50 percentage points over a three-year period. The Section 382 Limitation is an amount equal to the product of the applicable long-term tax-exempt rate in effect on the date of the ownership change (for example, [2.65]% for ownership changes occurring in [March 2016]) and the value of the loss corporation immediately prior to the ownership change. The value of the loss corporation generally is equal to the value of the stock of the loss corporation immediately before the ownership change, provided that such value is subject to (i) reduction if the corporation will hold substantial nonbusiness assets after the ownership change and (ii) certain other adjustments specified in Section 382 and applicable Treasury regulations. If a loss corporation does not continue its historic business or use a significant portion of its business assets in a new business for two years after the ownership change, the Section 382 Limitation would be zero.

The Debtor has not analyzed owner shifts in Debtor stock over the past three years. It is possible that the owner shifts over the three years preceding the expected Effective Date, together with the issuance of Equity Interests and other transactions required and contemplated under the Plan , would trigger an ownership change of the Debtor. If an ownership change occurs, the Debtor's NOLs would become subject to a Section 382 Limitation unless the Section 382(1)(5) Bankruptcy Exception applies, as described below.

Built-in Losses. In addition to limiting a corporation's ability to utilize NOLs, the Section 382 Limitation may limit the use of certain losses or deductions which are "built-in" as of the date of an ownership change and which are subsequently recognized. If a loss corporation has a net unrealized built-in loss at the time of an ownership change in excess of a specified threshold (taking into account most assets and all items of "built-in" income and deduction), then any built-in loss or deduction recognized during the following five years (up to the amount of the original net built-in loss) generally will be treated as a pre-change loss and will be subject to the Section 382 Limitation. Conversely, if the loss corporation has a net unrealized built-in gain at the time of an ownership change, in excess of a specified threshold, then any built-in gain recognized during the following five years (up to the amount of the original net built-in gain) generally will increase the Section 382 Limitation in the year recognized, such that the loss corporation would be permitted to use pre-change losses against such built-in gain income in addition to its regular annual allowance.

Section 382(1)(5) Bankruptcy Exception. Section 382(1)(5) provides an exception to the application of the Section 382 Limitation for certain loss corporations under the jurisdiction of a court in a bankruptcy case (the "Section 382(1)(5) Bankruptcy Exception"). The Section 382(1)(5) Bankruptcy Exception applies if historic shareholders and certain creditors prior to an ownership change own at least 50 percent of the total voting power and total value of the loss corporation's stock after the ownership change (the "50 percent historic shareholder test"). The historic shareholders and creditors must own at least 50 percent of the corporation's stock as a result of being shareholders and creditors immediately before the ownership change. If the Section 382(1)(5) Bankruptcy Exception applies to a loss corporation, the loss corporation's pre-change NOLs and built-in losses would not be subject to a Section 382 Limitation. Instead, the amount of the loss corporation's pre-change NOLs that may be carried over to post-change years would be reduced by the amount of interest deductions claimed during the three taxable years preceding the Effective Date, and during the part of the taxable year prior to and including the Effective Date, in respect of indebtedness exchanged for the debtor's stock pursuant to the plan. The Section 382(1)(5) Bankruptcy Exception provides that a second ownership change occurring during the two-year period immediately following the first ownership change would reduce the Section 382 Limitation to zero.

The Debtor has not analyzed whether the 50 percent historic shareholder test would be satisfied, and no assurance can be given that the Section 382(l)(5) Bankruptcy Exception would apply. If the Section 382(1)(5) Bankruptcy Exception does apply, the Debtor's NOLs and built-in losses arising prior to the ownership change will not be subject to a Section 382 Limitation.

Section 382(1)(6) Bankruptcy Exception. If a loss corporation does not qualify for the Section 382(1)(5) Bankruptcy Exception or elects not to apply the Section 382(1)(5) Bankruptcy Exception, a special rule under Section 382(1)(6) applicable to corporations under the jurisdiction of a bankruptcy court will apply in calculating the loss corporation's value for purposes of determining the Section 382 Limitation (the "Section 382(1)(6) Bankruptcy Exception"). Under the Section 382(l)(6) Bankruptcy Exception, the loss corporation's value would be the lesser of (a) the value of the loss corporation's stock immediately after the ownership change (as opposed to immediately before the ownership change, as discussed above) and (b) the value of the loss corporation's assets determined without regard to liabilities immediately before the ownership change, subject to certain adjustments specified in Section 382 and the applicable Treasury regulations.

If the Section 382(1)(5) Bankruptcy Exception does not apply, the transactions required and contemplated under the Plan may subject the Debtor's NOLs to a Section 382 Limitation calculated under the special rules of Section 382(1)(6), as described above.

B. Certain United States Federal Income Tax Consequences to Holders of Allowed Claims or Equity Interests

In General

The U.S. federal income tax consequences to a holder receiving, or entitled to receive, Cash, New Common Stock, Preferred Equity or other property in partial or total satisfaction of a Claim or in exchange for an Equity Interest will depend on a number of factors, including the nature of the Claim or Equity Interest, and the holder's own particular tax situation, including its method of tax accounting.

Because the holders' Claims and Equity Interests, and their tax situations, differ, holders should consult their own tax advisors to determine how the Plan affects them for U.S. federal, state, local, and non-U.S. tax purposes, based on their particular tax situations. Among other things, the U.S. federal income tax consequences of a distribution to a holder may depend initially on the nature of the original transaction pursuant to which the Claim arose or the Equity Interest was acquired. For example, a payment in repayment of the principal amount of a loan is generally not included in the gross income of an original lender.

The U.S. federal income tax consequences of a distribution to a holder of a Claim may also depend on whether the item to which the distribution relates has previously been included in the holder's gross income or has previously been subject to a loss or a worthless security or bad debt deduction. For example, if a payment is made in satisfaction of a receivable acquired in the ordinary course of a holder's trade or business, the holder had previously included the amount of such receivable payment in its gross income under its method of tax accounting, and had not previously claimed a loss or a worthless security or bad debt deduction for that amount, the receipt of the payment should not result in additional income to the holder but may result in a loss. Conversely, if the holder had previously claimed a loss or worthless security or bad debt deduction with respect to the item previously included in income, the holder generally would be required to include the amount of the payment in income.

A holder receiving Cash, New Common Stock, Preferred Equity or other property pursuant to the Plan in satisfaction of its Claim or in respect of its Equity Interest generally may recognize taxable income or loss measured by the difference between (a) the amount of any cash and the fair market value (if any) of any New Common Stock, Preferred Equity, or other property that the holder is treated for U.S. federal income tax purposes as receiving (other than any consideration attributable to a Claim for accrued but unpaid interest) in respect of such Claim or Equity Interest, and (b) its adjusted tax basis in the Claim or Equity Interest (other than basis attributable to accrued but unpaid interest previously included in the holder's taxable income). For this purpose, the adjusted tax basis may include amounts previously included in income (less any bad debt or loss deduction) with respect to that item. The character of any income or loss that is recognized will depend upon a number of factors, including the status of the holder, the nature of the Claim or Equity Interest in its hands, whether the Claim was purchased at a discount, whether and to what extent the holder has previously claimed a bad debt deduction with respect to the Claim, and the holder's holding period of the Claim or Equity Interest. Generally, the income or loss will be capital gain or loss if the Claim or Equity Interest is a capital asset in the holder's hands. If gain or loss is recognized, such gain or loss may be long-term capital gain or loss if the Claim or Equity Interest has been held for more than one year. Each holder of a Claim or Equity Interest should consult its own tax advisor to determine whether gain or loss recognized by such holder will be long-term capital gain or loss and the specific tax effect thereof on such holder.

The tax basis and holding period of New Common Stock, Preferred Equity or other property received by a holder pursuant to the Plan in satisfaction of the holder's Claim or in respect of, or in exchange for, its Equity Interest will depend on, among other things, the circumstances of the holder. Such a holder may have a basis in the property received based in part on the holder's basis in the Claim or Equity Interest in respect of which the property was received, and may have a holding period that includes the holding period of such Claim or Equity Interest. Each holder of a Claim or Equity Interest should consult its own tax advisor to determine the tax characteristics that will apply to any property received in respect of such Claim or Equity Interest.

Information Reporting and Backup Withholding

In general, information reporting requirements may apply to distributions or payments under the Plan. Additionally, under the backup withholding rules, a holder of a Claim or Equity Interest may be subject to backup withholding (currently at a rate of 28%) with respect to distributions or payments made pursuant to the Plan unless that holder: (a) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates that fact; or (b) timely provides a correct taxpayer identification number and certifies under penalty of perjury that the taxpayer identification number is correct and that the holder is not subject to backup withholding. Backup withholding is not an additional tax but is, instead, an advance payment that may be refunded or credited against the holder's U.S. federal income tax liability to the extent it results in an overpayment of tax, provided that the required information is timely provided to the IRS.

The Debtor or the applicable withholding agent will withhold all amounts required by law to be withheld from payments under the Plan. The Debtor will comply with all applicable reporting requirements of the IRS.

THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF UNITED STATES FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER OF A CLAIM OR EQUITY INTEREST IN LIGHT OF SUCH HOLDER'S CIRCUMSTANCES AND INCOME TAX SITUATION. ALL HOLDERS OF CLAIMS AGAINST THE DEBTOR OR EQUITY INTERESTS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTION CONTEMPLATED BY THE RESTRUCTURING, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL, U.S. POSSESSION, OR NON-U.S. TAX LAWS, AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

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IX. RECOMMENDATION

The provisions of the Plan incorporate the terms of a settlement among the Debtor, the Lenders, the Committee, and the Ad Hoc Committee. In the opinion of the Debtor, the Plan is superior and preferable to the likely liquidation of the assets of the Debtor in the event the Plan is not confirmed. The Plan has the full support of the Committee and the Ad Hoc Committee. Accordingly, the Debtor recommends that holders of Claims and Equity Interests entitled to vote on the Plan vote to accept the Plan and support Confirmation of the Plan.

Dated: March 18, 2016

Respectfully submitted,

NUO THERAPEUTICS, INC.

/s/ David E. Jorden
David E. Jorden
Acting Chief Executive Officer / Acting Chief Financial Officer for the Debtor and Debtor-in-Possession

Exhibit A

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
Nuo Therapeutics, Inc.,	Case No. 16-10192 (MFW)
Debtor.	

PLAN OF REORGANIZATION OF THE DEBTOR

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Dated: March 18, 2016

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EXHIBITS TO THE PLAN

Nuo Therapeutics, Inc., the debtor and debtor-in-possession (the "Debtor") in the above-captioned Bankruptcy Case, proposes this Plan of Reorganization of the Debtor dated March 18, 2016. Reference is made to the Disclosure Statement Pursuant to 11 U.S.C. § 1125 in Support of the Plan of Reorganization of the Debtor for a discussion of the Debtor's history, business, property and results of operations, and for a summary of the Plan and certain related matters. The Debtor is the proponent of the Plan within the meaning of section 1129 of the Bankruptcy Code.

ALL CREDITORS OF AND HOLDERS OF EQUITY INTERESTS IN THE DEBTOR ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. SUBJECT TO CERTAIN RESTRICTIONS AND REQUIREMENTS SET FORTH IN SECTION 1127 OF THE BANKRUPTCY CODE, BANKRUPTCY RULE 3019 AND THE PLAN, THE DEBTOR RESERVES THE RIGHT TO ALTER, AMEND, MODIFY, REVOKE OR WITHDRAW THE PLAN PRIOR TO ITS SUBSTANTIAL CONSUMMATION.[1]

Capitalized terms used herein shall have the meanings set forth in Exhibit A hereto. All Exhibits to the Plan, including the documents included in any Plan Supplement, are incorporated into and are a part of the Plan as if set forth in full herein.

ARTICLE I
SUMMARY OF THE PLAN

An overview of the Plan is set forth in the Disclosure Statement. Generally, the Plan contemplates that, prior to the Effective Date, the Debtor will seek to raise not less than $10,500,000 in funding (of which $3,000,000 may be in the form of backstop irrevocable capital call commitments from creditworthy obligors in the reasonable judgment of the Lenders) through a private placement of common stock of the Reorganized Debtor (in such event, a Successful Capital Raise). If the Debtor achieves a Successful Capital Raise, then the amount raised will be available, along with proceeds of the DIP Loan Agreement (consistent with the Budget), to pay in full all amounts owing by the Debtor under the Plan. If the Debtor is unable to achieve a Successful Capital Raise (in such event, an Unsuccessful Capital Raise), then the Plan contemplates alternative treatment of certain Claims and Interests. The proposed treatment of Claims and Equity Interests in the event of a Successful Capital Raise is described herein under "**Scenario A**", and the proposed treatment of Claims and Equity Interests in the event of an Unsuccessful Capital Raise is described herein under "**Scenario B**".

[1] At the time of the filing, language and certain terms in the Plan and Disclosure Statement remained subject to discussion among the Debtor, the Lenders, the Committee, the Ad Hoc Committee. As such, the Lenders, the Committee and the Ad Hoc Committee have advised the Debtor that they are not in a position to authorize its support for the documents as filed. The Debtor also reserves its rights to file modified documents. The Debtor hopes to resolve these issues, as well as any issue raised before the hearing seeking conditional approval of the Disclosure Statement.

Certain core distinctions between Scenario A and Scenario B are briefly summarized below, as such distinctions relate to the proposed treatment of General Unsecured Claims and Common Stock Equity Interests:[2]

General Unsecured Claims

Scenario A: In the event of a Successful Capital Raise, each Holder of an Allowed General Unsecured Claim will receive:

(i) if total Allowed Unsecured Claims are less than $2,000,000, an amount necessary to pay such Allowed Claim in full in Cash without post-petition interest;

(ii) if total Allowed Unsecured Claims are between $2,000,000 and $3,000,000, the lesser of (i) an amount necessary to pay such Allowed Claim in full in Cash without post-petition interest or (ii) a Pro Rata Share of a cash fund in the amount of $2,250,000;

(iii) if total Allowed Unsecured Claims are between $3,000,001 and $4,000,000, a Pro Rata Share of a cash fund in the amount of $2,500,000;

(iv) if total Allowed Unsecured Claims are greater than $4,000,001, a Pro Rata Share of a cash fund in the amount of $2,750,000.

Scenario B: In the event of an Unsuccessful Capital Raise, each Holder of an Allowed General Unsecured Claim will receive the lesser of (i) an amount necessary to pay such Allowed Claim in full in Cash without post-petition interest or (ii) a Pro Rata Share of a cash fund in the amount of $2,000,000.

Common Stock Equity Interests

Scenario A: In the event of a Successful Capital Raise, investors in such private placement of New Common Stock of the Reorganized Debtor ("New Investors") will receive 100% of the New Common Stock of the Reorganized Debtor on the Effective Date, and will be deemed to allocate to existing holders of Common Stock Equity Interests in the Debtor who vote in favor of the Plan and do not opt out of providing releases and waivers a percentage of the New Common Stock, which percentage will be set forth in the Plan Supplement and will be not less than 5% of the New Common Stock ("Scenario A Allocated New Common Stock"). The allocation of New Common Stock of the Reorganized Debtor among existing holders of Common Stock Equity Interests who vote in favor of the Plan and do not opt out of providing releases and waivers will be based on a Pro Rata Share of such holders' existing Common Stock Equity Interests. Any such holder who does not affirmatively and timely submit a signed ballot or other acceptable signed document agreeing to such third-party releases shall not receive their Pro Rata Share of the Scenario A Allocated New Common Stock and such share shall be distributed to the New Investors.

[2] This is only a summary, and relates only to the proposed treatment of General Unsecured Claims and Common Stock Equity Interests. Reference is made to the proposed treatment of all Claims and Interests, as otherwise detailed herein. To the extent this summary differs from any treatment otherwise described in the Plan, then the other terms of the Plan shall control.

Scenario B: In the event of an Unsuccessful Capital Raise, Lenders will receive 100% of the New Common Stock of the Reorganized Debtor on the Effective Date in exchange for a portion of the Lenders' Secured Claims. The Lenders will allocate to existing holders of Common Stock Equity Interests in the Debtor who do not opt out of the third-party releases set forth in the Plan their Pro Rata Share (based on their existing holdings of Common Stock Equity Interests of the Debtor on the Record Date) of 5% of the Lenders' New Common Stock (the "Scenario B Allocated New Common Stock") on the Effective Date. Any such holder who does not affirmatively and timely submit a signed ballot or other acceptable signed document agreeing to such third-party releases shall not receive their Pro Rata Share of the Scenario B Allocated New Common Stock and such share shall be distributed to Lenders.

In either Scenario A or Scenario B, in order for any existing holder of Common Stock Equity Interests to receive New Common Stock of the Reorganized Debtor, such holder must: (A)(i) timely submit a Ballot indicating a vote in favor of the Plan, and (ii) not mark such Ballot to indicate that the holder is opting out of the releases set forth herein, or (B) provide other signed documentation acceptable to the Reorganized Debtor agreeing to such third-party releases no later than sixty (60) days after the Effective Date. Class 5 Common Stock Equity Interest holders who do not opt out of third-party releases and waivers set forth in the Plan, or otherwise agree to such third-party releases, shall receive their Pro Rata Share of the Scenario A Allocated New Common Stock or Scenario B Allocated Stock, as the case may be, on the later of (i) thirty (30) days after the Effective Date, for those who voted in favor of the Plan, or (ii) thirty (30) days after the execution and delivery of a form of agreement acceptable to the Debtor (or Reorganized Debtor) and the Lenders agreeing to such third-party releases (a "Release Document"). Any portion of the Scenario A Allocated New Common Stock or Scenario B Allocated New Common Stock not timely claimed by the execution and delivery of a ballot which does not opt out of the third party releases or other Release Document shall be returned, respectively, to the New Investors or Lenders.

ARTICLE II
DEFINITIONS, RULES OF INTERPRETATION, AND CONSTRUCTION OF TERMS

All capitalized terms not defined elsewhere in the Plan shall have the meanings assigned to them in the Glossary of Defined Terms attached as Exhibit A hereto. Any capitalized term used in the Plan that is not defined herein has the meaning ascribed to that term in the Bankruptcy Code and/or Bankruptcy Rules.

For purposes of the Plan, any reference in the Plan to an existing document or exhibit filed or to be filed means that document or exhibit as it may have been or may be amended, supplemented, or otherwise modified.

The words "herein," "hereof" and "hereunder" and other words of similar import refer to the Plan as a whole and not to any particular section, subsection, or clause contained in the Plan, unless the context requires otherwise. Whenever from the context it appears appropriate, each term stated in either the singular or the plural includes the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender include the masculine, feminine, and the

neuter. The section headings contained in the Plan are for reference purposes only and shall not affect in any way the meaning or interpretation of the Plan.

Captions and headings to articles, sections and exhibits are inserted for convenience of reference only and are not intended to be part of or to affect the interpretation of the Plan.

The rules of construction set forth in section 102 of the Bankruptcy Code shall apply.

In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

ARTICLE III
DESIGNATION OF CLAIMS AND INTERESTS

3.1 Summary

Pursuant to section 1122 of the Bankruptcy Code, a Claim or Equity Interest is placed in a particular Class for purposes of voting on the Plan and receiving Distributions under the Plan only to the extent (i) the Claim or Equity Interest qualifies within the description of that Class; (ii) the Claim or Equity Interest is an Allowed Claim or Allowed Equity Interest in that Class, and is classified in another Class or Classes to the extent that any remainder of the Claim or Equity Interest qualifies within the description of such other Class or Classes; and (iii) the Claim or Equity Interest has not been paid, released, or otherwise compromised before the Effective Date. Notwithstanding anything to the contrary contained in the Plan, no Distribution shall be made on account of any Claim or Equity Interest which is not an Allowed Claim or Allowed Equity Interest until such Claim or Equity Interest becomes an Allowed Claim or Allowed Equity Interest pursuant to a Final Order. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Professional Compensation Claims, and Priority Tax Claims are not classified under the Plan.

3.2 Identification of Classes

(a) Classified Claims: The following is a designation of the classes of Claims and Equity Interests under the Plan

Class	Claim	Status	Entitled to Vote
1	Pre-Petition Claims of the Debtor's Lenders	Impaired	Yes
2	Other Allowed Secured Claims	Unimpaired	No
3	Unsecured Priority Claims	Unimpaired	No
4	General Unsecured Claims	Impaired	Yes

5	Common Stock Equity Interests	Impaired	Yes
6	Other Equity Interests	Impaired	No

(b) Unclassified Claims: In accordance with section 1123(a)(1) of the Bankruptcy Code, Allowed Administrative Expense Claims and Allowed Priority Tax Claims are not classified and are excluded from the Classes designated in this Article II of the Plan. The treatment accorded Allowed Administrative Expense Claims and Allowed Priority Tax Claims is set forth in Article IV of the Plan.

3.3 Unimpaired Classes Deemed to Accept Plan

The Plan classifies the following unimpaired claims that are not entitled to vote on the Plan. Pursuant to section 1126(f) of the Bankruptcy Code, each Holder of a Claim in the following Classes is conclusively presumed to have accepted the Plan in respect of such Claims, and is not entitled to vote to accept or reject the Plan:

Class 2: Other Allowed Secured Claims

Class 3: Unsecured Priority Claims

3.4 Impaired Classes Entitled to Vote

The Plan classifies the following Classes as the only impaired classes that are entitled to vote to accept or reject the Plan:

Class 1: Pre-Petition Claims of the Debtor's Lenders

Class 4: General Unsecured Claims

Class 5: Common Stock Equity Interests

3.5 Impaired Classes Deemed to Reject

The Plan classifies the following Class as an impaired class that is not entitled to vote to accept or reject the Plan, and is deemed to have rejected the Plan.

Class 6: Other Equity Interests

3.6 Elimination of Classes for Voting Purposes

Any Class of Claims or Equity Interests that is not occupied as of the date of the commencement of the Confirmation Hearing by an Allowed Claim, an Allowed Equity Interest, or a Claim or Equity Interest temporarily allowed for voting on the Plan under Rule 3018 of the Bankruptcy Rules shall be deemed deleted from the Plan for purposes of voting on acceptance or rejection of the Plan by such Class under section 1129(a)(8) of the Bankruptcy Code.

3.7 Controversy Concerning Classification, Impairment or Voting Rights

Any controversy or dispute related to the classification, impairment or voting rights of any Creditor or Interest Holder under the Plan must be determined by the Bankruptcy Court after notice and a hearing prior to the Confirmation Hearing. Without limiting the foregoing, the Bankruptcy Court may estimate for voting purposes: (i) the amount of any contingent or unliquidated Claim, the fixing or liquidation of, as the case may be, would unduly delay the administration of the Bankruptcy Case; and (ii) any right to payment arising from an equitable remedy for breach of performance.

ARTICLE IV
TREATMENT OF UNCLASSIFIED CLAIMS

4.1 Administrative Expense Claims

(a) Generally: Allowed Administrative Expense Claims: Except to the extent the holder agrees to other, lesser treatment, each holder of an Allowed Administrative Claim shall be paid cash in respect of such Claim equal to the unpaid portion of such Allowed Administrative Expense Claim. The Allowed Administrative Expense Claim shall be payable within the later of: (i) ten (10) days after the Effective Date, or (ii) ten (10) days after the date on which such Claim becomes an Allowed Administrative Expense Claim. With certain exceptions, the DIP Loan Claim will be treated as part of the Class 1 Claim.

(b) Statutory Fees: All fees payable pursuant to 28 U.S.C. § 1930 shall be paid in cash when due. Post-Effective Date U.S. Trustee fees and post-confirmation reports shall be paid and filed as required by 28 U.S.C. § 1930 until the Bankruptcy Case is closed, converted or dismissed.

(c) Professionals: Except to the extent a Professional agrees to other, lesser treatment, all Professionals or other Persons requesting compensation or reimbursement of expenses from the Debtor pursuant to Sections 327, 328, 330, 331, 503(b) and 1102 of the Code (including any professional or entity requesting compensation for making a substantial contribution in the Bankruptcy Case), shall be paid cash, in respect of such Claim, equal to the unpaid portion of such Allowed Professional Fee and Expense Claim approved by the Bankruptcy Court; provided, however, that such payment shall be limited to the amount set forth in the Budget; provided further, however, that a Professional may seek payment above its budgeted amount if there are other non-Lender designated professional fee amounts available in the Budget not used by such non-Lender professionals or not otherwise allowed to such non-Lender professionals by the Bankruptcy Court.

In the event of a Successful Capital Raise, the Allowed Professional Fee and Expense Claim of Gordian Group, LLC ("Gordian"), the Debtor's investment banker (exclusive of the monthly fee payable to Gordian in the Budget) in the amount of $400,000 (with Lender responsible for funding $100,000 of this amount) shall be paid in full in cash within the later of (i) ten (10) days after the Effective Date and (ii) two (2) business days after the date of approval of the final fee application of Gordian required by the Bankruptcy Court. In the event of an Unsuccessful Capital Raise, the Allowed Professional Fee and Expense Claim of Gordian

(exclusive of the monthly fee payable to Gordian in the Budget) shall be limited to $200,000 and funded by Lender within the later of (i) ten (10) days after the Effective Date and (ii) two (2) business days after the date of approval of the final fee application of Gordian required by the Bankruptcy Court. to enable the Reorganized Debtor to make such payment.

In the event of a Successful Capital Raise, Professionals retained by the Debtor (other than Gordian) may seek payment of unpaid professional fees in excess of the amounts set forth in the Budget from the proceeds of such Successful Capital Raise, in the amount no greater than $150,000 in the aggregate for all such Debtor Professionals, in addition to any amounts in the Budget not used by non-Lender professionals or not otherwise allowed to such non-Lender professionals by the Bankruptcy Court, as referenced above.

Ad Hoc Committee: Fees and expenses of the Ad Hoc Committee and its professionals shall be subject to application, hearing, and Bankruptcy Court approval under Code sections 503(b)(3)(D) and 503(b)(4) and, to the extent allowed, treated as Administrative Expense Claims. Their method and amount of payment shall depend on whether the Capital Raise is successful, as follows:

(i) In the event of a Successful Capital Raise, the fees and expenses of the Ad Hoc Committee and its professionals shall be paid in full, subject to a cash cap of $135,000, following approval by the Bankruptcy Court as follows: (i) out-of-pocket expenses of the Ad Hoc Committee members and its professionals shall be paid in cash; (ii) approved hourly fees of the Ad Hoc Committee's professionals shall be paid through a combination of cash and the issuance of common stock of the Reorganized Debtor at the same per share price paid in the Successful Capital Raise (plus a gross-up cash allowance for taxes payable on account of any equity issued), with the cash portion of such approved fee award paid at a maximum rate of $425 per hour and the remaining portion of such fee award paid in common stock of the Reorganized Debtor.

(ii) In the event of an Unsuccessful Capital Raise, the allowed fees and expenses of the Ad Hoc Committee and its professionals shall be paid in cash following approval by the Bankruptcy Court, but limited to a cap of $135,000 as set forth in the Budget.

The payment of an Allowed Administrative Expense Claim shall be in full satisfaction, settlement release and discharge of, and in exchange for, such Allowed Administrative Expense Claim.

4.2 Ordinary Course Liabilities

A holder of an Ordinary Course Liability is not required to file or serve any request for payment of the Ordinary Course Liability. Notwithstanding the provisions of Section 4.1(a) hereof, the Debtor shall continue to pay each Ordinary Course Liability accrued but not yet due and payable as of the Effective Date pursuant to the payment terms and conditions of the particular transaction giving rise to the Ordinary Course Liability and the Budget.

4.3 Allowed Priority Tax Claims

Except to the extent the holder agrees to other, lesser treatment, each holder of an Allowed Priority Tax Claim shall be paid in cash, in respect of such Claim, equal to the unpaid portion of such Allowed Priority Tax Claim by the later of ten (10) days after (i) the Effective Date, (ii) the date on which such Claim becomes an Allowed Priority Tax Claim; or (iii) as otherwise provided under the Code. To the extent the holder of an Allowed Priority Tax Claim holds a lien to secure its claim under applicable state law, the holder of such Claim shall retain its lien until its Allowed Priority Tax Claim has been paid in full.

The payment of an Allowed Priority Tax Claim shall be in full satisfaction, settlement, release and discharge of, and in exchange for, such Claim.

ARTICLE V
CLASSIFICATION AND TREATMENT OF CLASSIFIED CLAIMS AND INTERESTS

5.1 Class 1: Pre-Petition Claims of the Debtor's Lenders

(a) Classification: Class 1 consists of the Lenders Secured Claims and Equity Interests of the Lenders against the Debtor. In addition, in accordance with the settlement and compromises regarding the Lenders' Secured Claims and Equity Interests set forth in this Plan, the Lenders have agreed to treatment of the Lenders' Total Claim as set forth below.

(b) Treatment: The Lenders' Secured Claims and the Lenders' Equity Interests in the Debtor are impaired. The Lenders Secured Claim and the Lenders DIP Loan Claim shall be Allowed in full. In full and final satisfaction of the Lenders' Total Claim, the Lenders will receive the following:

In all events, whether under Scenario A or Scenario B, on the Effective Date, and in exchange for $15 million of Lenders' Total Claim, Lenders will receive an assignment of all of the Debtor's rights, title and interest in and to its existing license agreement with Arthrex, Inc., all associated intellectual property owned by Debtor and licensed thereunder, and all royalty and payment rights thereunder. The Debtor will enter into a transition services agreement with the Lenders as they may reasonably require in respect thereof.

Scenario A: In the event of a Successful Capital Raise, on the Effective Date, in exchange for the balance of Lenders' Total Claim, which shall include the amount funded by Lenders for the payment of Gordian, Lenders will receive non-convertible, non-dividend paying, preferred equity interests in the Reorganized Debtor in the amount of such balance (estimated to be approximately $29.3 million) (the "Secured Claim Balance"), which shall have a liquidation preference senior to all other equity interests and such other customary terms acceptable to the Debtor and Lenders (the "Preferred Equity"), which terms shall be set forth in the Plan Supplement (as part of the Reorganized Debtor's amended and restated corporate charter, bylaws and related organizational documents, in the event of a Successful Capital Raise), and Lenders shall receive no common stock or other equity interest, and shall be deemed to have waived and released all claims against Released Parties as set forth herein. Preferred Equity interests will be entitled to voting rights representing [__]% of the voting rights of the Reorganized Debtor.

Scenario B: In the event of an Unsuccessful Capital Raise, on the Effective Date, in exchange for the Secured Claim Balance, Lenders will receive 100% of the New Common Stock of the Reorganized Debtor. The Lenders will allocate to existing holders of Common Stock Equity Interests in the Debtor (Class 5) who do not opt out of the third-party releases set forth in the Plan, their Pro Rata Share (based on their existing holdings of Common Stock Equity Interests of the Debtor on the Record Date) of five percent (5%) of the Lenders' New Common Stock (i.e., the Scenario B Allocated New Common Stock). Any such holder who does not affirmatively submit a signed ballot or other acceptable signed document agreeing to such third-party releases no later than sixty (60) days after the Effective Date, shall not receive their Pro Rata Share of the Scenario B Allocated New Common Stock and such share shall be distributed to Lenders. Class 5 Common Stock Equity Interest holders who do not opt out of third-party releases and waivers set forth in the Plan, or otherwise agree thereto, shall receive their Pro Rata Share of the Scenario B Allocated New Common Stock on the later of (i) thirty (30) days after the Effective Date, for those who voted in favor of the Plan, or (ii) thirty (30) days after the execution and delivery of a form of agreement acceptable to the Debtor (or Reorganized Debtor) and the Lenders agreeing to such Release Document, provided that the last date on which executed forms must be received by the Debtor shall be sixty (60) days after the Effective Date of the Plan. Any portion of the Scenario B Allocated New Common Stock not timely claimed by the execution and delivery of a ballot which does not opt out of the third party releases or other Release Document shall be returned to Lenders.

The distributions to the holders of the Allowed Lenders' Secured Claims shall be in full satisfaction, settlement release and discharge of, and in exchange for, such Allowed Lenders' Secured Claims

5.2 Class 2: Other Allowed Secured Claims

(a) Classification: Class 2 consists of all Other Allowed Secured Claims against the Debtor.

(b) Treatment: Class 2 Other Allowed Secured Claims are unimpaired. Claims of creditors holding perfected and unavoidable first priority liens on specific items of collateral by virtue of a purchase money security interest or financing lease will, in full and final satisfaction of such allowed Other Secured Claim, be treated in a manner to leave them unimpaired under section 1124 of the Code.

5.3 Class 3: Unsecured Priority Claims

(c) Classification: Class 3 consists of all Unsecured Priority Claims against the Debtor.

(d) Treatment: Class 3 Unsecured Priority Claims are unimpaired. Except to the extent the holder agrees to other, lesser treatment, each holder of an Allowed Unsecured Priority Claim shall be paid cash in respect of such Claim in an amount equal to the unpaid portion of such Allowed Unsecured Priority Claim within ten (10) days after (i) the Effective Date, or (ii) the date on which such Claim becomes an Allowed Unsecured Priority Claim. The payment of

an Allowed Unsecured Priority Claim shall be in full satisfaction, settlement, release and discharge of, and in exchange for, such Claim.

5.4 Class 4: General Unsecured Claims

(a) Classification: Class 4 consists of all General Unsecured Claims against the Debtor.

(b) Treatment: Class 4 General Unsecured Claims are impaired. Within the later of sixty (60) days after (i) the Effective Date if the General Unsecured Claim is allowed on the Effective Date, or (ii) the date on which such Claim becomes an Allowed General Unsecured Claim, each holder of an Allowed General Unsecured Claim shall be paid as follows:

(A) Scenario A: In the event of a Successful Capital Raise:

(i) if total Allowed Unsecured Claims are less than $2,000,000, an amount necessary to pay such Allowed Claim in full in Cash without post-petition interest;

(ii) if total Allowed Unsecured Claims are between $2,000,000 and $3,000,000, the lesser of (i) an amount necessary to pay such Allowed Claim in full in Cash without post-petition interest or (ii) a Pro Rata Share of a cash fund in the amount of $2,250,000;

(iii) if total Allowed Unsecured Claims are between $3,000,001 and $4,000,000, a Pro Rata Share of a cash fund in the amount of $2,500,000;

(iv) if total Allowed Unsecured Claims are greater than $4,000,001, a Pro Rata Share of a cash fund in the amount of $2,750,000.

(B) Scenario B: In the event of an Unsuccessful Capital Raise, the lesser of (i) an amount necessary to pay such Allowed Claim in full in Cash without post-petition interest or (ii) a Pro Rata Share of a cash fund in the amount of $2,000,000;

Distributions to holders of Allowed General Unsecured Claims will be made solely from the Class 4 Escrow. In the event of Scenario A (Successful Capital Raise), the following actions will occur sequentially on the Effective Date: (i) the proceeds of the Successful Capital Raise will be placed into an escrow account of the Reorganized Debtor, (ii) the Plan will be deemed effective, and (iii) the Class 4 Corpus will be funded into the Class 4 Escrow, solely by the Reorganized Debtors, using the proceeds of the Successful Capital Raise and (iv) all remaining funds in the escrow under (i) above will be transferred to the Reorganized Debtors. In the event of Scenario B (an Unsuccessful Capital Raise), the Class 4 Corpus will be funded into the Class 4 Escrow by the Lenders and/or Reorganized Debtors on the Effective Date.

In consultation with the Unsecured Creditor Oversight Committee, the Reorganized Debtor shall be entitled to make interim distributions to Allowed General Unsecured Claim, in its discretion, without further notice or Bankruptcy Court approval with the cost of such distributions to be borne by the Class 4 Corpus.

5.5 Class 5: Common Stock Equity Interests

(a) Classification: Class 5 consists of all Common Stock Equity Interests in the Debtor held as of the Record Date.

(b) Treatment: Class 5 Common Stock Equity Interests are impaired, and shall be treated as follows:

Scenario A: In the event of a Successful Capital Raise, New Investors in the private placement of New Common Stock of the Reorganized Debtor will receive 100% of the New Common Stock of the Reorganized Debtor on the Effective Date, and will be deemed to allocate to existing holders of Common Stock Equity Interests in the Debtor who vote in favor of the Plan and do not opt out of providing releases and waivers a percentage of the New Common Stock, which percentage will be set forth in the Plan Supplement and will be not less than 5% of the New Common Stock (i.e., the Scenario A Allocated New Common Stock). The allocation of Scenario A New Common Stock of the Reorganized Debtor among existing holders of Common Stock Equity Interests who vote in favor of the Plan and do not opt out of providing releases and waivers will be based on a Pro Rata Share of such holders' existing Common Stock Equity Interests. Any such existing holder who does not affirmatively and timely submit a signed ballot or other acceptable signed document agreeing to the third-party releases contained in the Plan shall not receive their Pro Rata Share of the Scenario A Allocated New Common Stock and such share shall be distributed to the New Investors.

Scenario B: In the event of an Unsuccessful Capital Raise, on the Effective Date, in exchange for the Secured Claim Balance, Lenders will receive 100% of the New Common Stock of the Reorganized Debtor. The Lenders will allocate to existing holders of Common Stock Equity Interests in the Debtor (Class 5) who do not opt out of the third-party releases set forth in the Plan, their Pro Rata Share (based on their existing holdings of Common Stock Equity Interests of the Debtor on the Record Date) of five percent (5%) of the Lenders' New Common Stock (i.e., the Scenario B Allocated New Common Stock). Any such existing holder who does not affirmatively and timely submit a signed ballot or other acceptable signed document agreeing to such third-party releases shall not receive their Pro Rata Share of the Scenario B Allocated New Common Stock and such share shall be distributed to Lenders.

In either Scenario A or Scenario B, in order for any existing holder of Common Stock Equity Interests to receive New Common Stock of the Reorganized Debtor, such holder must: (A)(i) timely submit a Ballot indicating a vote in favor of the Plan, and (ii) not mark such Ballot to indicate that the holder is opting out of the releases set forth herein, or (B) provide an executed Release Document acceptable to the Reorganized Debtor agreeing to such third-party releases no later than sixty (60) days after the Effective Date. Class 5 Common Stock Equity Interest holders who do not opt out of third-party releases and waivers set forth in the Plan, or otherwise agree thereto, shall receive their Pro Rata Share of the Scenario A Allocated New Common Stock or Scenario B Allocated New Common Stock, as the case may be, on the later of (i) thirty (30) days after the Effective Date, for those who voted in favor of the Plan, or (ii) thirty (30) days after days the execution and delivery of a Release Document acceptable to the Debtor (or Reorganized Debtor) and the Lenders agreeing to such Release Document, provided that the last date on which executed

forms must be received by the Debtor or Reorganized Debtor shall be sixty (60) days after the Effective Date of the Plan. Any portion of the Scenario A Allocated New Common Stock or Scenario B Allocated New Common Stock not timely claimed by the execution and delivery of a ballot which does not opt out of the third party releases or other Release Document shall be returned, respectively, to the New Investors or the Lenders.

The distribution of the New Common Stock in the Reorganized Debtor to or by holders of Common Stock Equity Interests shall be in full satisfaction, settlement, release and discharge of, and in exchange for, such Equity Interests.

5.6 Class 6: Other Equity Interests

(a) Classification: Class 6 consists of all other Equity Interests in the Debtor that are not Allowed Class 5 Common Stock Equity Interests and that are evidenced by any share certificate or other instrument, whether or not transferable or denominated "stock", or similar security. Other Equity Interests in Class 6 shall include any warrant or right (including a right to convert) to purchase or subscribe to any ownership interest in the Debtor and any right of redemption in respect of any Equity Interest. Class 6 includes all Allowed Claims arising under section 510(b) of the Code, all Allowed Claims arising from the rejection of agreements granting such Class 6 Other Equity Interests (to the extent, if any, that they constitute executory contracts), and any Allowed Claims based on indemnification rights.

(b) Treatment: Class 6 Other Equity Interests are impaired. Holders of Allowed Class 6 Other Equity Interests shall receive or retain no property or distributions on account of such Allowed Claims or Allowed Other Equity Interests.

ARTICLE VI
MEANS FOR IMPLEMENTATION OF THE PLAN

6.1 Continued Corporate Existence

Except as otherwise provided in the Plan, the Reorganized Debtor will continue to exist after the Effective Date as a corporate entity, with all of the powers of a corporation under applicable law in the jurisdiction in which the Debtor is incorporated and pursuant to its amended and restated corporate charter, bylaws and any related organizational documents, reflecting either a Successful Capital Raise or an Unsuccessful Capital Raise, as applicable, substantially in the forms to be included in the Plan Supplement.

6.2 Management and Board of Directors

Scenario A: In the event of a Successful Capital Raise, the Reorganized Debtor shall have five board members, whose names will be disclosed in the Plan Supplement. The Debtor will select (i) executive officers for the Reorganized Debtor and (ii) four board members of such board. Lenders will have sole discretion but not the obligation to select one of the board members. David Jorden shall be designated by the Debtor as Chief Executive Officer and a director of the Reorganized Debtor. The compensation of the board members and David Jorden will be disclosed in the Plan Supplement.

Scenario B: In the event of an Unsuccessful Capital Raise, the Reorganized Debtor shall have five board members and the Lenders will have sole discretion to select all board members and executive officers of the Reorganized Debtor.

The identities of the proposed members of the Reorganized Debtor's board and the proposed executive officers of the Reorganized Debtor under Scenario A and Scenario B shall be disclosed in the Plan Supplement. All existing members of the Debtor's board of directors shall be deemed to have resigned as of the Effective Date and be replaced by the newly selected members, except to the extent that any existing members of the Debtor's board of directors are invited to continue service in such role and accept such invitation. The Debtor shall disclose in the Plan Supplement the identity of any insider that will be employed or retained by the Reorganized Debtor, and the nature of any compensation for such insider, in sufficient time to satisfy the disclosure obligations in section 1129(a)(5) of the Bankruptcy Code.

The Reorganized Debtor shall have a President and any such other officers as the board of directors may determine. The President may be a board member. The President's compensation shall be negotiated by the President and the board and shall be disclosed in the Plan Supplement.

6.3 Limitations while Preferred Equity is outstanding

In Scenario A, the Reorganized Debtor will not be entitled to make any dividends, distributions or other payments to holders of New Common Stock in respect of their New Common Stock while the Preferred Equity to be issued to the Lenders is outstanding or incur any debt, other than ordinary course indebtedness attendant to its business purpose and other debt solely for working capital in an aggregate amount not to exceed $3,000,000 and otherwise on terms reasonably acceptable to a supermajority of the Preferred Equity interests. The full terms of the Preferred Equity will be set forth in the amended and restated corporate charter, bylaws and any related organizational documents of the Reorganized Debtor, as set forth in the Plan Supplement.

6.4 Post-Effective Date rights and operations

In either Scenario A or Scenario B, the Reorganized Debtor, among other things, may (a) sell, lease, license, and/or dispose of any of the assets in the ordinary course of business (other than the Causes of Action); (b) institute, prosecute, settle, compromise, abandon or release all Causes of Action; (c) prosecute objections to claims filed against the Debtors (subject to Section 6.5 hereof); (d) make distributions to the holders of allowed Claims in accordance with the Plan; (e) perform administrative services related to the implementation of the Plan; and (f) employ attorneys and other professionals, to assist in fulfilling the Reorganized Debtor's obligations under the Plan and Code.

6.5 Unsecured Creditor Oversight Committee

To the extent the total amount of the General Unsecured Claims Filed against the Debtor's estate exceeds $2.25 million, the Reorganized Debtor shall fund and pay for the costs and expenses of an Unsecured Creditor Oversight Committee, not to exceed $125,000, which Committee shall have the right to: (i) review and reconcile all General Unsecured Claims filed

against the Debtor's estate; and (ii) object to the allowance of any General Unsecured Claim asserted against the Debtor's estate. The Unsecured Creditor Oversight Committee shall consist of one representative from the Reorganized Debtor and two (2) representatives appointed by the Committee. In the event that total Allowed General Unsecured Claims are reduced below $2.25 million, due to successful objections or otherwise, then the Unsecured Creditor Oversight Committee shall immediately be disbanded, and only reasonable costs and expenses incurred to that date shall be permitted.

6.6 The Closing

The Closing of any transactions required and contemplated under the Plan shall take place on the Effective Date at the offices of Dentons US LLP, 1221 Avenue of the Americas, New York, NY 10020, or at such other place identified in a notice provided to those parties listed in Section 13.16 of the Plan. The Debtor may reschedule the Closing by making an announcement at the originally scheduled Closing of the new date for the Closing. A notice of the rescheduled Closing shall be filed with the Bankruptcy Court and served on the parties identified in Section 13.12 of the Plan within two (2) days after the originally scheduled Closing. All documents to be executed and delivered by any party as provided in this Article VI and all actions to be taken by any party to implement the Plan as provided herein shall be in form and substance reasonably satisfactory to the Debtor and Lenders.

6.7 Preservation of Claims, Rights, and Causes of Action

Subject to Section 11 hereof, the Reorganized Debtor shall retain and shall have the exclusive right to enforce any and all claims, rights and causes of action. Unless any Claims against a Person are expressly waived, relinquished, exculpated, released, compromised, transferred or settled in the Plan or by a Final Order, in accordance with section 1123(b) of the Bankruptcy Code, the Reorganized Debtor shall retain and may enforce all rights to commence and pursue any and all retained Causes of Action, whether arising before or after the Petition Date, and the Reorganized Debtor's rights to commence, prosecute or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date.

6.8 Cancellation and Surrender of Instruments, Securities, and Other Documentation

On the Effective Date, except as otherwise expressly provided in the Plan, all instruments, securities, and other documentation or agreements representing or giving rise to Claims against or Equity Interests in the Debtor (including any rights to acquire Equity Interests in the Debtor) shall be deemed canceled and of no further force or effect, without any further action on the part of the Bankruptcy Court or any Person. Further, on the Effective Date, all outstanding Equity Interests shall be canceled on the books of the Debtor and the Reorganized Debtor and become settled and compromised solely as provided herein and, with respect to the Debtor or the Reorganized Debtor, in consideration of the right to participate in distributions provided by the Plan. The holders of such canceled instruments, securities, and other documentation shall have no rights arising from or relating to such instruments, securities, or other documentation.

Except to the extent, if any, otherwise provided in the Plan, agreements entered into in connection herewith, and the Confirmation Order, as a condition to participation under the Plan, each holder of an Allowed Equity Interest classified in Class 5 shall surrender its Equity Interests representing said holder's Allowed Equity Interest as a precondition to receiving a distribution under the Plan on account of said Allowed Equity Interest. Any such holder that fails to surrender said Equity Interests within **sixty (60)** days after the Effective Date will have its right to distributions pursuant to the Plan on account of such securities discharged and will be forever barred from asserting any such Equity Interest against the Debtor, the Reorganized Debtor, or their respective properties. In such case, any distributions reserved for such holder shall be treated pursuant to the provisions set forth in Sections 7.4(d)(e) of the Plan

Unless waived by the Reorganized Debtor, any Person seeking the benefits of being a holder of an Allowed Equity Interest who is unable to surrender the necessary instrument or securities shall supply, if required by the Reorganized Debtor, an indemnity bond acceptable to the Reorganized Debtor, which indemnity bond shall hold harmless the Debtor and the Reorganized Debtor from any damages, liabilities, or costs incurred in treating such Person as the record holder of such Allowed Equity Interest, together with appropriate evidence satisfactory to the Reorganized Debtor of the destruction, loss, or theft of such instrument. Once accepted, such Person shall be treated as the record holder of such Equity Interests for purposes of the Plan.

The New Common Stock shall bear a new CUSIP number that is different from the CUSIP number for Existing Common Stock of the Debtor.

6.9 Short Selling Bar Representation by Recipients of New Common Stock

To the extent enforceable under applicable law, and subject to the right of the board of directors of the Reorganized Debtor to waive this covenant, solely under Scenario A, upon receipt of shares of New Common Stock as provided hereunder, said recipients shall be deemed to have affirmatively covenanted to the following Short-Selling Bar Representation and to be bound by its terms:

> This Short-Selling Bar Representation shall serve as the promise and agreement by the recipient of New Common Stock in connection with the Plan to refrain from engaging in "short sales" of New Common Stock for a period of five years following the Plan Effective Date. For purposes of this Short Selling Bar Representation, "short sales" are defined as orders by a Person to its broker or agent to sell presently a specified number of shares held by the broker or agent in return for the Person's promise to replace the securities sold at a later date. The proceeds of the sale are held by the broker or agent pending receipt of the shares promised by the seller.
>
> The prohibition contained in this Short Selling Bar Representation extends to (i) "naked" shorts sales, which are short sales of shares which the seller does not presently hold and are completed by covering through a market purchase of the shares due, and (ii) short sales "against the box," which are short sales of shares which the seller does presently hold, which are either covered by a market

purchase (as with the "naked short") or by delivering the shares held against the shares due.

The recipient of any New Common Stock under the Plan further acknowledges and agrees in this Short Selling Bar Representation that in the event of its breach of this Short Selling Bar Representation, monetary damages shall not constitute a sufficient remedy. Consequently, in the event of any such breach, the recipient acknowledges and agrees that, in addition to other rights and remedies existing in its favor, the Reorganized Debtor may apply to the Bankruptcy Court or to any other court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce or prevent any violations of the provisions hereof, in each case without the requirement of posting a bond or proving actual damages.

6.10 Legend Against Short-Selling Against Shares of New Common Stock

Solely in Scenario A, and to the extent enforceable under applicable law, and subject to the right of the board of directors of the Reorganized Debtor to waive this covenant, under Scenario A ,all shares of New Common Stock issued under the Plan shall bear a restrictive legend that prohibits the use of the issued shares by the holder thereof for purposes of covering a short sale by the holder or any other Person designated by the holder or who maintains the New Common Stock on behalf of the holder.

6.11. Modification of Sections 6.09 and 6.10 to Comport With Bankruptcy Court Rulings

In the event the Bankruptcy Court declines to confirm the Plan because of any or all of the provisions of Section 6.9 or 6.10, such provisions shall be deemed modified to comport with any such ruling by the Bankruptcy Court; provided, however, if the Bankruptcy Court rules that any such modifications would require a resolicitation of votes, such provisions will be deemed deleted from the Plan.

ARTICLE VII
PROVISIONS GOVERNING RESOLUTION OF CLAIMS AND EQUITY INTERESTS AND DISTRIBUTIONS OF PROPERTY UNDER THE PLAN

7.1 Right to Object to Claims

The Reorganized Debtor or the Unsecured Creditor Oversight Committee (to the extent created) shall examine all Claims and (except as to any Claims of the Lenders) will have the right, authority, power and discretion to: (i) file objections to the allowance, priority and classification of all Claims; (ii) litigate to judgment, settle or withdraw objections to Claims without any notice or approval of any other party or the Bankruptcy Court; and (iii) request that the Bankruptcy Court estimate any claim pursuant to 11 U.S.C. § 502(c). The deadline to file objections to Claims shall be sixty (60) days after the Effective Date, which date may be extended by the Reorganized Debtor with order of the Bankruptcy Court.

7.2 Deadline for Responding to Claim Objections

Within thirty (30) days after service of an objection, or such other date as is indicated on such objection or the accompanying notice thereof, the Creditor whose Claim was objected to must file a written response to the objection with the Bankruptcy Court and serve a copy on the Reorganized Debtor. Failure to file a written response within the 30-day time period shall constitute a waiver and release of that portion of the subject Claim that was subject to the objection, and shall cause the Bankruptcy Court to enter a default judgment against the non-responding Creditor or granting the relief requested in the claim objection.

7.3 Right to Request Estimation of Claims

The Debtor or the Reorganized Debtor may at any time request that the Bankruptcy Court estimate any Disputed Claim pursuant to section 502(c) of the Bankruptcy Code or other applicable law regardless of whether the Debtor or the Reorganized Debtor has previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection. The Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during the pendency of litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any Disputed Claim, such estimated amount shall constitute either (a) the Allowed amount of such Claim, (b) the amount on which a reserve is to be calculated for purposes of any reserve requirement to this Plan or (c) a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Debtor or the Reorganized Debtor (or the Unsecured Creditors Oversight Committee) may pursue supplementary proceedings to object to the allowance of such Claim. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court.

7.4 Distribution Procedures Regarding Allowed Claims

(a) In General

The Reorganized Debtor shall make all Distributions required to be made under the Plan. The funds necessary to make Distributions will be made through the operations of the Reorganized Debtor, through funding via the Successful Capital Raise, or, in the event of an Unsuccessful Capital Raise, through loans or capital infusions by the Lenders (with Distributions on account of General Unsecured Claims coming from amounts funded in the Class 4 Escrow in accordance with Section 5.4 hereof).

(b) Distributions on Allowed Claims Only

Distributions shall be made only to the holders of Allowed Claims. Until a Disputed Claim becomes an Allowed Claim, the holder of that Disputed Claim shall not receive a Distribution.

(c) Place and Manner of Payments of Distributions

Except as otherwise specified in the Plan, Distributions shall be made by mailing such Distribution to the Creditor at the address listed in any proof of claim filed by the Creditor or at such other address as such Creditor shall have specified for payment purposes in a written notice received by the Debtor or the Reorganized Debtor at least twenty (20) days before a Distribution Date. If a Creditor has not filed a proof of claim or interest or sent the Debtor or the Reorganized Debtor a written notice of payment address, then the Distribution(s) for such Creditor will be mailed to the address identified in the Schedules of Assets and Liabilities. The Debtor or the Reorganized Debtor shall distribute any Cash by wire, check, or such other method as it deems appropriate under the circumstances. Before receiving any Distributions, all Creditors, at the request of the Debtor or the Reorganized Debtor, must provide written notification of their respective Federal Tax Identification Numbers or Social Security Numbers to the Debtor or the Reorganized Debtor; otherwise, the Debtor or the Reorganized Debtor may suspend Distributions to any Creditors who have not provided their Federal Tax Identification Numbers or Social Security Numbers.

(d) Undeliverable Distributions

If a Distribution made is returned as undeliverable, the Debtor or the Reorganized Debtor shall use reasonable efforts to determine such recipient's then current address. If the Debtor or the Reorganized Debtor cannot determine, or is not notified of, a recipient's then current address within six months after the Effective Date, the Distribution reserved for such recipient shall be deemed an unclaimed Distribution, and Section 7.4(e) of the Plan shall be applicable thereto.

(e) Unclaimed Distributions

If the current address for a recipient entitled to a Distribution under the Plan has not been determined within six months after the Effective Date or such recipient has otherwise not been located or submitted a valid Federal Tax Identification Number or Social Security Number to the Debtor or the Reorganized Debtor, then such recipient (i) shall no longer be a holder of an Allowed Claim or Allowed Equity Interest, as the case may be and (ii) shall be deemed to have released such Allowed Claim or Allowed Equity Interest. Any unclaimed distributions portion of the Scenario A Allocated New Common Stock or Scenario B Allocated New Common Stock shall be returned, respectively, to the New Investors or Lenders.

(f) Withholding

The Debtor or the Reorganized Debtor may at any time withhold from a Distribution to any Person (except the Internal Revenue Service) amounts sufficient to pay any tax or other charge that has been or may be imposed on such Person with respect to the amount distributable or to be distributed under the income tax laws of the United States or of any state or political subdivision or entity by reason of any Distribution provided for in the Plan, whenever such withholding is determined by the Debtor or the Reorganized Debtor to be required by any law, regulation, rule, ruling, directive, or other governmental requirement. The Debtor or the Reorganized Debtor may enter into agreements with taxing or other authorities for the payment of such amounts that may be withheld in accordance with the provisions of this section.

7.5 Use of DIP Loan Proceeds

Any proceeds drawn under the DIP Loan Agreement and unspent on the Effective Date may be used to pay Allowed Administrative Expenses, Allowed Professional Fees and Ordinary Course Expenses contained in the Budget and which are past due or were not yet due and payable pursuant to the terms relating to such obligations (including allowance of such Professional Fees). In the event of a Successful Capital Raise, any such unspent proceeds on the Effective Date which will not be spent because the obligation in the Budget will not be incurred (e.g., the unused amount of Lender Professional Fees) shall be returned to the Lender on the Effective Date and applied to reduce the DIP Loan balance and, accordingly, shall reduce the amount of the Preferred Equity to be distributed to Lenders pursuant to the treatment provided for Class 1 under the Plan. In the event of an Unsuccessful Capital Raise, such unspent proceeds may be used to pay Allowed Administrative Expenses, Allowed Professional Fees and Ordinary Course Expenses contained in the Budget and any other obligations due and payable under the Plan on or about the Effective Date.

7.6 No Interest on Claims

Except as set forth in the Plan or in a Final Order of the Bankruptcy Court entered in the Case, no holder of any Claim will be entitled to interest accruing after the Petition Date on such Claim, nor to fees, costs or charges provided under any agreement under which such Claim arose and that were incurred after the Petition Date. Unless otherwise specifically provided for in this Plan or as otherwise required by sections 506(b), 511 or 1129(a)(9)(C)-(D) of the Bankruptcy Code, interest shall not accrue or be paid on any Disputed Claim in respect of the period from the Effective Date to the date a final Distribution is made when and if such Disputed Claim becomes and Allowed Claim.

7.7 Distributions Only On Timely-Filed, Allowed Claims

No payments of Cash or other consideration of any kind will be made on account of any Disputed Claim until such Claim becomes an Allowed Claim or is deemed to be such for purposes of distribution, and then only to the extent that the Claim becomes, or is deemed to be for distribution purposes, an Allowed Claim. Except as otherwise ordered by the Bankruptcy Court, no payments shall be made on account of Claims filed after the Bar Date.

7.8 Record Date For Distributions

As of the close of business on the Record Date, the various transfer registers for each of the Classes of Claims or Equity Interests as maintained by the Debtor shall be deemed closed, and there shall be no further changes made to reflect any new record holders of any Claims or Equity Interests occurring on or after the Record Date. The Debtor and the Reorganized Debtor shall have no obligation to recognize any transfer of any Claims or Equity Interests occurring after the Record Date.

7.9 Fractional Securities

Notwithstanding any other provision of the Plan, only whole numbers of shares of New Common Stock shall be issued. As a result, if the calculated distribution on account of Allowed

Equity Interests based upon the record holders thereof on the Record Date would otherwise result in the issuance to any Person of a number of shares of New Common Stock that is not a whole number, then the actual distribution of such New Common Stock shall be rounded down to the nearest lower number. No consideration shall be provided in lieu of fractional shares of New Common Stock that are rounded down. Any surplus of fractional shares of New Common Stock existing as a result of the rounding process shall be retained by the Reorganized Debtor as treasury stock.

ARTICLE VIII
EXECUTORY CONTRACTS

8.1 Assumption of Executory Contracts

On the Effective Date, all Executory Contracts identified on the Schedule of Assumed Contracts and Unexpired Leases, attached hereto as Exhibit B, shall be deemed assumed by the Reorganized Debtor. The Debtor may amend the Schedule of Assumed Contracts and Unexpired Leases through the deadline to file the Plan Supplement. Entry of the Confirmation Order shall constitute approval of the assumption of such Executory Contracts under sections 365 and 1123 of the Bankruptcy Code.

8.2 Rejection of Executory Contracts

All Executory Contracts not identified on the Schedule of Assumed Contracts and Unexpired Leases (or assumed by the Debtor previously) shall be deemed rejected on the Effective Date. Entry of the Confirmation Order shall constitute approval of such rejections under sections 365 and 1123 of the Bankruptcy Code.

8.3 Procedures Related to Assumption of Executory Contracts

Scenario A: In the event of a Successful Capital Raise, the Debtor, with consultation of the Lenders, will determine which Executory Contracts will be identified on the Schedule of Assumed Contracts and Unexpired Leases, attached hereto as Exhibit B (which schedule may be amended as set forth in any Plan Supplement), which shall be deemed assumed by the Reorganized Debtor.

Scenario B: In the event of an Unsuccessful Capital Raise, Lenders will determine which Executory Contracts will be identified on the Schedule of Assumed Contracts and Unexpired Leases, attached hereto as Exhibit B (which schedule may be amended as set forth in any Plan Supplement), which shall be deemed assumed by the Reorganized Debtor.

(a) Establishment of Cure Claim Amounts

The Cure Amounts associated with the assumption of the Executory Contracts pursuant to Section 8.1 of the Plan are specified in the Schedule of Assumed Contracts and Unexpired Leases. Pursuant to the Notice of (I) Possible Assumption of Contracts and Leases, (II) Fixing of Cure Amounts, and (III) Deadline to Object Thereto served by the Debtor, counterparties to the Executory Contracts were required to file Objections to Cure Amount, if any, by the Cure Amount Objection Bar Date.

(b) Objection to Disputed Cure Amounts

The Reorganized Debtor shall have the right to examine any Objection to Cure Amount filed by any party, and shall have the right to object to and contest the Disputed Cure Amount asserted therein.

If an objection to a Disputed Cure Amount has not been resolved by the Bankruptcy Court or agreement of the parties by the Effective Date, the Executory Contract related to such Disputed Cure Amount shall be deemed assumed by the Reorganized Debtor effective on the Effective Date; provided, however, the Reorganized Debtor may revoke an assumption of any such Executory Contract within ten (10) business days after entry of an order by the Bankruptcy Court adjudicating the objection to the Disputed Cure Amount related to the Executory Contract by filing a notice of such revocation with the Bankruptcy Court and serving a copy on the party(ies) whose Executory Contract is rejected. Any Executory Contract identified in a revocation notice shall be deemed rejected retroactively to the Effective Date.

(c) Payment of Cure Amounts

Within ten (10) Business Days after the Effective Date, the Reorganized Debtor shall pay, in Cash, all Cure Amounts related to Executory Contracts listed on the Schedule of Assumed Contracts and Unexpired Leases, other than Disputed Cure Amounts. Subject to the revocation rights described in Section 8.3(b) above, the Reorganized Debtor shall pay all Cure Amounts that are subject to an objection on the Effective Date within ten (10) days after entry of an order by the Bankruptcy Court resolving the objection or approving an agreement between the parties concerning the Cure Amount.

(d) No Admission of Liability

Neither the inclusion nor exclusion of any Executory Contract on the Schedule of Assumed Contracts and Unexpired Leases, nor anything contained in the Plan, shall constitute an admission by the Debtor or any other party that any such contract or unexpired lease is in fact an Executory Contract or that the Debtor has any liability thereunder.

(e) Reservation of Rights

Nothing in the Plan shall waive, excuse, limit, diminish, or otherwise alter any of the defenses, claims, causes of action, or other rights of the Debtor under any executory or non-executory contract or any unexpired or expired lease, nor shall any provision of the Plan increase, augment, or add to any of the duties, obligations, responsibilities, or liabilities of the Debtor under any such contract or lease.

8.4 Rejection Claim Bar Date

Each Claim resulting from the rejection of an Executory Contract pursuant to Section 8.2 of the Plan shall be filed with the Bankruptcy Court no later than the Rejection Claim Bar Date; provided, however, any party whose Executory Contract is rejected pursuant to a rejection notice pursuant to Section 8.3 above may file a rejection damage Claim arising out of such rejection within thirty (30) days after the filing of the revocation notice with the Bankruptcy Court. Any

Claim resulting from the rejection of an Executory Contract not filed by the applicable deadline shall be discharged and forever barred, and shall not be entitled to any Distributions under the Plan. The Reorganized Debtor shall have the right to object to any rejection damage Claim.

Any Allowed Claims arising from rejection of executory contracts and unexpired leases will be treated and paid as Allowed General Unsecured Claims.

ARTICLE IX
EFFECT OF REJECTION BY ONE OR MORE CLASSES

9.1 Impaired Classes Entitled to Vote

Each impaired Class shall be entitled to vote separately to accept or reject the Plan, unless deemed to have rejected the Plan. A holder of a Disputed Claim which has not been temporarily allowed for purposes of voting on the Plan may vote only such Disputed Claim in an amount equal to the portion, if any, of such Claim or Equity Interest shown as fixed, liquidated, and undisputed in the Debtor's Schedules of Assets and Liabilities.

9.2 Acceptance by Class

A Class of Claims shall have accepted the Plan if the Plan is accepted by at least two thirds (2/3) in amount and more than one half (1/2) in number of the Allowed Claims of such Class that have voted to accept or reject the Plan.

A Class of Equity Interests shall have accepted the Plan if the Plan is accepted by holders of such Equity Interests that hold at least two-thirds (2/3) in amount of the Allowed Equity Interests of such Class that have voted to accept or reject the Plan.

9.3 Reservation of Cramdown Rights

In the event that any impaired Class shall fail to accept the Plan in accordance with section 1129(a) of the Bankruptcy Code, the Debtor reserves the right to request that the Bankruptcy Court confirm the Plan in accordance with the provisions of the section 1129(b) of the Bankruptcy Code.

ARTICLE X
EFFECT OF CONFIRMATION

10.1 Legally Binding Effect

On the Effective Date, the provisions of the Plan shall bind all holders of Claims and Equity Interests, whether or not they accept the Plan and wherever located. On and after the Effective Date, all holders of Claims and Equity Interests shall be precluded and enjoined from asserting any Claim or Equity Interest against the Debtor or its assets or properties based on any transaction or other activity of any kind that occurred prior to the Confirmation Date except as permitted under the Plan.

10.2 Vesting of Property of Debtor in Reorganized Debtor

On the Effective Date, except as otherwise expressly provided in the Plan or Confirmation Order, all Estate Property, including any "net operating losses" or similar tax attributes, shall vest in the Reorganized Debtor free and clear of all Liens, Claims, and encumbrances of any kind.

ARTICLE XI
INJUNCTIONS, RELEASES, AND DISCHARGE

11.1 Compromise and Settlement of Claims, Interests, and Controversies

The provisions of the Plan incorporate the terms of a settlement among the Debtor, the Lenders, the Committee, and the Ad Hoc Committee, as detailed in that certain Chapter 11 Plan Term Sheet attached as Exhibit B to that certain Waiver and First Amendment to Senior Secured, Super Priority Debtor-in-Possession Credit Agreement annexed to the Final DIP Order.

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits and consideration provided by the Debtor and/or by Lenders pursuant to the Plan, and except as otherwise specifically provided in the Plan or in any contract, instrument, or other agreement or document created pursuant to the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in complete settlement, compromise, and release, effective as of the Effective Date, of Claims, Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, including, but not limited to, all known or unknown liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtor or any of its assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability to the extent such Claims or Interests relate to services performed by employees of the Debtor before the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (a) a proof of Claim or proof of Interest based upon such debt, right, or Interest is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (b) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (c) the holder of such a Claim or Interest has accepted the Plan. Any default by the Debtor with respect to any Claim or Interest that existed immediately before or on account of the filing of the Bankruptcy Case shall be deemed cured on the Effective Date. The Confirmation Order shall be a judicial determination of the settlement, compromise, and release of all Claims and Interests, subject to the Effective Date occurring.

Notwithstanding any provision in the Plan or the Interim DIP Order or Final DIP Order and in furtherance of the agreements and settlements contained in this Plan, upon the occurrence of the Effective Date, all of the agreements, stipulations, waivers and releases provided by the Debtors with respect to Lenders' liens and claims arising under the Deerfield Facility Agreement and related documents as set forth in the Final DIP Order including the Debtor's Stipulations (as

such term is defined in the Final DIP Order) shall be final and binding on all persons and parties in interest, including, without limitation, the Committee, the Ad Hoc Committee, and any trustee who may be appointed in the Debtor's bankruptcy case, and the Challenge Period provided and defined in paragraph 24 of the Final DIP Order shall be deemed to have expired on the Effective Date and any Challenge that may be pending on the Effective Date shall be dismissed with prejudice and the persons or parties in interest that commenced such Challenge shall promptly take all actions and execute, deliver and file all documents and pleadings necessary to effect such dismissal.

11.2 Release 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 and concurrently with the applicable distributions made pursuant to the Plan and, in the case of a Secured Claim, satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estate shall be fully released, settled, and compromised and all rights, titles, and interests of any holder of such mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estate shall revert to the Debtor and the Reorganized Debtor, as applicable, and their successors and assigns.

11.3 Subordinated Claims

The allowance, classification, and treatment of all Allowed Claims and Interests and the respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtor reserves the right for the Debtor or the Reorganized Debtor, as applicable, to re-classify any Claim or Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

11.4 Debtor Release

ON THE EFFECTIVE DATE OF THE PLAN AND TO THE FULLEST EXTENT AUTHORIZED BY APPLICABLE LAW, THE RELEASED PARTIES AND THEIR RESPECTIVE PROPERTY WILL BE EXPRESSLY, UNCONDITIONALLY, GENERALLY AND INDIVIDUALLY AND COLLECTIVELY RELEASED, ACQUITTED AND DISCHARGED BY THE DEBTOR ON BEHALF OF ITSELF, ITS ESTATE, AND THE REORGANIZED DEBTOR (SUCH THAT THE REORGANIZED DEBTOR WILL NOT HOLD ANY CLAIMS OR CAUSES OF ACTION RELEASED PURSUANT TO THIS SECTION 11.4), FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY EACH OF THE RELEASED PARTIES, FROM ANY AND ALL ACTIONS, CLAIMS, DEBTS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES AND LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS ASSERTED ON BEHALF OF THE DEBTOR OR ITS ESTATE, WHETHER KNOWN OR

UNKNOWN, FORESEEN OR UNFORESEEN, MATURED OR UNMATURED, EXISTING OR HEREINAFTER ARISING, IN LAW, EQUITY, CONTRACT, TORT OR OTHERWISE, BY STATUTE, VIOLATIONS OF FEDERAL OR STATE SECURITIES LAWS OR OTHERWISE, BASED IN WHOLE OR IN PART UPON ANY ACT OR OMISSION, TRANSACTION, OR OTHER OCCURRENCE OR CIRCUMSTANCES EXISTING OR TAKING PLACE PRIOR TO OR ON THE EFFECTIVE DATE ARISING FROM OR RELATED IN ANY WAY TO THE DEBTOR, ANY OF THE DEBTOR'S PRESENT OR FORMER ASSETS, THE RELEASED PARTIES' INTERESTS IN OR MANAGEMENT OF THE DEBTOR, THE PLAN, THE DISCLOSURE STATEMENT, THIS BANKRUPTCY CASE, OR ANY RESTRUCTURING OF CLAIMS OR INTERESTS UNDERTAKEN PRIOR TO THE EFFECTIVE DATE, INCLUDING THOSE THAT THE DEBTOR OR THE REORGANIZED DEBTOR WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT OR THAT ANY HOLDER OF A CLAIM AGAINST OR INTEREST IN THE DEBTOR OR ANY OTHER ENTITY COULD HAVE BEEN LEGALLY ENTITLED TO ASSERT DERIVATIVELY OR ON BEHALF OF THE DEBTOR OR ITS ESTATE; PROVIDED, HOWEVER, THAT THE FOREGOING "DEBTOR RELEASE" SHALL NOT OPERATE TO WAIVE OR RELEASE ANY CLAIMS OR CAUSES OF ACTION OF THE DEBTOR OR ITS ESTATE AGAINST A RELEASED PARTY ARISING UNDER ANY CONTRACTUAL OBLIGATION OWED TO THE DEBTOR THAT IS ENTERED INTO OR ASSUMED PURSUANT TO THE PLAN, OR FOR FRAUD, THEFT, CONVERSION, OR MISAPPROPRIATION OF CORPORATE ASSETS.

ENTRY OF THE CONFIRMATION ORDER SHALL CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019, OF THE DEBTOR RELEASE, WHICH INCLUDES BY REFERENCE EACH OF THE RELATED PROVISIONS AND DEFINITIONS CONTAINED IN THE PLAN, *AND*, *FURTHER*, SHALL CONSTITUTE THE BANKRUPTCY COURT'S FINDING THAT THE DEBTOR RELEASE IS: (1) IN EXCHANGE FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY THE RELEASED PARTIES; (2) A GOOD-FAITH SETTLEMENT AND COMPROMISE OF THE CLAIMS RELEASED BY THE DEBTOR RELEASE; (3) IN THE BEST INTERESTS OF THE DEBTOR'S ESTATE AND ALL HOLDERS OF CLAIMS AND INTERESTS; (4) FAIR, EQUITABLE, AND REASONABLE; (5) GIVEN AND MADE AFTER DUE NOTICE AND OPPORTUNITY FOR HEARING; AND (6) A BAR AGAINST ANY OF THE DEBTOR'S ESTATE OR THE REORGANIZED DEBTOR ASSERTING ANY CLAIM OR CAUSE OF ACTION RELEASED PURSUANT TO THE DEBTOR RELEASE.

11.5 Third Party Release

ON THE EFFECTIVE DATE OF THE PLAN AND TO THE FULLEST EXTENT AUTHORIZED BY APPLICABLE LAW, THE RELEASING PARTIES SHALL BE DEEMED

TO HAVE EXPRESSLY, UNCONDITIONALLY, GENERALLY AND INDIVIDUALLY AND COLLECTIVELY, RELEASED AND ACQUITTED THE RELEASED PARTIES AND THEIR RESPECTIVE PROPERTY (INCLUDING THE RELEASED PARTIES' PREDECESSORS, SUCCESSORS AND ASSIGNS, SUBSIDIARIES, AFFILIATES, MANAGED ACCOUNTS OR FUNDS, CURRENT AND FORMER OFFICERS, DIRECTORS, PRINCIPALS, SHAREHOLDERS, DIRECT AND INDIRECT EQUITY HOLDERS, MEMBERS, PARTNERS (GENERAL AND LIMITED), EMPLOYEES, AGENTS, ADVISORY BOARD MEMBERS, FINANCIAL ADVISORS, ATTORNEYS, ACCOUNTANTS, INVESTMENT BANKERS, CONSULTANTS, REPRESENTATIVES, MANAGEMENT COMPANIES, FUND ADVISORS AND OTHER PROFESSIONALS) AND THE RELEASED PARTIES FROM ANY AND ALL ACTIONS, CLAIMS, INTERESTS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES AND LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS ASSERTED ON BEHALF OF THE DEBTOR, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, MATURED OR UNMATURED, EXISTING OR HEREAFTER ARISING, IN LAW, EQUITY, CONTRACT, TORT OR OTHERWISE, THAT SUCH RELEASING PARTIES (WHETHER INDIVIDUALLY OR COLLECTIVELY) EVER HAD, NOW HAS OR HEREAFTER CAN, SHALL OR MAY HAVE, BASED ON OR RELATING TO, OR IN ANY MANNER ARISING FROM OR RELATED IN ANY WAY TO THE DEBTOR, ANY OF THE DEBTOR'S PRESENT OR FORMER ASSETS, THE RELEASED PARTIES' INTERESTS IN THE DEBTOR, MANAGEMENT OF THE DEBTOR, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN THE DEBTOR AND ANY RELEASED PARTY, THE PLAN, THE DISCLOSURE STATEMENT, THIS BANKRUPTCY CASE, OR ANY RESTRUCTURING OF CLAIMS OR EQUITY INTERESTS UNDERTAKEN PRIOR TO THE EFFECTIVE DATE, INCLUDING THOSE THAT THE DEBTOR OR THE REORGANIZED DEBTOR WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT OR THAT ANY HOLDER OF A CLAIM AGAINST OR EQUITY INTEREST IN THE DEBTOR OR ANY OTHER ENTITY COULD HAVE BEEN LEGALLY ENTITLED TO ASSERT DERIVATIVELY OR ON BEHALF OF THE DEBTOR OR ITS ESTATE, EXCEPT FOR (I) ANY CLAIMS AND CAUSES OF ACTION FOR ACTUAL FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AND (II) THE RIGHT TO RECEIVE DISTRIBUTIONS FROM THE DEBTOR OR THE REORGANIZED DEBTOR ON ACCOUNT OF AN ALLOWED CLAIM AGAINST OR ALLOWED EQUITY INTEREST IN THE DEBTOR PURSUANT TO THE PLAN. FOR THE AVOIDANCE OF DOUBT, THE RELEASING PARTIES SHALL INCLUDE (A) THE RELEASED PARTIES, AND (B) ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS THAT (I) VOTE TO ACCEPT THE PLAN, AND (II) DO NOT AFFIRMATIVELY OPT OUT OF THE THIRD PARTY RELEASE PROVIDED BY THIS SECTION 11.5 PURSUANT TO A DULY EXECUTED BALLOT, AND (C) ANY OTHER PERSON THAT PROVIDES SIGNED DOCUMENTATION ACCEPTABLE TO THE

REORGANIZED DEBTOR AGREEING TO SUCH THIRD-PARTY RELEASE NO LATER THAN SIXTY (60) DAYS AFTER THE EFFECTIVE DATE.

ENTRY OF THE CONFIRMATION ORDER SHALL CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019, OF THE THIRD PARTY RELEASE, WHICH INCLUDES BY REFERENCE EACH OF THE RELATED PROVISIONS AND DEFINITIONS CONTAINED IN THE PLAN, *AND, FURTHER*, SHALL CONSTITUTE THE BANKRUPTCY COURT'S FINDING THAT THE THIRD PARTY RELEASE IS: (1) IN EXCHANGE FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY THE RELEASED PARTIES; (2) A GOOD-FAITH SETTLEMENT AND COMPROMISE OF THE CLAIMS RELEASED BY THE THIRD PARTY RELEASE; (3) IN THE BEST INTERESTS OF THE DEBTOR AND ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS; (4) FAIR, EQUITABLE, AND REASONABLE; (5) GIVEN AND MADE AFTER DUE NOTICE AND OPPORTUNITY FOR HEARING; AND (6) A BAR TO ANY OF THE RELEASING PARTIES ASSERTING ANY CLAIM RELEASED PURSUANT TO THE THIRD PARTY RELEASE.

11.6 Exculpation

The Exculpated Parties shall neither have, nor incur any liability to any entity for any prepetition or postpetition act taken or omitted to be taken in connection with the Bankruptcy Case, or related to formulating, negotiating, soliciting, preparing, disseminating, confirming, or implementing the Plan or consummating the Plan, the Disclosure Statement, or any contract, instrument, release, or other agreement or document created or entered into in connection with the Plan or any other prepetition or postpetition act taken or omitted to be taken in connection with or in contemplation of the restructuring or liquidation of the Debtor. Without limiting the foregoing "Exculpation" provided under this section 11.6, the rights of any holder of a Claim or Interest to enforce rights arising under the Plan shall be preserved, including the right to compel payment of distributions in accordance with the Plan; provided, that the foregoing "Exculpation" shall have no effect on the liability of any entity solely to the extent resulting 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 his, her, or its duties pursuant to, or in connection with, the Plan or any other related document, instrument, or agreement.

11.7 Injunction

EXCEPT AS OTHERWISE PROVIDED IN THE PLAN OR THE CONFIRMATION ORDER, ALL ENTITIES WHO HAVE HELD, HOLD, OR MAY HOLD CLAIMS, INTERESTS, CAUSES OF ACTION, OR LIABILITIES THAT: (1) ARE SUBJECT TO COMPROMISE AND SETTLEMENT PURSUANT TO THE TERMS OF THE PLAN; (2) HAVE BEEN RELEASED PURSUANT TO SECTION 11.4 HEREOF; (3) HAVE BEEN RELEASED PURSUANT TO SECTION 11.5 HEREOF; (4) ARE SUBJECT TO

EXCULPATION PURSUANT TO ARTICLE SECTION 11.6 HEREOF; OR (5) ARE OTHERWISE STAYED OR TERMINATED PURSUANT TO THE TERMS OF THE PLAN, ARE PERMANENTLY ENJOINED AND PRECLUDED, FROM AND AFTER THE EFFECTIVE DATE, FROM: (A) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND, INCLUDING ON ACCOUNT OF ANY CLAIMS, INTERESTS, CAUSES OF ACTIONS, OR LIABILITIES THAT HAVE BEEN COMPROMISED OR SETTLED AGAINST THE DEBTOR OR THE REORGANIZED DEBTOR, OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR ESTATE OF ANY ENTITY, DIRECTLY OR INDIRECTLY, SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION, OR LIABILITIES; (B) ENFORCING, ATTACHING, COLLECTING, OR RECOVERING BY ANY MANNER OR MEANS ANY JUDGMENT, AWARD, DECREE, OR ORDER AGAINST THE DEBTOR OR THE REORGANIZED DEBTOR, OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR ESTATE OF THE DEBTOR OR ANY ENTITY SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION, OR LIABILITIES; (C) CREATING, PERFECTING, OR ENFORCING ANY LIEN, CLAIM, OR ENCUMBRANCE OF ANY KIND AGAINST THE DEBTOR OR THE REORGANIZED DEBTOR, OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR ESTATE OF THE DEBTOR OR ANY ENTITY SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION, OR LIABILITIES; (D) ASSERTING ANY RIGHT OF SETOFF OR SUBROGATION OF ANY KIND AGAINST ANY OBLIGATION DUE FROM THE DEBTOR OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR ESTATE OF THE DEBTOR OR ANY ENTITY SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION, OR LIABILITIES UNLESS SUCH ENTITY HAS TIMELY ASSERTED SUCH SETOFF OR SUBROGATION RIGHT PRIOR TO CONFIRMATION IN A DOCUMENT FILED WITH THE BANKRUPTCY COURT EXPLICITLY PRESERVING SUCH SETOFF OR SUBROGATION; AND (E) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND AGAINST THE DEBTOR OR THE REORGANIZED DEBTOR, OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR ESTATE OF THE DEBTOR OR ANY ENTITY SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, EQUITY

INTERESTS, CAUSES OF ACTION, OR LIABILITIES RELEASED, SETTLED, OR COMPROMISED PURSUANT TO THE PLAN; *PROVIDED THAT* NOTHING CONTAINED IN THE PLAN SHALL PRECLUDE AN ENTITY FROM OBTAINING BENEFITS DIRECTLY AND EXPRESSLY PROVIDED TO SUCH ENTITY PURSUANT TO THE TERMS OF THE PLAN; *PROVIDED, FURTHER, THAT* NOTHING CONTAINED IN THE PLAN SHALL BE CONSTRUED TO PREVENT ANY ENTITY FROM DEFENDING AGAINST CLAIMS OBJECTIONS OR COLLECTION ACTIONS WHETHER BY ASSERTING A RIGHT OF SETOFF OR OTHERWISE TO THE EXTENT PERMITTED BY LAW.

11.8 Waiver of Statutory Limitations on Releases

EACH RELEASING PARTY IN EACH OF THE RELEASES CONTAINED IN THE PLAN (INCLUDING UNDER THIS ARTICLE XI) EXPRESSLY ACKNOWLEDGES THAT ALTHOUGH ORDINARILY A GENERAL RELEASE MAY NOT EXTEND TO CLAIMS WHICH THE RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR, WHICH IF KNOWN BY IT MAY HAVE MATERIALLY AFFECTED ITS SETTLEMENT WITH THE PARTY RELEASED, THEY HAVE CAREFULLY CONSIDERED AND TAKEN INTO ACCOUNT IN DETERMINING TO ENTER INTO THE ABOVE RELEASES THE POSSIBLE EXISTENCE OF SUCH UNKNOWN LOSSES OR CLAIMS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EACH RELEASING PARTY EXPRESSLY WAIVES ANY AND ALL RIGHTS CONFERRED UPON IT BY ANY STATUTE OR RULE OF LAW WHICH PROVIDES THAT A RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CLAIMANT DOES NOT KNOW OR SUSPECT TO EXIST IN ITS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY IT MAY HAVE MATERIALLY AFFECTED ITS SETTLEMENT WITH THE RELEASED PARTY. THE RELEASES CONTAINED IN THIS ARTICLE XI ARE EFFECTIVE REGARDLESS OF WHETHER THOSE RELEASED MATTERS ARE PRESENTLY KNOWN, UNKNOWN, SUSPECTED OR UNSUSPECTED, FORESEEN OR UNFORESEEN.

11.9 Setoffs

Except as otherwise provided in the Plan, prior to the Effective Date, the Debtor, and on and after the Effective Date, the Reorganized Debtor, pursuant to the Bankruptcy Code (including sections 553 and 558 of the Bankruptcy Code), applicable nonbankruptcy law, or as may be agreed to by the holder of a Claim or Interest, may set off against any Allowed Claim or Interest on account of any proof of Claim or proof of Interest or other pleading Filed with respect thereto prior to the combined hearing and the distributions to be made pursuant to the Plan on account of such Allowed Claim or Interest (before any distribution is made on account of such Allowed Claim or Interest), any claims, rights, and Causes of Action of any nature that the Debtor's Estate may hold against the holder of such Allowed Claim or Interest, to the extent such claims, rights, or Causes of Action against such holder have not been otherwise compromised or

settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); provided that neither the failure to effect such a setoff nor the allowance of any Claim or Interest pursuant to the Plan shall constitute a waiver or release by the Debtor or the Reorganized Debtor of any such claims, rights, and Causes of Action that the Debtor's Estate may possess against such holder. In no event shall any holder of Claims or Interests be entitled to set off any Claim or Interest against any claim, right, or Cause of Action of the Debtor's Estate unless such holder has timely Filed a proof of Claim (including any proof of Claim timely Filed by the Governmental Bar Date) with the Bankruptcy Court expressly preserving such setoff; provided that nothing in the Plan shall prejudice or be deemed to have prejudiced the Debtor's or the Reorganized Debtor's right to assert that any holder's setoff rights were required to have been asserted by motion or pleading filed with the Bankruptcy Court prior to the Effective Date.

ARTICLE XII
RETENTION OF JURISDICTION

12.1 Exclusive Bankruptcy Court Jurisdiction

Notwithstanding the entry of the Confirmation Order or the occurrence of the Effective Date, the Bankruptcy Court shall retain and have such jurisdiction over the Bankruptcy Case to the maximum extent as is legally permissible, including, without limitation, for the following purposes:

(a) To allow, disallow, determine, liquidate, classify or establish the priority or secured or unsecured status of or estimate any Right of Action, Claim or Equity Interest, including, without limitation, 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;

(b) To ensure that Distributions to holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;

(c) To determine any and all applications or motions pending before the Bankruptcy Court on the Effective Date of the Plan, including without limitation any motions for the rejection, assumption or assumption and assignment of any Executory Contract;

(d) To consider and approve any modification of the Plan, remedy any defect or omission, or reconcile any inconsistency in the Plan, or any order of the Bankruptcy Court, including the Confirmation Order;

(e) To determine all controversies, suits and disputes that may arise in connection with the interpretation, enforcement or consummation of the Plan or any Plan Documents or any entity's obligations in connection with the Plan or any Plan Documents, or to defend any of the rights, benefits, Estate Property transferred, created, or otherwise provided or confirmed by the Plan or the Confirmation Order or to recover damages or other relief for violations thereof;

(f) To consider and act on the compromise and settlement of any claim or cause of action by or against the Debtor or the Reorganized Debtor;

(g) To decide or resolve any and all applications, motions, adversary proceedings, contested or litigated matters, and any other matters, or grant or deny any applications involving the Debtor that may be pending on the Effective Date or that may be brought by the Reorganized Debtor, including claims arising under Chapter 5 of the Bankruptcy Code, or any other related proceedings by the Reorganized Debtor, and to enter and enforce any default judgment on any of the foregoing;

(h) To issue orders in aid of execution and implementation of the Plan or any Plan Documents to the extent authorized by section 1142 of the Bankruptcy Code or provided by the terms of the Plan;

(i) To decide issues concerning the federal or state tax liability of the Debtor which may arise in connection with the confirmation or consummation of the Plan or any Plan Documents;

(j) To interpret and enforce any orders entered by the Bankruptcy Court in the Bankruptcy Case; and

(k) To enter an order closing this Bankruptcy Case.

12.2 Limitation on Jurisdiction

In no event shall the provisions of the Plan be deemed to confer in the Bankruptcy Court jurisdiction greater than that established by the provisions of 28 U.S.C. §§ 157 and 1334, as well as the applicable circumstances that continue jurisdiction for defense and enforcement of the Plan and Plan Documents. For the avoidance of doubt, however, such jurisdiction shall be deemed, by the entry of the Confirmation Order, to:

(a) Permit entry of a final judgment by the Bankruptcy Court in any core proceeding referenced in 28 U.S.C. § 157(b) and to hear and resolve such proceedings in accordance with 28 U.S.C. § 157(c) and any and all related proceedings, including, without limitation, (i) all proceedings concerning disputes with, or Rights of Action or Claims against, any Person that the Debtor or the Reorganized Debtor or its successors or assigns, may have, and (ii) any and all Rights of Action or other Claims against any Person for harm to or with respect to (x) any Estate Property, including any infringement of IP or conversion of Estate Property, or (y) any Estate Property liened or transferred by the Debtor to any other Person;

(b) Include jurisdiction over the recovery of any Estate Property (or property transferred by the Debtor with Bankruptcy Court approval) from any Person wrongly asserting ownership, possession or control of the same, whether pursuant to sections 542, 543, 549, 550 of the Bankruptcy Code or otherwise, as well as to punish any violation of the automatic stay under section 362 of the Bankruptcy Code or any other legal rights of the Debtor under or related to the Bankruptcy Code; and

(c) Permit the taking of any default judgment against any Person who has submitted himself or herself to the jurisdiction of the Bankruptcy Court.

ARTICLE XIII
MISCELLANEOUS PROVISIONS

13.1 Conditions to Confirmation

The Confirmation Order will not be effective unless (a) the amount, priority or extent of the administrative, priority or secured claims are satisfactory to the Reorganized Debtor and Lenders in their reasonable discretion, (b) the Confirmation Order shall be in form and substance acceptable to the Debtor, Lenders, Committee and Ad Hoc Committee, in their reasonable discretion, and (c) the final version of the Plan, Plan Supplement, Disclosure Statement and any other related documents, or schedules thereto, shall have been filed in form and substance acceptable to the Debtor, Lenders, Committee and Ad Hoc Committee, in their reasonable discretion.

13.2 Conditions to Effectiveness

The Plan will not be effective unless (a) the conditions to confirmation above have been either satisfied, or waived, and (b) the Confirmation Order has been entered by the Bankruptcy Court, and no stay or injunction is in effect with respect thereto.

13.3 Waiver of Conditions

Each of the conditions set forth in Sections 13.1 and 13.2 may be waived in whole or in part by Debtor, Lenders, Committee and Ad Hoc Committee, without any notice to other parties in interest or the Bankruptcy Court and without a hearing.

13.4 Exemption from Transfer Taxes

The Plan and the Confirmation Order provide for one or more of the following: (a) the issuance, transfer or exchange of notes, debt instruments and equity securities under or in connection with the Plan; (b) the creation, assignment, recordation or perfection of any lien, pledge, other security interest or other instruments of transfer; (c) the making or assignment of any lease; (d) the creation, execution and delivery of any agreements or other documents creating or evidencing the formation of the Reorganized Debtor or the issuance or ownership of any interest in the Reorganized Debtor; or (e) the making or delivery of any deed or other instrument of transfer under the Plan in connection with the vesting of the Debtor's assets in the Reorganized Debtor pursuant to or in connection with the Plan, including, without limitation, merger agreements, stock purchase agreement, agreements of consolidation, restructuring, disposition, liquidation or dissolution, and transfers of tangible property. Pursuant to section 1146 of the Bankruptcy Code and the Plan, any such act described or contemplated herein will not be subject to any stamp tax, transfer tax, filing or recording tax, or other similar tax.

13.5 Securities Exemption

Any equity interests and rights issued under, pursuant to or in effecting the Plan, and the offering and issuance thereof by any party, including without limitation the Debtor or the Estate, shall be exempt from Section 5 of the Securities Act of 1933, if applicable, and from any state or federal securities laws requiring registration for offer or sale of a security or registration or

licensing of an issuer of, underwriter of, or broker or dealer in, a security, and shall otherwise enjoy all exemptions available for Distributions of securities under a plan of reorganization in accordance with all applicable law, including without limitation section 1145 of the Bankruptcy Code. If the issuance of any equity under the Plan does not qualify for an exemption under section 1145 of the Bankruptcy Code, then any such equity shall be issued in a manner which qualifies for any other available exemption from registration, whether as a private placement under Rule 506 of the Securities Act, Section 4(2) of the Securities Act, and/or the safe harbor provisions promulgated thereunder.

13.6 Post-Effective Date Fees and Expenses

From and after the Effective Date, the Reorganized Debtor and, to the extent applicable, the Unsecured Creditors Oversight Committee, shall, in the ordinary course of business and without the necessity for Bankruptcy Court approval, pay the reasonable fees and expenses of Professionals retained by the Reorganized Debtor and by the Unsecured Creditors Oversight Committee (subject to the payment cap applicable to the Unsecured Creditors Oversight Committee set forth herein) incurred after the Effective Date, including, without limitation, fees and expenses incurred in connection with the implementation and consummation of the Plan. Any professionals retained by the Reorganized Debtor or the Unsecured Creditors Oversight Committee can have served as an estate Professional in this case.

13.7 Post-Effective Date Notice Limited

From and after the Effective Date, any person seeking relief from the Bankruptcy Court in the Case shall be required to provide notice only to the Reorganized Debtor; the Lenders; the United States Trustee (and their respective counsel); any person whose rights are directly affected by the relief sought, and to other parties in interest who, after entry of the Confirmation Order, file a request for such notice with the clerk of the Bankruptcy Court and serve a copy of such notice on counsel to the Reorganized Debtor.

13.8 Dissolution of Committee

On the Effective Date, the Committee shall be automatically dissolved and all of its members, Professionals and agents shall be deemed released of their duties, responsibilities and obligations, and shall be without further duties, responsibilities and authority in connection with the Debtor, the Case, the Plan or its implementation.

13.9 Defects, Omissions and Amendments of the Plan

The Debtor or the Reorganized Debtor may, with the approval of the Bankruptcy Court and without notice to holders of Claims and Equity Interests, insofar as it does not materially and adversely affect holders of Claims and Equity Interests, correct any defect, omission, or inconsistency in the Plan in such a manner and to such extent necessary or desirable to expedite the execution of the Plan. The Debtor may propose amendments or alterations to the Plan before the Confirmation Hearing as provided in section 1127 of the Bankruptcy Code if, in the opinion of the Bankruptcy Court, the modification does not materially and adversely affect the interests of holders of Claims, so long as the Plan, as modified, complies with sections 1122 and 1123 of the Bankruptcy Code and the Debtor has complied with section 1125 of the Bankruptcy Code.

The Debtor may propose amendments or alterations to the Plan after the Confirmation Date but prior to substantial consummation, in a manner that, in the opinion of the Bankruptcy Court, does not materially and adversely affect holders of Claims, so long as the Plan, as modified, complies with sections 1122 and 1123 of the Bankruptcy Code, the Debtor has complied with section 1125 of the Bankruptcy Code, and after notice and a hearing, the Bankruptcy Court confirms such Plan, as modified, under section 1129 of the Bankruptcy Code.

13.10 Withdrawal of Plan

The Debtor reserves the right to withdraw the Plan at any time prior to the Confirmation Date, with the consent of the Lenders, with advance notice to the Committee and Ad Hoc Committee of two (2) business days. If the Debtor withdraws the Plan prior to the Confirmation Date, or if the Confirmation Date or the Effective Date does not occur, then the Plan shall be deemed null and void. In such event, nothing contained herein shall be deemed to constitute an admission, waiver or release of any claims by or against the Debtor or any other person, or to prejudice in any manner the rights of the Debtor, the Debtor's Estate, or any person in any further proceedings involving the Debtor.

13.11 Due Authorization By Holders of Claims and Equity Interests

Each and every holder of a Claim or Equity Interest who elects to participate in the Distributions provided for herein warrants that it is authorized to accept in consideration of its Claim against or Equity Interest in the Debtor the Distributions provided for in the Plan, and that there are no outstanding commitments, agreements, or understandings, express or implied, that may or can in any way defeat or modify the rights conveyed or obligations undertaken by the Creditor under the Plan.

13.12 Filing of Additional Documentation

By April 15, 2016, the Debtor may file with the Bankruptcy Court such Plan Supplement, agreements and other documents as may be reasonably necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan or any Plan Document, which shall also constitute Plan Documents.

13.13 Governing Law

Except to the extent that the Code or other provisions of federal law are applicable, the rights and obligations arising under the Plan and any documents, agreements and instruments executed in connection with the Plan (except to the extent such documents, agreements and instruments designate otherwise) shall be governed by, and construed and enforced in accordance with, the internal laws of the State of Delaware (without reference to such state's law governing choice of law or forum).

13.14 Successors and Assigns

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

13.15 Transfer of Claims

Commencing as of the Record Date, any transfer of a claim shall be in accordance with Bankruptcy Rule 3001(e) and the terms of this Section 13.15. Notice of any such transfer shall be forwarded to the Reorganized Debtor by registered or certified mail, as set forth in Section 13.16 hereof. Both the transferee and transferor shall execute any notice, and the signatures of the parties shall be acknowledged before a notary public. The notice must clearly describe the interest in the claim to be transferred. No transfer of a partial interest shall be allowed. All transfers must be of one hundred percent (100%) of the transferor's interest in the claim.

13.16 Notices

Any notice required to be given under the Plan or any Plan Document shall be in writing. Any notice that is allowed or required hereunder except for a notice of change of address shall be considered complete on the earlier of (a) three (3) days following the date the notice is sent by United States mail, postage prepaid, or by overnight courier service, or in the case of mailing to a non-United States address, air mail, postage prepaid, or personally delivered; (b) the date the notice is actually received by the Persons on the Post-Confirmation Service List by facsimile or computer transmission; or (c) three (3) days following the date the notice is sent to those Persons on the Post-Confirmation Service List as it is adopted by the Bankruptcy Court at the hearing on confirmation of the Plan, as such list may be amended from time-to-time by written notice from the Persons on the Post-Confirmation Service List.

(a) If to the Debtor, at:

DENTONS US LLP
Sam J. Alberts
1301 K Street, NW
Suite 600. East Tower
Washington, D.C. 20005
Fax: 202.408.6399
Email: sam.alberts@dentons.com

-and-

DENTONS US LLP
Bryan E. Bates
303 Peachtree Street, NE
Suite 5300
Atlanta, Georgia 30308
Fax: 404.527.4198
Email: bryan.bates@dentons.com

-and-

ASHBY & GEDDES, P.A.
William P. Bowden (No. 2553)

Karen B. Skomorucha Owens (No. 4759)
Stacy L. Newman (No. 5044)
500 Delaware Avenue, P.O. Box 1150
Wilmington, DE 19899-1150
Fax: 302.654.2067
Email: wbowden@ashby-geddes.com
kowens@ashby-geddes.com
snewman@ashby-geddes.com

(b) If to the Lenders, at:

KATTEN MUCHIN ROSENMAN LLP
Jeff J. Friedman
575 Madison Avenue
New York, NY 10022-2585
Fax: 212.940.7109
Email: jeff.friedman@kattenlaw.com

and

CONNOLLY GALLAGHER
Jeffrey C. Wisler
1000 West Street, Suite 1400
Wilmington, DE 19801
Fax: 302.757.7299
Email: jwisler@connollygallagher.com

(c) If to the U.S. Trustee, at:

Office of the United States Trustee
c/o Juliet Sarkessian, Trial Attorney
J. Caleb Boggs Federal Building
844 King Street, Suite 2207
Lockbox 35
Wilmington, DE 19801
Fax: 302.573-6497
Email: Juliet.M.Sarkessian@usdoj.gov

(d) If to the Committee, at

Committee of Unsecured Creditors of Nuo Therapeutics, Inc.
c/o PEPPER HAMILTON LLP
Donald J. Detweiler and Fran Lawall
Hercules Plaza, Suite 5100
1313 Market Street
P.O. Box 1709
Wilmington, DE 19899-1709

Fax: 302.421.8390
Email: detweilerd@pepperlaw.com
Email: lawallf@pepperlaw.com

(e) If to the Ad Hoc Committee, at

ROBBINS, SALOMON & PATT, LTD.
Steve Jakubowski
180 N. LaSalle Street
Suite 3300
Chicago, IL 60601
Fax: 312.782.6690
Email: sjakubowski@rsplaw.com

13.17 U.S. Trustee Fees

The Debtor will pay pre-confirmation fees owed to the U.S. Trustee on or before the Effective Date of the Plan. After confirmation, the Reorganized Debtor will file with the court and serve on the U.S. Trustee quarterly financial reports in a format prescribed by the U.S. Trustee, and the Reorganized Debtor will pay post-confirmation quarterly fees to the U.S. Trustee until a final decree is entered or the case is converted or dismissed as provided in 28 U.S.C. § 1930(a)(6).

13.18 Implementation

The Debtor and the Reorganized Debtor shall be authorized to perform all reasonable, necessary and authorized acts to consummate the terms and conditions of the Plan and the Plan Documents.

13.19 No Admissions

Notwithstanding anything herein to the contrary, nothing contained in the Plan shall be deemed an admission by the Debtor with respect to any matter set forth herein, including, without limitation, liability on any Claim or Equity Interest or the propriety of the classification of any Claim or Equity Interest.

ARTICLE XIV
SUBSTANTIAL CONSUMMATION

14.1 Substantial Consummation

The Plan shall be deemed substantially consummated on the Effective Date.

14.2 Final Decree

On full consummation and performance of the Plan and Plan Documents, the Reorganized Debtor may request the Bankruptcy Court to enter a final decree closing the Bankruptcy Case and such other orders that may be necessary and appropriate.

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CONFIRMATION REQUEST

The Debtor hereby requests confirmation of the Plan pursuant to section 1129(a) or section 1129(b) of the Bankruptcy Code.

Dated: March 18, 2016

NUO THERAPEUTICS, INC.

/s/ David E. Jorden
David E. Jorden
Acting Chief Executive Officer / Acting Chief Financial Officer for the Debtor and Debtor-in-Possession

EXHIBIT A
Glossary of Defined Terms

"Ad Hoc Committee" means the Ad Hoc Committee of Equity Holders.

"Administrative Claim" means any cost or expense of administration of the Bankruptcy Case incurred on or before the Effective Date entitled to priority under section 507(a)(1) and allowed under section 503(b) of the Bankruptcy Code, including without limitation, any actual and necessary expenses of preserving the Debtor's estate, including wages, salaries or commissions for services rendered after the commencement of the Bankruptcy Case, certain postpetition taxes, fines and penalties, any actual and necessary postpetition expenses of operating the business of the Debtor, certain postpetition indebtedness or obligations incurred by or assessed against the Debtor in connection with the conduct of its business, or for the acquisition or lease of property, or for providing services to the Debtor, including all Professional Compensation Claims to the extent allowed by the Bankruptcy Court under the Bankruptcy Code, any fees or charges assessed against the Debtor's Estate under Chapter 123, Title 28, United States Code, and all fees payable under 28 U.S.C. § 1930; *provided, however*, that all Professional Compensation Claims must be approved by the Court prior to disbursement on account of any such Professional Compensation Claim.

"Administrative Claimant" means any Person entitled to payment of an Administrative Claim.

"Allowance Date" means the date that a Claim or Equity Interest becomes an Allowed Claim or Allowed Equity Interest.

"Allowed Claim" means, with respect to any Claim, a Claim allowable under 11 U.S.C. § 502(a) for which a proof of claim was filed on or before, as applicable, the General Bar Date, the Governmental Unit Bar Date, or the Rejection Claim Bar Date, and as to which no objection or other challenge to the allowance thereof has been timely Filed, or if an objection or challenge has been timely Filed, such Claim is allowed by a Final Order; or (b) for which a proof of claim is not filed and that has been listed in the Schedules of Assets and Liabilities and is not listed as disputed, contingent, or unliquidated; or (c) that is deemed allowed by the terms of the Plan. For purposes of determining the amount of an Allowed Claim (other than a Claim specifically Allowed under the Plan), there shall be deducted therefrom an amount equal to the amount of any claim that the Debtor may hold against the Creditor under 11 U.S.C. § 553. Notwithstanding anything to the contrary in the Plan, the Debtor may, in its discretion, treat a Claim as an Allowed Claim to the extent it is allowed by an Order that is not a Final Order.

"Allowed Administrative Claim" means an Administrative Claim to the extent it is or becomes an Allowed Claim.

"Allowed General Unsecured Claim" means a General Unsecured Claim to the extent it is or becomes an Allowed Claim.

"Allowed Professional Fee and Expense Claim" means a Professional Compensation Claim to the extent it is or becomes an Allowed Claim.

"Allowed Secured Claim" means a Secured Claim other than with respect to the DIP Loan Agreement, to the extent it is or becomes an Allowed Claim.

"Allowed Priority Tax Claim" means any Claim, to the extent it is or becomes an Allowed Claim and entitled to priority in payment under section 507(a)(8) of the Bankruptcy Code.

"Avoidance Actions" means any and all rights, claims, and causes of action arising under any provision of Chapter 5 or section 724 of the Bankruptcy Code.

"Ballot" means the form of ballot which the Debtor will transmit to Creditors and Equity Interest holders who are, or may be, entitled to vote on the Plan, to indicate acceptance or rejection of the Plan and to opt out of releases provided herein.

"Bankruptcy Case" means *In re Nuo Therapeutics, Inc.*, Case No. 16-10192 (MFW) in the United States Bankruptcy Court for the District of Delaware.

"Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as amended, Title 11, United States Code, as applicable to this Bankruptcy Case.

"Bankruptcy Court" means the United States Bankruptcy Court for the District of Delaware, together with the District Court as to matters as to which the reference is withdrawn under 11 U.S.C. § 157(d).

"Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure.

"Budget" means the Budget agreed to by the Debtor and the Lenders and attached as Exhibit A to that certain Waiver and First Amendment to Senior Secured, Super Priority Debtor-in-Possession Credit Agreement annexed to the Final DIP Order.

"Business Day" means any day other than a Saturday, Sunday, or a "legal holiday" (as defined in Bankruptcy Rule 9006(a)).

"Cash" means Cash, wire transfer, certified check, cash equivalents and other readily marketable securities or instruments, including, without limitation, readily marketable direct obligations of the United States of America, certificates of deposit issues by banks, and commercial paper of any Person, including interest accrued or earned thereon.

"Causes of Action" means any and all actions, claims, rights, defenses, third-party claims, damages, executions, demands, cross-claims, counterclaims, suits, choses in action, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payment and any claims whatsoever, whether known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured and whether asserted or assertable directly, indirectly or derivatively, at law, in equity or otherwise, accruing to the Debtors or the Estate, including, but

not limited to, any and all Avoidance Actions, and any similar state laws such as fraudulent conveyance and preference statutes, arising from any transaction involving or concerning the Debtor or its Estate.

"Claim" has the meaning assigned to such term by section 101(5) of the Bankruptcy Code.

"Claim Objection Deadline" means the first Business Day that is sixty (60) days after the Effective Date, as may be extended by order of the Bankruptcy Court.

"Class" means one of the classes of Claims or Equity Interests defined in Article III of the Plan.

"Class 4 Escrow" means an escrow, the final terms and documentation of which will be provided in the Plan Supplement, which will be administered by the Reorganized Debtor for the benefit of holders of Allowed Class 4 General Unsecured Claims, with consultation of the Unsecured Creditor Oversight Committee. Costs for the establishment, administration and termination of the Class 4 Escrow, including the costs of making any interim distributions, shall be paid from the Class 4 Corpus and shall not be a liability of the Debtor, its Estate or the Reorganized Debtor. Any and all distributions to Allowed General Unsecured Claims shall be paid only from the Class 4 Escrow.

"Class 4 Corpus" means, in event of an Unsuccessful Capital Raise (as described in Scenario B), an amount of no more than $2,000,000, and in the event of a Successful Capital Raise (as described in Scenario A) an amount of no less than $2,000,000 and no more than $2,750,000. Under either Scenario A or Scenario B, the Class 4 Corpus shall be funded on the Effective Date into and in accordance with the terms the Class 4 Escrow. The exact amount of Cash to be funded into the Class 4 Escrow under Scenario A will be determined as follows: If total Allowed Unsecured Claims are (a) $2,000,0000 or less, an amount of no more than $2,000,0000; (b) $2,000,001 to $3,000,000, an amount of no greater than $2,250,000; (c) $3,000,001 to $4,000,000, an amount no greater than $2,500,000; and (d) $4,000,001 and above, an amount no greater than $2,750,000.

"Clerk" means the Clerk of the Bankruptcy Court.

"Closing" means the closing of the transactions contemplated under the Plan.

"Committee" means the Official Committee of Unsecured Creditors appointed by the U.S. Trustee on March 11, 2016 [Docket No. 188], amending prior notices of appointment.

"Common Stock Equity Interest" means any Equity Interest in the Debtor represented by ownership of common stock of the Debtor, including redeemable common stock of the Debtor.

"Confirmation Date" means the date upon which the Clerk of the Bankruptcy Court enters the Confirmation Order on the docket of the Bankruptcy Court.

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

"Confirmation Order" means the Order of the Bankruptcy Court approving and confirming the Plan in accordance with the provisions of Chapter 11 of the Bankruptcy Code.

"Contract" means any agreement, contract, or lease between the Debtor and a third party, as may be supplemented or amended from time to time prior to the entry of the Confirmation Order.

"Creditor" means any person that holds a Claim against the Debtor that arose on or before the Effective Date, or a Claim against the Debtor of any kind specified in sections 502(f), 502(g), 502(h) or 502(i) of the Bankruptcy Code.

"Cure Amount" means the amount of Cash required to cure any default under an Executory Contract under 11 U.S.C. § 365(b) listed in the Schedule of Assumed Contracts and Unexpired Leases, as determined by the Bankruptcy Court or pursuant to an agreement among the Reorganized Debtor and the other party(ies) to the Executory Contract.

"Cure Amount Objection Bar Date" means April 20, 2016.

"Debtor" means Nuo Therapeutics, Inc., a Delaware corporation and debtor-in-possession in the Bankruptcy Case.

"Debtor-in-Possession" means the Debtor in its capacity as debtor in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

"Deerfield Facility Agreement" means that certain Facility Agreement dated March 31, 2014, under which the Debtor obtained a $35 million five-year senior secured convertible credit facility by and between the Debtor and Deerfield Private Design Fund II, L.P.; Deerfield Private Design International II, L.P.; Deerfield Special Situations Fund, L.P.; and Deerfield Special Situations International Master Fund, L.P.

"DIP Agent" means Deerfield Mgmt, L.P.

"DIP Loan Agreement" means that certain Senior Secured Superpriority Debtor-in-Possession Credit Agreement dated as of January 28, 2016, as amended, between the Debtor, on the one hand, and the DIP Agent and Lenders, on the other hand.

"DIP Loan Claim" means all amounts due and owing to Lenders under the DIP Loan Agreement as of the Effective Date, including, without limitation, all accrued and unpaid interest and any fees and other charges provided for in the DIP Loan Agreement.

"Disclosure Statement" means the Disclosure Statement for the Plan of Reorganization of Nuo Therapeutics, Inc. dated March 18, 2016 filed by the Debtor, as may be amended or supplemented.

"Disputed Claim" means a Claim as to which a proof of claim or interest has been Filed or deemed Filed under applicable law and as to which an objection has been or may be timely Filed and which objection, if timely Filed, has not been withdrawn on or before any date fixed for Filing such objections by the Plan or Order of the Bankruptcy Court and has not been overruled or denied by a Final Order. Prior to the time that an objection has been or may be timely Filed, for the purposes of the Plan, a Claim shall be considered a Disputed Claim to the extent that: (i) the amount of the Claim specified in the proof of claim exceeds the amount of any corresponding Claim in the Schedules of Assets and Liabilities to the extent of such excess; (ii) no corresponding Claim has been scheduled in the Schedules of Assets and Liabilities; or (iii) the Claim has been scheduled in the Schedules of Assets and Liabilities as contingent, disputed or unliquidated or in the amount of $0.

"Disputed Cure Amount" means, with respect to an Executory Contract, the amount that the counterparty to such Executory Contract asserts is necessary to assume such Executory Contract under 11 U.S.C. § 365(b), to the extent different from the amount on the Executory Contract Schedule.

"Disputed Interest" means an Equity Interest as to which a proof of Equity Interest has been Filed or deemed Filed under applicable law and as to which an objection has been or may be timely Filed and which objection, if timely Filed, has not been withdrawn on or before any date fixed for Filing such objections by the Plan or Order of the Bankruptcy Court and has not been overruled or denied by a Final Order. Prior to the time that an objection has been or may be timely Filed, for the purposes of the Plan, an Equity Interest shall be considered a Disputed Interest to the extent that: (i) the amount of the Equity Interest specified in the proof of Equity Interest, if any, exceeds the amount of any corresponding Equity Interest in the Schedules of Assets and Liabilities to the extent of such excess; (ii) no corresponding Equity Interest has been scheduled in the Schedules of Assets and Liabilities; or (iii) the Equity Interest has been scheduled in the Schedules of Assets and Liabilities as contingent, disputed or unliquidated or in the amount of $0.

"Distribution" means, except as otherwise provided in the Plan, the property required by the Plan to be distributed to the holders of Allowed Claims.

"Distribution Date" means any date that a Distribution is made under the Plan.

"District Court" means the United States District Court for the District of Delaware.

"Effective Date" means the date, which shall be no later than May 5, 2016, that is the first Business Day following the Confirmation Date on which (a) the Confirmation Order is not stayed, and (b) all conditions to the effectiveness of the Plan have been satisfied or waived as provided in the Plan.

"Equity Interest" means any interest in the Debtor represented by ownership of common or preferred stock (no preferred stock or preferred equity in the Debtor has been issued, though the Debtor has the right to so issue) including, to the extent provided by applicable law, any warrant, option or other security to acquire any of the foregoing.

"Estate" means the estate created upon the filing of the Bankruptcy Case pursuant to section 541 of the Bankruptcy Code, together with all rights, claims and interests appertaining thereto.

"Estate Property" means all right, title, and interest in and to any and all property of every kind or nature owned by the Debtor or its Estate on the Effective Date as defined by 11 U.S.C. § 541.

"Exculpated Parties" means, solely to the extent of the Exculpation, each of (i) the Debtor and its existing and prior directors, officers, employees, agents, professionals, representatives, predecessors, successors, subsidiaries and affiliates; (ii) the DIP Agent, Lenders and their directors, officers, employees, agents, professionals, representatives, predecessors, successors, subsidiaries and affiliates; (iii) the members of the Committee, including their directors, officers, employees, agents, professionals, successors subsidiaries and affiliates, in their capacity as members; (iv) the members of the Ad Hoc Committee, including their directors, officers, employees, agents, professionals, subsidiaries and affiliates, in their capacity as members; (v) the Professionals retained in the Bankruptcy Case by the Debtor, Lenders, Committee and Ad Hoc Equity Committee; and any Related Parties thereto.

"Exculpation" means the exculpation provision set forth in Section 11.6 hereof.

"Executory Contracts" means executory contracts and unexpired leases as such terms are used in 11 U.S.C. § 365, including all operating leases, capital leases, and contracts to which the Debtor is a party or beneficiary on the Confirmation Date.

"Existing Common Stock" means the issued and outstanding common stock of the Debtor prior to the Effective Date.

"File or Filed" means a request for relief encompassed within a pleading or other document is Filed when and on such date as such pleading or other document is entered on the docket of the Bankruptcy Court in this Bankruptcy Case. A proof of claim is Filed when and on such date as such proof of claim is entered on the claims register in this Bankruptcy Case.

"Final Order" means an order or judgment which has not been reversed, stayed, modified, or amended and as to which the time for appeal has expired and no stay has been obtained.

"Final DIP Order" means that certain Final Order Under Sections 105, 361, 362, 363(c), 363(e), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), 364(e), And 507 Of The Bankruptcy Code And Bankruptcy Rules 2002, 4001 And 9014 (I) Authorizing Debtor To Obtain Postpetition Financing; (II) Authorizing Debtor To Use Cash Collateral; (III) Granting Adequate Protection To Prepetition Secured Lenders; And (IV) Granting Related Relief, entered on March 9, 2016 [Docket Entry No. 187].

"General Bar Date" means the deadline for filing proofs of claim established by the Bankruptcy Court as April 18, 2016.

"General Unsecured Claims" means, collectively: (i) trade claims; (ii) claims arising from the rejection of Executory Contracts; and (iii) any other Claim that is not an Administrative Claim, a DIP Loan Claim, a Secured Claim, a Priority Tax Claim, a Priority Unsecured Non-Tax Claim; a Professional Compensation Claim, or an otherwise classified Claim.

"Governmental Unit" means United States; State; Commonwealth; District; Territory; municipality; department, agency, or instrumentality of the United States (but not a United States trustee while serving as a trustee in a case under title 11 of the United States Code), a State, a Commonwealth, a District, a Territory, or a municipality; or other domestic government.

"Governmental Unit Bar Date" means July 24, 2016 at 5:00 p.m. prevailing Eastern time, the deadline for Governmental Units to File proofs of claim in the Bankruptcy Case.

"Insider" has the meaning set forth in section 101(31) of the Bankruptcy Code.

"Interest Holder" means any holder or owner of an Equity Interest.

"Lenders" means Deerfield Private Design Fund II, L.P., Deerfield Private Design International II, L.P. and Deerfield Special Situations Fund, L.P.

"Lenders' Secured Claims" means the Lenders' Allowed Claim in the amount of [$~38.3] representing the Debtor's pre-petition indebtedness owing to the Lenders under the Deerfield Facility Agreement.

"Lenders' Total Claim" means the: (i) Lenders' Secured Claims, plus (ii) the Lenders' DIP Loan Claim (but excluding Lenders' professional fees in the Budget which shall be paid as Allowed Administrative Expenses as provided in the Final DIP Order), (iii) all warrants to purchase Equity Interests in the Debtor held by the Lenders and issued in connection with the Deerfield Facility Agreement.

"Lien" means a charge against or interest in property to secure payment of a debt or performance of an obligation which has not been avoided or invalidated under any provision of the Bankruptcy Code or other applicable law.

"New Common Stock" means the new common stock of the Reorganized Debtor issued on or after the Effective Date, which shall bear a different CUSIP number than the existing Common Stock Equity Interest.

"New Investors" means the accredited investors participating in a Successful Capital Raise.

"Objection to Cure Amount" means the document filed in the Bankruptcy Court by a counterparty to an Executory Contract in the event that such counterparty disputes the Cure Amount identified in the Schedule of Assumed Contracts and Unexpired Leases.

"Ordinary Course Liability" means an Administrative Claim (other than a Professional Compensation Claim) based on liabilities incurred in the ordinary course of the Debtor's business operations.

"Person" means an individual, a corporation, a partnership, an association, a joint stock company, a joint venture, an estate, a trust, an unincorporated association or organization, a governmental unit or any agency or subdivision thereof or any other entity.

"Petition Date" means January 26, 2016, the date on which the Debtor filed its voluntary Chapter 11 petition commencing the Bankruptcy Case.

"Plan" means this Plan of Reorganization of the Debtor, as it may be amended or modified.

"Plan Documents" means, collectively, those material documents executed or to be executed in order to consummate the transactions contemplated under the Plan and which will be included in the Plan Supplement.

"Plan Supplement" means, collectively, any such documents as are referenced in this Plan to be Filed no later than April 15, 2016, including a liquidation analysis, the Reorganized Debtor's certificate of incorporation and by-laws, and any related corporate documents, attendant to Scenario A or Scenario B, as applicable.

"Post-Confirmation Service List" means the list of those parties who have notified the Reorganized Debtor in writing, at or following the Confirmation Hearing, of their desire to receive electronic notice of all pleadings filed by the Reorganized Debtor and have provided the e-mail address to which such notices shall be sent.

"Priority Unsecured Non-Tax Claim" means any Claim (other than an Administrative Claim or a Priority Tax Claim) to the extent entitled to priority in payment under section 507(a) of the Bankruptcy Code.

"Priority Tax Claim" means any Claim held by a Governmental Unit entitled to priority in payment under section 507(a)(8) of the Bankruptcy Code.

"Professional" means any professional employed in the Bankruptcy Case pursuant to sections 327, 363 or 1103 of the Bankruptcy Code or any Professional entitled to compensation pursuant to sections 327, 328, 330, 331, 503(b), or 1103 of the Bankruptcy Code.

"Professional Compensation Claim" means a claim for compensation and/or reimbursement of expenses pursuant to sections 327, 328, 330, 331, 503 or 1103 of the Bankruptcy Code relating to services to the Debtor on and after the Petition Date and prior to and including the Effective Date, and requested in accordance with the provisions of 11 U.S.C. §§ 326, 327, 328, 330, 331, 503(b) and 1103, as applicable.

"Pro Rata Share" means as to a particular holder of a particular Allowed Claim or Allowed Equity Interest, the ratio that the amount of such Allowed Claim or Allowed Equity Interest held by the holder of such Allowed Claim or Allowed Equity Interest bears to the

aggregate amount of all Allowed Claims or Allowed Equity Interests in the particular Class, category, or allocation.

"Proponent" means the Debtor, in its capacity as proponent of the Plan.

"Record Date" means March 28, 2016

"Rejection Claim Bar Date" means either (as applicable) (i) in respect to Executory Contracts rejected pursuant to a rejection notice filed pursuant to Section 8.3(b) of the Plan, the date that is thirty (30) days after the filing of such rejection notice, or (ii) as to all other rejected Executory Contracts, the date that is thirty (30) days after the Effective Date.

"Related Parties" means, with respect to any person or entity, any past or present representative, controlling person, officer, director, agent, attorney, advisor, employee, subsidiary or affiliate, shareholder, partner (general or limited), executive committee member, member, manager, equity holder, trustee, executor, predecessor in interest, successor or assign of any such person or entity.

"Released Parties" means: (i) the Debtor and its existing directors, officers, employees, agents, professionals, representatives, predecessors, successors, subsidiaries and affiliates; (ii) the Debtor's prior directors, officers, employees, agents, professionals, representatives, predecessors, successors, subsidiaries and affiliates; (iii) the DIP Agent, Lenders and their directors, officers, employees, agents, professionals, representatives, predecessors, successors, subsidiaries and affiliates; (iv) the members of the Committee in their capacities as such, including their directors, officers, employees, agents, professionals, successors subsidiaries and affiliates, in their capacity as members; (v) the members of the Ad Hoc Committee in their capacities as such, including their directors, officers, employees, agents, professionals, subsidiaries and affiliates, in their capacity as members; (vi) the Professionals retained in the Bankruptcy Case by the Debtor, Lenders, Committee and Ad Hoc Committee; and (vii) persons subject to potential Avoidance Actions (but only to the extent of such potential Avoidance Actions). **For the avoidance of doubt, and notwithstanding anything herein to the contrary, the releases granted in (ii) above, solely relating to the Debtor's prior directors, officers, and employees, and (vii) above shall not extend to any person whose Claim against or Common Stock Equity Interest in the Debtor is a Disputed Claim or Disputed Interest; provided further that there is no limitation for any indemnity for any existing or former director, officer or employee of the Debtor predicated on a claim for indemnity filed by the Debtor.**

"Releasing Parties" means: (a) the Released Parties; and (b) all holders of Claims and Equity Interests that (i) vote to accept the Plan, and (ii) do not mark its Ballot to affirmatively opt out of the third party release provided in Section 11.5 hereof; provided, that, notwithstanding anything contained herein to the contrary, in no event shall any Person or Entity that (x) does not vote to accept or reject the Plan, (y) votes to reject the Plan, or (z) appropriately marks the Ballot to opt out of the third party release provided in Section 11.5 hereof and returns such Ballot in accordance with the Solicitation Procedures Order, be a Releasing Party unless such Person or Entity provides signed documentation acceptable to the Reorganized Debtor agreeing to such third-party release no later than sixty (60) days after the Effective Date. **For**

the avoidance of doubt, and notwithstanding anything herein to the contrary, in no event shall any Person or Entity that elects to opt out of the third party release provided in Section 11.5 hereof on its Ballot and returns such Ballot as a vote on the Plan, be a Releasing Party. In addition, in no event shall any holder of an Equity Interest in the Debtor be entitled to any Distribution of any kind, including any New Common Stock of the Reorganized Debtor, unless such holder agrees to the third party release provided in Section 11.5 hereof.

"Reorganized Debtor" means the Debtor as it exists after the Effective Date.

"Rights of Action" means any and all claims, debts, demands, rights, defenses, actions, causes of action, suits, contracts, agreements, obligations, accounts, defenses, offsets, powers, privileges, licenses and franchises of any kind or character whatsoever, known or unknown, suspected or unsuspected, whether arising before, on, or after the Petition Date, in contract or in tort, at law or in equity, or under any other theory of law, of the Debtor or its Estate.

"Scenario A Allocated New Common Stock" shall have the meaning ascribed to it in Article I of the Plan.

"Scenario B Allocated New Common Stock" shall have the meaning ascribed to it in Article I of the Plan.

"Schedule of Assumed Contracts and Unexpired Leases" means the schedule identifying the Executory Contracts and Unexpired Leases to be assumed by the Reorganized Debtor under the Plan. The Schedule of Assumed Contracts and Unexpired Leases is attached as Exhibit B to the Plan.

"Schedules of Assets and Liabilities" means the Debtor's Schedules of Assets and Liabilities, as may be amended or supplemented, and filed with the Bankruptcy Court in accordance with section 521(a)(1) of the Bankruptcy Code, including as amended by the Plan or any Plan Supplement.

"Secured Claim" means a claim secured by the Debtor's assets.

"Successful Capital Raise" means the Debtor's raising of not less than $10,500,000 in funding through a private placement of common stock of the Reorganized Debtor (with up to $3,000,000 of such $10,500,000 allowable in the form of backstop irrevocable capital call commitments from creditworthy obligors in the reasonable judgment of the Lenders). Existing holders of Common Stock Equity Interests in the Debtor that are accredited investors shall have the opportunity, at the sole and absolute discretion of the Debtor, to participate in the private placement. Binding commitments for a Successful Capital Raise must be received on or before the date that is five (5) days before the Confirmation Hearing and such commitments shall be fully funded (or secured in the case of a backstop irrevocable capital call commitment) no later than the Effective Date.

"Treasury Regulations" means the regulations promulgated under the Internal Revenue Code by the Department of the Treasury of the United States.

"Unsuccessful Capital Raise" means the failure to obtain the necessary commitments for a Successful Capital Raise on or before the date that is five (5) days before the Confirmation Hearing or the failure of such commitments to be fully funded (or secured in the case of a backstop irrevocable capital call commitment) no later than the Effective Date (and in no event later than May 5, 2016).

"U.S. Trustee" means the Office of the United States Trustee for Region 3.

EXHIBIT B

Schedule of Assumed Contracts and Unexpired Leases

[To Be Provided]

Exhibit B

[To be filed]

Exhibit C

[To be filed]

Exhibit D

WAIVER AND FIRST AMENDMENT TO SENIOR SECURED, SUPER PRIORITY DEBTOR-IN-POSSESSION CREDIT AGREEMENT

WAIVER AND FIRST AMENDMENT TO SENIOR SECURED, SUPER PRIORTITY DEBTOR-IN-POSSESSION CREDIT AGREEMENT (this "Amendment"), dated as of March 9, 2016, by and among NUO THERAPEUTICS, INC. ("Borrower"), DEERFIELD MGMT, L.P. ("Agent"), DEERFIELD PRIVATE DESIGN FUND II, L.P., DEERFIELD SPECIAL SITUATIONS FUND, L.P. and DEERFIELD PRIVATE DESIGN INTERNATIONAL II, L.P. (collectively referred to as the "Lenders" and together with the Borrower and the Agent, the "Parties").

RECITALS:

A. Borrower, Agent and Lenders have entered into that certain Senior Secured, Superpriority Debtor-In-Possession Credit Agreement dated as of January 28, 2016 (as the same may be amended, modified, restated or otherwise supplemented from time to time, the "Loan Agreement").

B. Events of Default have occurred under the Loan Agreement as set forth in the notice of default (the "Default Notice") sent by Lenders and Agent to Borrower on February 23, 2016 ("Existing Events of Default").

C. Under the Loan Agreement, Lenders have advance to Borrower and Borrower has borrowed from Lenders a total principal amount of $1,500,000 in Loans, which are currently outstanding.

D. Borrower has requested Agent and Lenders waive the Existing Events of Default and amend the Loan Agreement to, among other things, reduce the total Commitment to $6,000,000 (of which $1,500,000 has already been used as of the date hereof), exclude the making of a Roll Up Loan from the permitted uses of proceeds thereunder, and provide for continued Loans to Borrower, and Agent and Lenders are willing to waive the Existing Events of Default and amend the Loan Agreement on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, the Parties agree as follows:

1. Defined Terms. Capitalized terms used herein and in the recitals hereto which are defined in the Loan Agreement or other Loan Documents, unless otherwise defined herein, shall have the meanings ascribed to them in the Loan Agreement and the other Loan Documents. The Recitals to this Amendment are incorporated herein in their entirety by this reference thereto.

2. Amendments to Loan Agreement. Upon the satisfaction of the conditions set forth in Section 3 of this Amendment (the "Effective Date"), the Loan Agreement is hereby amended as follows effective from and after the Effective Date:

a. The definition of "Case Milestones" in Section 1.1 of the Loan Agreement is hereby deleted in its entirety and the following is inserted in substitution therefor:

"Case Milestones" means (i) approval by the Bankruptcy Court of a consolidated disclosure statement and Chapter 11 Plan confirmation hearing by not later than March 28, 2016, (ii) filing of the Chapter 11 Plan and a disclosure statement acceptable to Lenders by March 18, 2016; (iii) commencement of solicitation of approval of the Chapter 11 Plan by creditors and equity holders of Borrower by no later than March 31, 2016; (iv) entry of an order of the Bankruptcy Court approving the disclosure statement and confirming the Chapter 11 Plan by no later than April 25, 2016; and (v) effective date of the Chapter 11 Plan and substantial consummation by no later than May 4,2016.

b. The definition of "Chapter 11 Plan" in Section 1.1 of the Loan Agreement is hereby deleted in its entirety and the following is inserted in substitution therefor:

"Chapter 11 Plan" means a plan of reorganization of the Borrower consistent with the Term Sheet attached as Exhibit B to the First Amendment.

c. The definition of "Commitment" in Section 1.1 of the Loan Agreement is hereby deleted in its entirety and the following is inserted in substitution therefor:

"Commitment" means the Commitment of Lenders to provide Loans in accordance with Section 2.2 in an aggregate principal amount of $6,000,000.

d. The definition of Maturity Date set forth in Section 1.1 of the Loan Agreement is hereby deleted in its entirety and the following is inserted in substitution therefor:

"Maturity Date" means the earliest of: (i) the stated maturity date, which shall be April 25, 2016 if the Chapter 11 Plan in not confirmed by that date, or May 5, 2016 if the Chapter 11 Plan is confirmed by April 25, 2016, (ii) the date on which the Bankruptcy Court enters an order confirming the Chapter 11 Plan; and (iii) the acceleration of the Loans or termination of the Commitment under this Agreement, including, without limitations, as a result of the occurrence of an Event of Default.

e. The definition of "Roll Up Loan" in Section 1.1 of the Loan Agreement is hereby deleted in its entirety.

f. Section 1.1 of the Loan Agreement is hereby amended to add the following new defined term:

"First Amendment" means the Waiver and First Amendment to Senior Secured, Super Priority Debtor-In-Possession Credit Agreement dated as of March 9, 2016 among Agent, Lenders and Borrower.

g. Section 2.1 of the Loan Agreement is hereby deleted in its entirety and the following is inserted in substitution therefor:

"The proceeds of the Loans shall be used to (i) provide for the ongoing working capital and general corporate and operating purposes of the Borrower during the pendency of the Chapter 11 Case in accordance with, and subject to, the Budget, (ii) pay fees, interest and expenses associated with the Loans and the Existing Credit Agreement, and (iii) pay the Carve-Out, including without limitation the payment of the fees of the U.S. Trustee's office, in each case, in accordance with the Budget.

h. The first full sentence of Section 2.2(b) of the Loan Agreement is hereby deleted in its entirety and the following is inserted in substitution therefor:

"Subject to satisfaction of each of the conditions set forth in Section 4.2, each Lender severally agrees to make Loans to the Borrower after the initial Loan in amounts not to exceed the Maximum Available Amount for any purpose in accordance with Section 2.1(a) no later than two (2) Business Days after receiving a Notice of Borrowing."

i. Section 4.2 of the Loan Agreement is hereby amended to delete the words "including the Roll Up Loan" where they appear therein.

j. Section 6.1(b) of the Loan Agreement is hereby amended to delete subsections (xxiii) and (xxiv) thereof in their entirety and inserting the following in substitution therefor:

"(xxiii) entry of an order by the Bankruptcy Court authorizing the sale of all or substantially all of the assets of Borrower (or Borrower seeking or supporting such sale, unless (A) such order contemplates repayment in full in Cash of the Obligations and Existing Loans upon consummation of the sale.

(xxiv) entry of an order by the Bankruptcy Court approving a plan of reorganization, other than the Chapter 11 Plan; and".

k. Upon the effectiveness of this Amendment, the Budget attached hereto as Exhibit A shall be deemed to be the Budget and Exhibit B attached hereto shall be deemed to be the Term Sheet referenced in the definition of Chapter 11 Plan.

3. Conditions Precedent. The occurrence of the Effective Date (and the effectiveness of this Amendment) is subject to the satisfaction of the following conditions precedent:

a. Amendment. The Borrower and the Lenders shall have each executed and mutually delivered this Amendment.

b. Performance; No Default. The Borrower shall have performed and complied with all agreements and conditions contained in the Loan Agreement and the other Loan Documents to be performed by or complied with by the Borrower prior to the date hereof, except as waived hereby.

c. Court Approval. The Bankruptcy court shall have entered the Final Order.

4. Waiver. Upon the Effective Date, Lenders waive the occurrence and continuation of each of the Existing Events of Default and any failure to comply with the Default Notice, provided, that such waiver shall not constitute a waiver of any other Event of Default.

5. Representations and Warranties. The Borrower hereby represents and warrants to Lenders as of the Effective Date as follows:

a. As of the Effective Date, except as expressly modified by the amendments in Section 2 above, the representations and warranties of Borrower contained in the Loan Documents are (i) in the case of representations and warranties qualified by "materiality," "Material Adverse Effect" or similar language, true and correct in all respects and (ii) in the case of all other representations and warranties, true and correct in all material respects, in each case on and as of the date hereof as if made as of the date of this Amendment, except to the extent that any such representation or warranty relates to a specific date, in which case such representation and warranty shall be true and correct in all respects or all material respects, as applicable, as of such earlier date;

b. No Event of Default exists except as waived hereby; and

c. The Borrower has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Amendment and each of the other Loan Documents to which it is a party and otherwise to carry out its obligations hereunder and thereunder. The Borrower's execution and delivery of each of this Amendment and the other Loan Documents to which it is a party and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of the Borrower, and no further corporate action is required by the Borrower, its Board of Directors or its stockholders in connection therewith other than in connection with the Required Approvals (as defined below). Each of the Amendment and the other Loan Documents to which it is a party has been (or upon delivery will have been) duly executed by the Borrower and is, or when delivered in accordance with the terms hereof, will constitute the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with their terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally the enforcement of, creditors' rights and remedies or by other equitable principles of general application. The execution, delivery and performance of this Amendment by the Borrower and the consummation of the transactions therein contemplated will not (A) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any Lien (other than Permitted Liens) upon any assets of the Borrower pursuant to, any agreement to which the Borrower is a party or by which the Borrower is bound or to which any of the assets of the Borrower is subject, (B) result in any violation of or conflict with the provisions of the Organizational Documents, (C) result in the violation of any Applicable Law or (D) result in the violation of any judgment, order, rule, regulation or decree of any Governmental Authority. No consent, approval, authorization or order of, or registration or filing with any Governmental Authority is required for the execution, delivery and performance of any of the Amendment and the other Loan Documents or for the consummation by the

Borrower of the transactions contemplated thereby except for those that have been made or obtained prior to the date of this Agreement (the "Required Approvals").

6. No Further Amendments; Ratification of Liability. Except as amended hereby, the Loan Agreement and each of the other Loan Documents shall remain unchanged and in full force and effect in accordance with their respective terms. Borrower as a debtor, grantor, pledgor, guarantor or assignor, or in any similar capacity in which it has granted Liens or acted as an accommodation party or guarantor, as the case may be, hereby ratifies, confirms and reaffirms its liabilities, its payment and performance obligations (contingent or otherwise) and its agreements under the Loan Agreement and the other Loan Documents, all as amended as of the Effective Date by this Amendment and the liens and security interests granted, created and perfected thereby. The Agent's and Lenders' agreement to the terms of this Amendment or any other amendment of the Loan Agreement or any other Loan Document shall not be deemed to establish or create a custom or course of dealing among Borrower and Lenders. This Amendment, together with the other Loan Documents, contains the entire agreement among Borrower, Agent and Lenders contemplated by this Amendment.

[Remainder of Page Intentionally Left Blank, signature page follows]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date set forth above.

BORROWER:

NUO THERAPEUTICS, INC.

By: _____
Name: David Jorden
Title: Acting CEO/CFO

LENDERS:

DEERFIELD PRIVATE DESIGN FUND II, L.P.

By: Deerfield Mgmt, L.P., its General Partner
By: J.E. Flynn Capital, LLC, its General Partner

By: _____
Name: David J. Clark
Title: Authorized Signatory

DEERFIELD SPECIAL SITUATIONS FUND, L.P.

By: Deerfield Mgmt, L.P., its General Partner
By: J.E. Flynn Capital, LLC, its General Partner

By: _____
Name: David J. Clark
Title: Authorized Signatory

DEERFIELD PRIVATE DESIGN INTERNATIONAL II, L.P.

By: Deerfield Mgmt, L.P., its General Partner
By: J.E. Flynn Capital, LLC, its General Partner

By: _____
Name: David J. Clark
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date set forth above.

BORROWER:

NUO THERAPEUTICS, INC.

By: _____
Name: _____
Title: _____

LENDERS:

DEERFIELD PRIVATE DESIGN FUND II, L.P.

By: Deerfield Mgmt, L.P., its General Partner
By: J.E. Flynn Capital, LLC, its General Partner

By: David J. Clark
Name: David J. Clark
Title: Authorized Signatory

DEERFIELD SPECIAL SITUATIONS FUND, L.P.

By: Deerfield Mgmt, L.P., its General Partner
By: J.E. Flynn Capital, LLC, its General Partner

By: David J. Clark
Name: David J. Clark
Title: Authorized Signatory

DEERFIELD PRIVATE DESIGN INTERNATIONAL II, L.P.

By: Deerfield Mgmt, L.P., its General Partner
By: J.E. Flynn Capital, LLC, its General Partner

By: David J. Clark
Name: David J. Clark
Title: Authorized Signatory

EXHIBIT A
BUDGET

See Attached

NUO THERAPEUTICS, INC.
Weekly Cash-Flow Projection
All figures in thousands of U.S. dollars

WEEKLY CASH-FLOW PROJECTION
CONSOLIDATED

Week number / *Week-ending date* / *Pre/Post-petition week*	1 3/6 Post	2 3/13 Post	3 3/20 Post	4 3/27 Post	5 4/3 Post	6 4/10 Post	7 4/17 Post	8 4/24 Post	Accrued and unpaid 4/24	8 WEEKS ENDED 4/24
Revenue										
Aurix CED	17	17	17	17	17	18	18	18	-	138
Aurix VA	17	17	17	17	17	18	18	18	-	138
Angel	44	46	79	31	35	32	95	32	-	394
All other revenue	4	4	4	4	4	4	4	4	-	31
TOTAL REVENUE	81	84	117	69	73	71	134	71	-	701
Beginning operating cash balance	655	489	371	600	514	387	425	714	2,631	655
Collections										
Aurix CED	18	18	15	19	29	16	17	28	-	159
Aurix VA	14	14	15	15	15	15	17	17	-	123
Angel	49	17	-	25	-	29	12	13	-	147
All other collections	-	-	50	-	-	-	-	-	-	50
Total collections	81	49	80	59	44	60	46	58	-	478
Operating disbursements										
Payroll and payroll taxes	-	-	128	-	134	-	118	-	105	484
Sales commissions	-	-	-	-	20	-	-	-	30	50
Employee benefits	11	11	11	11	11	10	9	9	51	134
Employee travel and entertainment	11	10	10	10	10	10	10	10	20	101
Research and development services	8	8	8	8	9	9	9	9	46	115
Inventory purchases	70	9	6	25	7	6	6	11	71	211
Outside services	3	3	3	3	3	3	3	3	14	38
Marketing expense	6	6	6	6	13	14	14	14	68	147
Reimbursement expense [1]	12	12	12	12	8	7	7	7	36	114
Investor relations	0	0	0	0	2	3	3	3	14	26
Insurances	-	-	-	-	-	-	-	-	-	-
Information technology	5	5	5	5	2	1	1	1	6	31
Supplies	4	4	4	4	4	4	4	4	20	55
Utilities	-	1	1	1	1	1	1	1	-	5
Licensing fees	1	1	1	1	1	1	1	1	3	7
Professional fees, ordinary course	-	16	13	13	13	13	13	13	53	148
Board of Directors fees	3	3	3	3	3	3	3	3	14	38
Excise taxes	7	-	7	-	7	-	7	-	14	41
All other operating disbursements	12	11	11	11	17	26	26	26	109	250
Total operating disbursements	154	100	229	114	264	111	235	115	677	1,998
OPERATING CASH FLOW	$ (72)	$ (50)	$ (149)	$ (55)	$ (220)	$ (50)	$ (189)	$ (57)	$ (677)	$ (1,520)
Non-operating disbursements										
Bank fees	5	-	-	-	5	-	-	-	5	15
Income and business taxes	3	-	25	-	3	-	-	-	28	59
Total non-operating disbursements	8	-	25	-	8	-	-	-	33	74
Bankruptcy-related disbursements										
Interest, DIP loan new money	12	-	-	-	20	-	-	-	24	57
Interest, DIP loan pre-petition roll-up	-	-	-	-	-	-	-	-	-	-
Fees, DIP loan	-	23	-	-	-	-	-	-	-	23
Professional fees, restructuring [2]	48	250	97	32	378	411	22	26	1,708	2,973
Transaction fees	-	-	-	-	-	-	-	-	-	-
Vendor deposits	25	95	-	-	-	-	-	-	(150)	(30)
Critical-vendor payments	-	200	-	-	-	-	-	-	-	200
Priority claims	-	-	-	-	-	-	-	-	-	-
KEIP/KERP	-	-	-	-	-	-	-	-	325	325
All other (sources) / uses	-	-	-	-	-	-	-	-	-	-
Total bankruptcy-related disbursements	85	568	97	32	398	411	22	26	1,907	3,547
TOTAL DISBURSEMENTS	247	667	351	146	670	522	257	141	2,617	5,619
NET CASH FLOW	$ (166)	$ (618)	$ (271)	$ (87)	$ (626)	$ (462)	$ (211)	$ (83)	$ (2,617)	$ (5,141)
DIP loan, new money										
Period	Interim	Final	Final	Final	Final	Final	Final	Final	Final	Final
Beginning balance	1,500	1,500	2,000	2,500	2,500	3,000	3,500	4,000	6,000	1,500
Add: Advances	-	500	500	-	500	500	500	2,000	-	4,500
Subtract: Repayments	-	-	-	-	-	-	-	-	-	-
Ending balance, line of credit	$ 1,500	$ 2,000	$ 2,500	$ 2,500	$ 3,000	$ 3,500	$ 4,000	$ 6,000	$ 6,000	$ 6,000
ENDING OPERATING CASH BALANCE	$ 489	$ 371	$ 600	$ 514	$ 387	$ 425	$ 714	$ 2,631	$ 14	$ 14
Working-capital balances										
Accounts receivable	1,518	1,552	1,589	1,599	1,628	1,639	1,728	1,741	1,741	1,741
Inventory	444	442	442	433	194	200	241	307	307	307
Accounts payable	376	376	374	371	368	371	402	469	469	469
DIP loan, new money	1,500	2,000	2,500	2,500	3,000	3,500	4,000	6,000	6,000	6,000

1. Reimbursement expense refers to expenses the Debtor incurs to ensure wound-care sites receive reimbursement from outside parties
2. Includes fees and expenses to Ad Hoc Equity Committee, subject to Court approval upon a motion under §503(b) of the U.S. Bankruptcy Code.

NUO THERAPEUTICS, INC.
Accrual and payment of professional fees and expenses

All figures in thousands of U.S. dollars	Week	1	2	3	4	5	6	7	8	9	10	11	12	13	Accrued and unpaid	TOTAL
	Week ending	1/31	2/7	2/14	2/21	2/28	3/6	3/13	3/20	3/27	4/3	4/10	4/17	4/24		
Beginning balance		-	488	678	897	1,131	1,239	1,398	1,373	1,481	1,735	1,548	1,329	1,513	1,783	-
Add: Accruals for Debtor professionals																
Debtor lead counsel		64	73	73	73	73	68	71	71	71	71	71	72	72	-	922
Debtor local counsel		19	19	19	19	19	20	20	20	20	20	20	30	30	-	275
CRO and additional personnel		29	48	40	53	48	37	42	32	37	22	22	26	36	-	472
Investment banker		55	-	-	-	55	-	-	-	55	-	-	-	55	-	220
Claims agent		19	14	14	14	13	13	13	13	11	11	11	11	16	-	173
U.S. Trustee		-	-	-	-	-	-	-	-	13	-	-	-	13	-	26
Subtotal accruals for Debtor professionals		186	154	145	159	208	138	146	136	207	124	124	139	222	-	2,088
Add: Accruals for DIP-lender professionals																
DIP lender lead counsel [1]		264	26	26	26	21	21	26	21	26	21	21	21	27	-	547
DIP lender local counsel [2]		38	10	5	6	6	5	10	5	10	5	5	5	10	-	120
Subtotal accruals for DIP-lender professionals		302	36	31	32	27	26	36	26	36	26	26	26	37	-	667
Add: Accruals for UCC professionals																
UCC lead counsel		-	-	43	43	43	26	26	26	26	25	25	25	20	-	328
UCC financial advisor		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal accruals for UCC professionals		-	-	43	43	43	26	26	26	26	25	25	25	20	-	328
Add: Accruals for Ad Hoc Equity Committee [3]		-	-	-	-	-	17	17	17	17	17	17	17	17	-	135
Total accruals		488	190	219	234	278	207	225	205	286	192	192	207	296	-	3,218
Subtract: Payments to Debtor professionals																
Debtor lead counsel		-	-	-	-	-	-	-	-	-	(51)	(234)	-	-	(577)	(862)
Debtor local counsel		-	-	-	-	-	-	-	-	-	(15)	(61)	-	-	(199)	(275)
CRO and additional personnel		-	-	-	-	(170)	(48)	(37)	(42)	(32)	(37)	(22)	(22)	(26)	(28)	(465)
Investment banker		-	-	-	-	-	-	-	-	-	(45)	(45)	-	-	(130)	(220)
Claims agent		-	-	-	-	-	-	(19)	(55)	-	-	(50)	-	-	(40)	(164)
U.S. Trustee		-	-	-	-	-	-	-	-	-	-	-	-	-	(26)	(26)
Subtotal payments to Debtor professionals		-	-	-	-	(170)	(48)	(56)	(97)	(32)	(149)	(411)	(22)	(26)	(1,001)	(2,013)
Subtract: Payments to DIP-lender professionals																
DIP lender lead counsel		-	-	-	-	-	-	(156)	-	-	(99)	-	-	-	(292)	(547)
DIP lender local counsel		-	-	-	-	-	-	(38)	-	-	(27)	-	-	-	(55)	(120)
Subtotal payments to DIP-lender professionals		-	-	-	-	-	-	(194)	-	-	(126)	-	-	-	(347)	(667)
Subtract: Payments to UCC professionals																
UCC lead counsel		-	-	-	-	-	-	-	-	-	(104)	-	-	-	(224)	(328)
UCC financial advisor		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal payments to UCC professionals		-	-	-	-	-	-	-	-	-	(104)	-	-	-	(224)	(328)
Subtract: Payments to Ad Hoc Equity Committee		-	-	-	-	-	-	-	-	-	-	-	-	-	(135)	(135)
Subtract: Retainers applied to Debtor-professional accruals																
Debtor lead counsel		-	-	-	-	-	-	-	-	-	-	-	-	-	(60)	(60)
Debtor local counsel		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CRO and additional personnel		-	-	-	-	-	-	-	-	-	-	-	-	-	(8)	(8)
Investment banker		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims agent		-	-	-	-	-	-	-	-	-	-	-	-	-	(9)	(9)
U.S. Trustee		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal payments to Debtor professionals		-	-	-	-	-	-	-	-	-	-	-	-	-	(76)	(76)
Total payments		-	-	-	-	(170)	(48)	(250)	(97)	(32)	(378)	(411)	(22)	(26)	(1,783)	(3,218)
ENDING BALANCE		488	678	897	1,131	1,239	1,398	1,373	1,481	1,735	1,548	1,329	1,513	1,783	(0)	0

Notes

1. Includes $213K of pre-petition fees and expenses carried forward to w/e 1/31 and paid in post-petition period
2. Includes $22K of pre-petition fees and expenses carried forward to w/e 1/31 and paid in post-petition period
3. Fees and expenses to Ad Hoc Equity Committee are subject to Court approval upon a motion under §503(b) of the U.S. Bankruptcy Code.

EXHIBIT B
TERM SHEET

See Attached

THIS TERM SHEET (THE "TERM SHEET") OUTLINES THE MATERIAL TERMS OF A PROPOSED RESTRUCTURING OF THE PREPETITION AND POST-PETITION SECURED DEBT, UNSECURED DEBT AND EQUITY INTERESTS OF NUO THERAPEUTICS, INC. (THE "DEBTOR"), THE TERMS OF WHICH WILL BE EFFECTUATED PURSUANT TO A PLAN OF REORGANIZATION (THE "PLAN"), WHICH PLAN WILL BE PROPOSED BY THE DEBTOR IN BANKRUPTCY CASE NUMBER 16-10192 (MFW), PENDING BEFORE THE HONORABLE MARY F. WALRATH IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE ("COURT").

THIS TERM SHEET IS NOT AN OFFER OR A SOLICITATION WITH RESPECT TO ANY SECURITIES OF THE DEBTOR, NOR IS IT A SOLICITATION OF THE ACCEPTANCE OR REJECTION OF A CHAPTER 11 PLAN FOR PURPOSES OF SECTIONS 1125 AND 1126 OF THE UNITED STATES BANKRUPTCY CODE ("CODE") ANY SUCH OFFER OR SOLICITATION SHALL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND /OR PROVISIONS OF THE CODE. THIS TERM SHEET DOES NOT CONSTITUTE A COMMITMENT TO PROVIDE DEBTOR-IN-POSSESSION OR EXIT FINANCING, AND ANY SUCH OBLIGATION WILL ARISE, IN ACCORDANCE WITH ITS TERM, ONLY UPON APPROVAL OF THE COURT.

CHAPTER 11 PLAN TERM SHEET

This term sheet ("Term Sheet") describes the principal terms of a chapter 11 plan ("Plan") for the estate of Nuo Therapeutics, Inc. ("Debtor") to be proposed by the Debtor with the support of Deerfield Mgmt, L.P., as DIP Agent, and the lenders, Deerfield Private Design Fund II, L.P., Deerfield Private Design International II, L.P. and Deerfield Special Situations Fund, L.P. (collectively referred to along with the DIP Agent as the "Lenders"), the Official Committee of Unsecured Creditors ("UCC") and the Ad Hoc Committee of Equity Holders (the "Ad Hoc Committee").

The terms and conditions set forth in this Term Sheet are meant to be part of a comprehensive compromise, each element of which is consideration for the other elements and an integral aspect of the proposed Plan.

I. DEFINITIONS

Capitalized terms used herein, unless otherwise defined herein, shall have the meanings provided in the Senior Secured Superpriority Debtor-in-Possession Credit Agreement dated as of January 28, 2016 ("DIP Loan Agreement") between the Debtor, on the one hand, and the DIP Agent and Lenders, on the other hand.

"Causes of Action" means any and all actions, claims, rights, defenses, third-party claims, damages, executions, demands, cross-claims, counterclaims, suits, choses in action, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payment and claims whatsoever, whether known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured and whether asserted or assertable directly, indirectly or derivatively, at law, in equity or otherwise, accruing to the Debtors or the Estate, including, but not limited to, any and all avoidance actions ("Avoidance Actions") pursuant to any applicable section of the Code, including, without limitation, sections 544, 545, 547, 548, 549, 550, 551, 553(b) and/or 724(a) of the Code, and other similar state laws such as fraudulent conveyance and preference statutes, arising from any transaction involving or concerning the Debtor or its Estate.

"Contracts" means any agreement, contract, or lease between the Debtor and a third party, as may be supplemented from time to time prior to the entry of the Plan Confirmation Order.

II. GENERAL TERMS

The Plan generally provides for the reorganization of the Debtor (and the continuation of the Debtor's corporate existence whose securities are publicly traded), and payment, on or after the effective date of the confirmed Plan ("Effective Date"), of all Administrative Expenses, Priority Tax Claims, Unsecured Priority Claims and General Unsecured Claims (each as described below). It further provides for the capitalization of a reorganized debtor ("Reorganized Debtor").

III. TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN

The Plan will classify and provide treatment for claims ("Claims") against and interests in the Debtor generally as described below.

Class Description	Summary of Class and Treatment under Plan
Allowed Administrative Expenses: (Inclusive of UST fees payable per 28 U.S.C. § 1930; and fee claims of estate professionals, the Unsecured Creditors' Committee and the Ad Hoc Committee, net of retainers; *provided, however*, that all requested professional fees and expenses incurred from the Petition Date through and including the Effective Date must be approved by the Court prior to disbursement on account of any such Claim.)	Generally: Allowed Administrative Expense Claims: Except to the extent the holder agrees to other, lesser treatment, each holder of an Allowed Administrative Claim shall be paid cash in respect of such Claim equal to the unpaid portion of such Allowed Administrative Expense Claim. The Allowed Administrative Expense Claim shall be payable within the later of: (i) ten (10) days after the Effective Date, or (ii) ten (10) days after the date on which such Claim becomes an Allowed Administrative Expense. Statutory Fees: All fees payable pursuant to 28 U.S.C. § 1930 shall be paid in cash equal to the amount of such fees when due or no later than the Effective Date. Postpetition U.S. Trustee fees and post-confirmation reports shall be paid and filed as required by 28 U.S.C. § 1930 until the Bankruptcy Case is closed, converted or dismissed, and failure to do either timely is a material default pursuant to Section 1112 of the Code. Professionals: Except to the extent the holder agrees to other, lesser treatment, all professionals or other entities requesting compensation or reimbursement of expenses pursuant to Sections 327, 328, 330, 331, 503(b) and 1102 of the Code (including any professional or entity requesting compensation for making a substantial contribution in the Bankruptcy Case), shall be paid cash, in respect of such Claim, equal to the unpaid portion of such Allowed Professional Fee and Expense Claim approved by the Court, limited to a cash amount as set forth in the Budget attached to the Final Order approving the DIP Loan Agreement; provided, however, that a Professional may seek payment above its budgeted amount if there are other non-Lender designated professional fee amounts available in the Budget

	not used by such non-Lender professionals or not otherwise allowed by the Court. In the event of a Successful Capital Raise (as defined below), the Allowed Professional Fee and Expense Claim of Gordian Group (exclusive of the monthly fee payable to Gordian in the Budget) in the amount of $400,000 (with Lender responsible for funding $100,000 of this amount) shall be paid in full in cash within ten (10) days after the Effective Date. In the event of an Unsuccessful Capital Raise (as defined below), the Allowed Professional Fee and Expense Claim of Gordian Group (exclusive of the monthly fee payable to Gordian in the Budget) shall be limited to $200,000 and funded by Lender within ten (10) days after the Effective Date to enable the Reorganized Debtor to make such payment. In the event of a Successful Capital Raise, Debtor Professionals may seek payment of unpaid professional fees in excess of the amounts set forth in the Budget from the proceeds of such Successful Capital Raise, in the amount no greater than $150,000 in the aggregate for all such Debtor Professionals. Ad Hoc Committee: Fees and expenses of the Ad Hoc Committee and its professionals shall be deemed Allowed Administrative Expenses under Code sections 503(b)(3)(D) and 503(b)(4), subject to Court approval, and their method and amount of payment shall depend on whether the Capital Raise is successful: (a) In the event of a Successful Capital Raise, the fees and expenses of the Ad Hoc Committee and its professionals shall be paid in full following approval by the Court as follows: (i) out-of-pocket expenses of the Ad Hoc Committee members and its professionals shall be paid in cash; (ii) approved hourly fees of the Ad Hoc Committee's professionals shall be paid through a combination of cash and the issuance of common stock of the Reorganized Debtor at the same per share price paid in the Capital Raise (plus a gross-up cash allowance for taxes payable on account of any equity issued), with the cash portion of such approved fee award paid at a maximum rate of $425 per hour and the remaining portion of such fee award paid in common stock of the Reorganized Debtor. (b) In the event of an Unsuccessful Capital Raise, the allowed fees and expenses of the Ad Hoc Committee and its professionals shall be paid following approval by the Court, but limited to a cash amount as set forth in the Budget attached to the Final Order approving the DIP Loan Agreement. The payment of an allowed Administrative Expense Claim

	shall be in full satisfaction, settlement release and discharge of, and in exchange for such Allowed Administrative Expense Claim. Estimated Percentage Recovery: 100%
Allowed Priority Tax Claims: **(Approximately $30,000.)**	Except to the extent the holder agrees to other, lesser treatment, each holder of an Allowed Priority Tax Claim shall be paid in cash, in respect of such Claim, equal to the unpaid portion of such Allowed Priority Tax Claim by the later of ten (10) days after (i) the Effective Date, (ii) the date on which such Claim becomes an Allowed Priority Tax Claim; or (iii) as otherwise provided under the Code. To the extent the holder of an Allowed Priority Tax Claim holds a lien to secure its claim under applicable state law, the holder of such Claim shall retain its lien until its Allowed Priority Tax Claim has been paid in full. The payment of an Allowed Priority Tax Claim shall be in full satisfaction, settlement, release and discharge of, and in exchange for such Claim. Estimated Percentage Recovery: 100%
Allowed Class 1 Unsecured Priority Claims: **(Approximately $150,000 - $250,000.)**	Except to the extent the holder agrees to other, lesser treatment, each holder of an Allowed Unsecured Priority Claim shall be paid in cash, in respect of such Claim, equal to the unpaid portion of such Allowed Unsecured Priority Claim within ten (10) days after (i) the Effective Date, or (ii) the date on which such Claim becomes an Allowed Unsecured Priority Claim. Class 1 Claims will be unimpaired and will not be entitled to vote on the Plan. The payment of an Allowed Unsecured Priority Claim shall be in full satisfaction, settlement, release and discharge of, and in exchange for such Claim. Estimated Percentage Recovery: 100%
Allowed Class 2 General Unsecured Claims: **(Approximately $2,000,000.)**	Within ten (10) days after (i) the Effective Date, or (ii) the date on which such Claim becomes an Allowed General Unsecured Claim, each holder of an Allowed General Unsecured Claim shall be paid as follows: (a) In the event of an Unsuccessful Capital Raise, the lesser of (i) an amount necessary to pay such Allowed Claim in full without post-petition interest or (ii) a pro rata share of a cash fund in an amount not to exceed $2,000,000; (b) In the event of a Successful Capital Raise: (i) if total Allowed Unsecured Claims are less than $2,000,000, an amount necessary to pay such Allowed Claim in full without post-petition interest;

	(ii) if total Allowed Unsecured Claims are between $2,000,000 and $3,000,000, a pro rata share of a cash fund in an amount not to exceed $2,250,000; (iii) if total Allowed Unsecured Claims are between $3,000,001 and $4,000,000, a pro rata share of a cash fund in an amount not to exceed $2,500,000; (iv) if total Allowed Unsecured Claims are greater than $4,000,001, a pro rata share of a cash fund in an amount not to exceed $2,750,000. Unsecured Creditor Oversight Committee: Promptly upon approval of the Final DIP financing order, the Debtor shall seek approval of a Motion Establishing A General Bar Date, Administrative Bar Date and Governmental Bar Date. To the extent the amount of the General Unsecured Claims filed against the Debtor's estate exceeds $2.25 million, the Debtor shall fund and pay for the costs and expenses of an Unsecured Creditor Oversight Committee, not to exceed $125,000, which Committee shall have the right to: (i) review and reconcile all General Unsecured Claims filed against the Debtor's estate; and (ii) object to the allowance of any General Unsecured Claim asserted against the Debtor's estate. The Unsecured Creditor Oversight Committee shall consist of one representative from the Reorganized Debtor and two (2) representatives appointed by the UCC. In the event that total allowed General Unsecured Claims are reduced below $2.25 million, due to successful objections or otherwise, then the Unsecured Creditor Oversight Committee shall immediately be disbanded, and only reasonable costs and expenses incurred to that point shall be permitted. The payment of an Allowed General Unsecured Claim as set forth above shall be in full satisfaction, settlement, release and discharge of, and in exchange for such Claim Estimated Percentage Recovery: ~100%
Allowed Class 3 Common Stock Equity Interests:	Scenario A: Prior to the Effective Date, Debtor shall seek to raise not less than $10,500,000 in funding, which amount shall be available, along with proceeds of the DIP Loan Agreement (consistent with the Budget), to pay all amounts owing by the Debtor under the Plan (with up to $3,000,000 of such $10,500,000 allowable in the form of backstop irrevocable capital call commitments from creditworthy obligors in the reasonable judgment of the Lenders), through a private placement of common stock of the Reorganized Debtor (the "Successful Capital Raise"). Existing holders of common stock of the Debtor that are accredited investors shall have the opportunity, at the sole and absolute discretion of the Debtor, to participate in the

	private placement. Binding commitments for a Successful Capital Raise must be received on or before the date that is five (5) days before the confirmation hearing and such commitments shall be fully funded (or secured in the case of a backstop commitment) no later than the Effective Date. If the Successful Capital Raise has been completed, existing holders of common stock in the Debtor will receive a percentage of the Reorganized Debtor's common stock under the Plan on account of their existing common stock equity interests which percentage shall be set forth in the Disclosure Statement. Scenario B: If the Successful Capital Raise is not timely committed to and fully funded (i.e., the entire $10,500,000 funding including up to $3 million of backstop irrevocable capital call commitments) (an "Unsuccessful Capital Raise"), Lenders will receive 95% of the common equity of the Reorganized Debtor on the Effective Date in exchange for a portion of their Allowed Secured Claims and existing equity holders will own 5% of the common equity interests in the Reorganized Debtor on the Effective Date. Equity Interests are impaired. The distribution or retention of the common equity interests in the Reorganized Debtor to or by holders of Allowed Equity Interests shall be in full satisfaction, settlement, release and discharge of, and in exchange for such Equity Interests.
Allowed Secured Class 4 Claims of Lenders: **(Approximately $38.3 million.)**	Lenders shall have an allowed secured claim in the full amount of their pre-petition indebtedness. In full satisfaction of the Lenders secured claims under their prepetition facility and their secured administrative expenses under the DIP Loan Agreement ("Lenders' Secured Claims"), Lenders will receive the following: In all events, whether under Scenario A or Scenario B below, on the Effective Date, and in exchange for $15 million of Lenders' Secured Claims, Lenders will receive an assignment of all of Debtor's rights, title and interest in the existing license agreement with Arthrex, Inc., all associated intellectual property owned by Debtor and licensed thereunder and all royalty and payment rights thereunder. The Debtor will enter into a transition services agreement with the Lenders as they may reasonably require in respect thereof. Scenario A (Successful Capital Raise): On the Effective Date, in exchange for the balance of Lenders' Secured Claim, which shall include the amount funded by Lenders for the payment of Gordian, Lenders will receive non-convertible, no dividend, preferred equity interests in the Reorganized Debtor in the amount of such balance (estimated to be approximately $29.3 million), which shall

	have a liquidation preference senior to all other equity interests and such other customary terms acceptable to the Debtor and Lenders (the "Preferred Equity"), and Lenders shall receive no common stock or other equity interest. Scenario B (Unsuccessful Capital Raise): On the Effective Date, in exchange for such balance, the Lenders will receive an amount of common stock of the Reorganized Debtor such that Lenders will own 95% of the total common equity of the Reorganized Debtor and existing equity holders will receive or retain 5% of the common equity of the Reorganized Debtor. The distributions to the holders of the Allowed Lenders' Secured Claims shall be in full satisfaction, settlement release and discharge of, and in exchange for such Allowed Lenders' Secured Claims.
Class 5 - Other Allowed Secured Claims: **(Approximately $_____)**	Claims of creditors holding perfected and unavoidable first priority liens on specific items of collateral by virtue of a purchase money security interest or financing lease will, in full and final satisfaction of such allowed Other Secured Claim be treated in a manner to leave them unimpaired under section 1124 of the Code.
Class 6 – Other Equity Interests:	Class 6 consists of all ownership interests in the Debtor, except for Allowed Class 3 Common Stock Equity Interests, evidenced by any share certificate or other instrument, whether or not transferable or denominated "stock" (including, without limitation, interests denominated as common stock or preferred stock), or similar security, and any warrant or right (including a right to convert) to purchase or subscribe to any such ownership interest. Class 6 includes all Allowed Claims arising under section 510(b) of the Code, all Allowed Claims arising from the rejection of agreements granting such Class 6 Other Equity Interests (to the extent, if any, that they constitute executory contracts), and any Allowed Claims based on indemnification rights. Holders of Allowed Class 6 Other Equity Interests shall receive or retain no property or distributions on account of such Allowed Claims or Allowed Equity Interests. The Debtor is not soliciting the votes of Class 6 and shall seek confirmation of the Plan with respect to Class 6 under Code section 1129(b).

IV. ADDITIONAL PROVISIONS OF THE PLAN

Conditions Precedent to Plan Effective Date	The Plan shall contain conditions to the effectiveness of the Plan customary for chapter 11 plans of reorganization of this type, including: (a) the disclosure statement ("Disclosure Statement") with respect to the Plan shall be in form and substance reasonably satisfactory to the Debtor, Lenders, UCC and Ad Hoc Committee (collectively, the "Parties"), to the extent permitted by the Court; and (b) an order confirming the Plan ("Plan Confirmation Order"), in form and substance reasonably satisfactory to the Parties, shall have been entered by the Court and shall not be subject to a stay.
Rejection of Contracts and Unexpired Leases	The Plan shall provide that all Contracts and unexpired leases which qualify as "executory contracts" under section 365 of the Code shall be either assumed or rejected in accordance with Section 365, as determined by Debtor and Lenders in Scenario A (Successful Capital Raise) or by the Lenders in Scenario B (Unsuccessful Capital Raise) on or before the Effective Date. Any allowed rejection damages claims arising from such rejection of executory contracts and unexpired leases will be treated and paid as Allowed General Unsecured Claims.
Obligations of Reorganized Debtor	Scenario A (Successful Capital Raise): The Reorganized Debtor shall have three or five board members. The Debtor will select (i) executive officers for the Reorganized Debtor and (ii) depending on whether the Reorganized Debtor has three or five board members, two or four board members of such board. Lenders will have sole discretion to select one of the board members, regardless of whether the Reorganized Debtor has three or five board members. David Jorden shall be designated by the Debtor as Chief Executive Officer of the Reorganized Debtor. Scenario B (Unsuccessful Capital Raise): The Lender will have sole discretion to select all board members and executive officers of the Reorganized Debtor. The identities of the proposed members of the Reorganized Debtor's board and the proposed executive officers of the Reorganized Debtor under Scenario A and Scenario B shall be disclosed in sufficient time to satisfy the disclosure obligations in section 1129(a)(5). All existing members of the Debtor's board of directors shall resign as of the Effective Date and be replaced by the newly selected members. The Debtor shall disclose the identity of any insider that will be employed or retained by

	the Reorganized Debtor, and the nature of any compensation for such insider in sufficient time to satisfy the disclosure obligations in section 1129(a)(5). In Scenario A, the Reorganized Debtor will not be entitled to make any dividends or distributions to common equity holders while the Preferred Equity to be issued to the Lenders is outstanding or incur any debt, other than ordinary course indebtedness attendant to its business purpose and other debt solely for working capital in an aggregate amount not to exceed $3,000,000. In either Scenario A or B, the Reorganized Debtor, among other things, may (a) sell, lease, license, and/or dispose of any of the assets in the ordinary course of business (other than the Causes of Action); (b) institute, prosecute, settle, compromise, abandon or release all Causes of Action (except that Avoidance Actions will be released); (c) prosecute objections to claims filed against the Debtors; (d) make distributions to the holders of allowed Claims in accordance with the Plan; (e) perform administrative services related to the implementation of the Plan; and (f) employ attorneys and other professionals, to assist in fulfilling the Reorganized Debtor's obligations under the Plan and Code. The Reorganized Debtor shall have a President and any such other officers as the board of directors may determine. The President may be a board member. The President's compensation shall be negotiated by the President and the board, but the Debtor shall make such timely disclosure as is required by section 1129(a)(5).
Claims Resolution Process	The Reorganized Debtor and the Unsecured Creditor Oversight Committee (to the extent created) shall examine all Claims and will have the right, authority, power and discretion to: (i) file objections to the allowance, priority and classification of all Claims; (ii) litigate to judgment, settle or withdraw objections to Claims without any notice or approval of any other party or the Court; and (iii) request that the Court estimate any claim pursuant to 11 U.S.C. § 502(c). The deadline to file objections to Claims shall be sixty (60) days after the Effective Date, which date may be extended by the Reorganized Debtor with order of the Court.
Releases	The Plan will provide, to the fullest extent permitted by law, for releases, exculpations and waivers of claims and Causes of Action, in favor of: (i) the Debtor and its existing and prior directors, officers, employees, agents, professionals, representatives, predecessors, successors,

	subsidiaries and affiliates; (ii) the DIP Agent, Lenders and their directors, officers, employees, agents, professionals, representatives, predecessors, successors, subsidiaries and affiliates; (iii) the members of the UCC, including their directors, officers, employees, agents, professionals, successors subsidiaries and affiliates, in their capacity as members; (iv) the members of the Ad Hoc Committee, including their directors, officers, employees, agents , professionals, subsidiaries and affiliates, in their capacity as members; (v) the professionals retained in the Bankruptcy Case by the Parties; and (vi) persons subject to potential Avoidance Actions. The releases granted in (i) and (vi) above shall not extend to any person whose claim against or equity interest in the Debtor is disputed by any of the Parties.
Governing Law	Except to the extent that the Code or other provisions of federal law are applicable, the rights and obligations arising under the Plan and any documents, agreements and instruments executed in connection with the Plan (except to the extent such documents, agreements and instruments designate otherwise) shall be governed by, and construed and enforced in accordance with, the internal laws of the State of Delaware (without reference to such state's law governing choice of law or forum).
Documentation:	All documentation relating to the Plan, the Disclosure Statement, supplements thereto and motion papers and pleadings in support of the foregoing will be in form and substance satisfactory to the Parties
Jurisdiction	The Court shall retain jurisdiction over the Reorganized Debtor following the Effective Date.
Milestones	Request for final approval by the Court of (i) a DIP Loan Agreement and (ii) approval of a process for a consolidated Disclosure Statement and Plan confirmation hearing by March __, 2016. Filing of a Plan and Disclosure Statement, consistent in all material respects with this Term Sheet and acceptable to the Parties by March __, 2016; mailing/solicitation of the Plan and related documents to creditors and equity holders the Parties by no later than March __, 2016. Entry of an order of the Court approving the Disclosure Statement and confirming the Plan by no later than April 25, 2016. Effective Date and substantial consummation by no later than May 4, 2016.
Agreement of Debtor, Lenders, UCC, Ad Hoc Equity Committee	The Debtor, Lenders, UCC and the Ad Hoc Equity Committee will state their agreement to the Term Sheet on

	the record of the hearing scheduled for March 9, 2016 and such statement will bind the Parties to the fullest extent permitted by law and will constitute their agreement not to support any alternative plan without the consent of Lenders except, with respect to the Debtor and UCC, such agreement will be subject to their fiduciary duties. In the event that the Debtor and/or UCC are required by their fiduciary duties to support a proposal for an alternative plan, such proposal for an alternative plan shall provide for a third party to provide DIP financing immediately upon acceptance of such proposal which DIP financing is in an amount sufficient to fund the Debtor and to immediately pay the obligations under Lenders' DIP Loan Agreement in full in cash.

Exhibit E

[To be filed]

Exhibit F

[To be filed]

Exhibit G

[To be filed]