UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF ALABAMA
NORTHERN DIVISION (SELMA)

In Re:	*	
	*	
PERRY UNIONTOWN VENTURES I, LLC	*	CASE NO. 10-00276
	*	
and	*	
	*	CASE NO. 10-00277
PERRY COUNTY ASSOCIATES, LLC,	*	
	*	(Jointly Administered)
Debtors.	*	

DISCLOSURE STATEMENT

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Dated: August 20, 2010

229140

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I. INTRODUCTION.

A. Definitions and Exhibits.

1. Definitions.

Unless otherwise defined herein, capitalized terms used in this Disclosure Statement will have the meanings ascribed to such terms in the Plan.

2. Exhibits.

All exhibits to this Disclosure Statement are incorporated herein as if fully set forth in this Disclosure Statement.

B. Notice to Creditors.

1. Scope of Plan.

A plan of reorganization provides the manner in which debtors will satisfy the claims of their creditors. After the plan has been filed, the holders of claims against, or interests in, debtors are permitted to vote on whether to accept or reject the plan. Chapter 11 does not require that each holder of a claim against, or interest in, debtors vote in favor of a plan in order for confirmation of the plan. At a minimum, however, a plan must be accepted by a majority in number and two-thirds in amount of those claims actually voting from at least one class of claims impaired under the plan.

Classes of claims or interests that are not "impaired" under a plan of reorganization are conclusively presumed to have accepted the plan, and therefore are not entitled to vote. A class is "impaired" if the plan modifies the legal, equitable or contractual rights attaching to the claims or interests of that class. Modification for purposes of impairment does not include curing defaults and reinstating maturity or payment in full in cash. Classes of claims or interests that receive or retain no property under a plan of reorganization are conclusively presumed to have rejected the plan, and therefore not entitled to vote.

Even if all classes of claims and interests accept a plan of reorganization the Bankruptcy Court may nonetheless still deny confirmation. Bankruptcy Code section 1129 sets forth the requirements for confirmation and, among other things, requires that a plan be in the "best interests" of impaired and dissenting creditors and interest holders and that the plan be feasible. The "best interests" test generally requires that the value of the consideration distributed to impaired and dissenting creditors and interest holders under a plan may not be less than those parties would receive if the debtors were liquidated under a hypothetical liquidation occurring under Chapter 7 of the Bankruptcy Code.

The Bankruptcy Court may confirm a plan of reorganization or liquidation even though fewer than all of the classes of impaired claims and interests accept it. The Court may do so under the "cramdown" provisions of Bankruptcy Code section 1129(b). In order for a plan to be confirmed under the cramdown provisions, despite the rejection of a class of impaired claims or

interests, the proponent of the plan must show, among other things, that the plan does not discriminate unfairly and that it is fair and equitable with respect to each impaired class of claims or interests that has not accepted the plan.

The Bankruptcy Court must further find that the economic terms of the particular plan meet the specific requirements of Bankruptcy Code section 1129(b) with respect to the subject objecting class. If the proponent of the plan proposes to seek confirmation of the plan under the provisions of Bankruptcy Code section 1129(b), the proponent must also meet all applicable requirements of Bankruptcy Code section 1129(a) (except section 1129(a)(8)). Those requirements include the requirements that (i) the plan comply with applicable Bankruptcy Code provisions and other applicable law, (ii) that the plan be proposed in good faith, and (iii) that at least one impaired class of creditors or interest holders has voted to accept the plan.

2. Purpose of Disclosure Statement.

The purpose of the Disclosure Statement is to set forth information that (i) summarizes the Plan and alternatives to the Plan, (ii) advises holders of Claims and Interests of their rights under the Plan, (iii) assists creditors entitled to vote in making informed decisions as to whether they should vote to accept or reject the Plan, and (iv) assists the Bankruptcy Court in determining whether the Plan complies with the provisions of chapter 11 of the Bankruptcy Code and should be confirmed.

By order dated [*], the Court approved this Disclosure Statement, finding that it contains "adequate information," as that term is used in section 1125(a)(1) of the Bankruptcy Code to inform those holders of Claims and Interests of their treatment under the Plan and the basis for this treatment. However, the Bankruptcy Court has not passed on the merits of the Plan. Creditors should carefully read the Disclosure Statement, in its entirety, before voting on the Plan.

PLEASE READ THE DISCLOSURE STATEMENT, INCLUDING THE PLAN, IN ITS ENTIRETY. THE DISCLOSURE STATEMENT SUMMARIZES THE TERMS OF THE PLAN, BUT THE PLAN ITSELF GOVERNS, AND IN THE EVENT OF ANY INCONSISTENCY BETWEEN THE PLAN AND THE DISCLOSURE STATEMENT, THE TERMS OF THE PLAN WILL CONTROL.

C. Disclosure Statement Enclosures.

Accompanying the Disclosure Statement are the following enclosures:

1. Disclosure Statement Approval Order.

A copy of the order of the Court, dated [*] approving the Disclosure Statement and, among other things, establishing procedures for voting on the Plan and scheduling the hearing to consider, and the deadline for objecting to, confirmation of the Plan (the "Disclosure Statement Order").

2. Notice of Confirmation Hearing.

A copy of the notice of the deadline for submitting ballots to accept or reject the Plan and, among other things, the date, time and place of the Confirmation Hearing and the deadline for filing objections to confirmation of the Plan (the "Confirmation Hearing Notice").

3. Ballots.

A ballot (and return envelope) for voting to accept or reject the Plan, unless you are not entitled to vote because you (i) receive no distribution under the Plan and are deemed to reject the Plan or (ii) are not impaired under the Plan and are deemed to accept the Plan. See Section VI below for an explanation of which parties in interest are entitled to vote.

D. Deadlines for Voting and Timing of Confirmation.

The hearing to confirm the Plan will be held on [*] at [*], in the Bankruptcy Court located in Courtroom [*] of _____, or such later date as the Court's calendar may permit. All Creditors are entitled to attend.

As is further explained in Section XIII below, the holders of Claims and Interests entitled to vote on the Plan must return Ballots on or before the Voting Deadline of [*] (the "Voting Deadline"). The Debtors urge every Creditor to carefully review the Plan and Disclosure Statement, including all exhibits, prior to completing and returning the ballots. The description of the Plan in this Disclosure Statement is only a summary, so the Plan should be carefully reviewed. All of the capitalized terms used in this Disclosure Statement are defined in the Plan (beginning on the first page of the Plan) or defined in this Disclosure Statement. If any discrepancy exists between the terms of the Plan and their description in this Disclosure Statement, the terms of the Plan shall control.

Please note that the information contained in this Disclosure Statement (including the exhibits) is based upon a review of the Debtors' records and business and affairs and information provided by the Debtors' former employees, and such information has not been subject to audit or independent review.

E. Inquiries.

If you have any questions about the packet of materials that you have received, please contact [*] during normal business hours.

II. HISTORY OF THE DEBTOR.

Perry Uniontown Ventures I, LLC ("PUV") was formed in 2006 to purchase the land that was to be used for the Arrowhead Landfill. Perry County Associates, LLC ("PCA") is a wholly-owned subsidiary of PUV formed in 1999 for the purpose of obtaining and holding permits for the operations of Arrowhead Landfill.

A. Legal Structure of the Debtor.

The Arrowhead Landfill is a permitted 977 acre Subtitle D Solid Waste Disposal Facility landfill located in Perry County, Alabama. The ADEM permit (the "Permit") was originally issued on July 6, 2006 and subsequently modified and reissued five times, with the last issuance on August 9, 2010. There are 368 additional acres outside of the permit area including a railroad facility. PCA is the permittee under ADEM Permit #53-03, and under various NDPES permits and Army Corps of Engineers ("ACOE") permits.

B. The Arrowhead Landfill.

The Permits collectively allow the Arrowhead Landfill to receive a maximum average daily intake of 15,000 tons of municipal solid waste ("MSW"), construction and demolition waste ("C&D"), fly ash ("Fly Ash"), and other various wastes from every state east of the Mississippi River, and from states bordering the west side of the Mississippi River and Texas. Maximum total volume capacity, as currently designed and permitted, is 26.7 million cubic yards covering 256 acres of actual disposal area.

In accordance with PUV's original business plan, the Arrowhead Landfill site was to be designed in a two-step process. Step one was the design necessary to comply with ADEM's minimum regulatory standards for the submission and approval of Subtitle D MSW landfills. This design was approved and permitted by ADEM in July 2006. Step two was the redesign of the Arrowhead Landfill to maximize the configuration of the landfill volume within the site's boundaries and purchase of an additional 228 acres of adjacent land to control access to Norfolk Southern and obtained an option on an additional 1,181 acres for further potential expansion of the facility. The ACOE and ADEM have issued a draft #404 wetlands disturbance permit which will allow the Facility's current volume to double to 58.3 million cubic yards.

Construction of the facility was done in stages. The initial construction included 50% of the Tract 1 area. Construction commenced on the site in January 2007 and completed October 15, 2007. Final cells (lined disposal bays) were completed by early 2010. The next stage of construction will be the construction of a portion of Tract 3. Mass excavation for the project has already began as the area is utilized as a Track 1 borrow pit.

C. The Indenture.

To finance the construction and initial operation of the Project, PUV issued its Solid Waste Landfill Notes, Series 2007 (the "Notes") under that certain Trust Indenture dated September 6, 2007, between Perry Uniontown Ventures I, LLC as Issuer and U.S. Bank National Association as Indenture Trustee (the "Trust Indenture"). The Notes were purchased by Ensign Peak and Met Life – who remain the holders and are joint proponents of the Plan.

All of the proceeds from the sale of the Notes were used to: (i) repay interim financing; (ii) fund construction and equipping of the initial cells contained in Tract 1 and three rail spurs; (iii) fund the Capitalized Interest Fund equal to 100% of the interest due on the Notes through July 1, 2008; (iv) fund a Debt Service Reserve Fund for the Notes equal to the Maximum Annual Interest due on the Notes; (v) fund a Financial Assurance deposit for Tract 1 of the Project

pursuant to ADEM regulations; and (vi) pay all costs of issuance associated with the issuance of the Notes. (See Sources & Uses of Funds.)

D. Relationship with P&J and Phill-Con.

On August 30, 2007, PUV entered into that certain PCA Landfill Operations Agreement (the "Operations Agreement") with Phillips and Jordan, Inc., a North Carolina corporation ("P&J"). The Operations Agreement was attached to and made a part of the Trust Indenture. P&J subsequently assigned the Operations Agreement to its wholly-owned subsidiary, Phill-Con Services, LLC, ("Phill-Con" or "PCS"). Thereafter, the parties exchanged a number of letter agreements (including those certain letters dated March 13, 2009, March 22, 2009, April 30, 2009, May 22, 2009 and July 6, 2009) purporting to amend the operating terms between the parties. The Indenture Trustee was not a signatory to the various letter agreements, and neither consented to nor ratified them.

E. Initial Financial Performance of the Landfill.

PUV's initial business plan - to attract MSW from the Northeast portion of the US - proved unsuccessful due to market conditions, the trading of assets by the three major US waste companies, and the subsequent competition for market share by those purchasing NE assets. By the time construction on the site allowed waste by rail deliveries in July 2008, the anticipated revenue from the rail long haul delivery had not materialized. This cash flow problem was exacerbated by a failure of Palm Beach Multi-Strategy Fund, L.P. to advance up to $15,000,000 of subordinated debt, as promised.

To address the cash flow problems, the landfill operators, first P&J and then Phill-Con, advanced construction costs to permit the initial stage of development to be completed. In total, P&J advanced construction costs of $4,018,658.81 and Phill-Con advanced operating expenses of $2,675,439.70.

F. Kingston Fly Ash Spill.

On December 22, 2008, earthen dikes containing the "ash ponds"[1] at the Tennessee Valley Authority's ("TVA") Kingston Fossil Plant suddenly collapsed, and an estimated 5.9 million cubic yards of wet coal ash flooded the surrounding area. The Kingston Fossil plant was located in Harriman, Roane County, Tennessee, on a peninsula formed by the confluence of the Emory and Clinch Rivers, and much of the coal ash spilled into the Emory River, which was of great significance to the surrounding area. Immediate remedial action was required.

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[1] Coal ash ponds located onsite at coal-fired power plants remain the principal vehicle for the disposal of coal ash (especially fly ash) by power producers like TVA. These "ponds" are created by the construction of raised earthen ring dikes or embankments that enclose the proposed disposal area. Wet coal ash slurry is then deposited within the pond, as needed, with the expectation that the water will ultimately drain or evaporate from the pond. The drainage from such ponds (the "leachate") was, until the Kingston spill, the principal problem with this method of disposal.

Coal ash is the by-product of the combustion of coal. Coal fired power plants like the Kingston Fossil plant generate considerable amounts of that ash, which is composed of the non-combustible matter in coal as well as the inevitable residue from the incomplete combustion of coal.

The ash spill at TVA's Kingston plant was an important event in the Debtors' history for at least three reasons. First, TVA's need to dispose of the Kingston ash created a very significant short term business opportunity for the Arrowhead landfill. Second, despite the financial and other controversies that arose between the Debtors, on the one hand, and P&J and Phill-Con as operators of the landfill, on the other hand, the Arrowhead Landfill was able to use the Kingston ash disposal project to establish itself as a high-quality operation. Third, the Kingston spill drew the EPA's attention to the need for closer regulation of the disposal of coal ash, and to the environmental superiority of dry ash disposal in environmentally-sensitive landfills like the Arrowhead Landfill.

While the implications of EPA's tentative turn away from wet coal ash disposal in onsite ash ponds, and toward dry landfill disposal, are not fully drawn, the long term business opportunities for the Arrowhead Landfill have been enhanced as a result.

G. TVA Contract.

In the spring of 2009, TVA issued a series of Requests for Proposals ("RFPs") for the clean-up and disposal of coal ash related to the spill at TVA's Kingston-Fossil coal plant in Roane County, Tennessee. Pursuant to these RFPs, P&J entered into negotiations with the TVA for contracts related to the handling, hauling and disposal of the waste in the Arrowhead Landfill. Effective September 1, 2009, P&J was awarded a contract for Phase 1 of the project (the "TVA Contract").

Phase 1 of the TVA Contract called for the disposal of 3.0 million tons of fly ash in the Arrowhead Landfill. Through the efforts of P&J and the Debtors, the TVA subsequently extended the TVA Contract to encompass 1 million tons of additional tonnage to the Arrowhead Landfill, with the probability of more tonnage later, from ongoing operations at Kingston.

The financial consequences of the TVA Contract to the Debtors were significant. During the bankruptcy proceeding alone, giving full effect to the set-offs by P&J on the Past Due Construction debt and Phill-Con on the Past Due Operational Debt, the Debtors will have been able to pay the $2,490,500 January 1, 2010 and $2,490,500 July 1, 2010 Note payments (as well as be in position to pay the January 1, 2011 and July 1, 2011 payment when due).

H. The Operational Performance of the Arrowhead Landfill.

The Arrowhead Landfill is, by design and construction, a very large (and readily expandable) state-of-the-art facility. However, in its early days of operation, its capabilities were not tested by the relatively small amount of municipal solid waste that was being deposited there.

That situation changed with the Kingston ash spill and the TVA engagement, and with the subsequent disposal of millions of tons of Kingston ash in the Arrowhead Landfill. As a

result of the Kingston ash project, Arrowhead and its operators clearly demonstrated that the landfill could effectively handle very large volumes of rail-delivered waste. More importantly, Arrowhead Landfill proved to the TVA, EPA, ADEM and other organizations[2] that Arrowhead could handle such waste in an environmentally responsible and safe manner, and that it could be a major resource for these agencies in the future.

It is a tribute to the Arrowhead Landfill and its operators that it has maintained its high standards of safe and responsible environmental management not only before this bankruptcy was filed, but during the bankruptcy proceedings, as well.

I. Events Leading to the Bankruptcy Filing.

In December of 2009, P&J and Phill-Con took the position that past due construction and operating obligations (including operating obligations unrelated to the Arrowhead Landfill) could be off-set against monies due PUV pursuant to the TVA Contract, and thereafter actually did off-set such PUV monies. Without this income, PUV was unable to make its semi-annual Note payment to the Indenture Trustee.

J. The Bankruptcy Filing.

On January 26, 2010 (the "Petition Date"), PUV and its subsidiary, PCA, filed Voluntary Petitions for Relief under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. § 101, *et seq.*, with this Court.

III. SIGNIFICANT EVENTS DURING THE CHAPTER 11 CASE.

A. Joint Administration.

Simultaneously with the filing of the bankruptcy petitions, PUV filed a Motion for Joint Administration of those Debtors' cases (the "Joint Administration Motion). The Bankruptcy Court approved the Joint Administration Motion and the Debtors' cases are jointly administered under Case No. 10-00276-MAM-11. Since the Petition Date, the Debtors have continued to operate their business and manage their property as debtors in possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

B. Retention of Professionals.

The Debtors have retained the law firms of Diamond McCarthy, LLP. and Helmsing, Leach, Herlong, Newman & Rouse, P.C. to assist them in their Chapter 11 proceedings. They have also retained the investment banking firm of Grayhorse Capital Partners to assist them in this

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[2] Throughout the relevant period, ADEM has regularly monitored the Arrowhead landfill for compliance with the applicable air and water laws. The EPA and the TVA have also visited and inspected the site on an occasional basis, as part of their overall supervision of the Kingston recovery project. The landfill has complied with all relevant laws at all times, and has been praised by all of the agencies involved for that compliance.

bankruptcy and the Financing Event. Other professionals have been retained to assist with specific tasks.

C. Schedules of Assets and Liabilities, Statement of Financial Affairs.

The Debtors filed their Schedules of Assets and Liabilities and Statement of Financial Affairs on March 29, 2010 and anticipate filing amendments to the Schedules prior to the hearing on the Disclosure Statement.

D. Removal of Lien Action.

On April 14, 2009, P&J filed a Complaint in the Circuit Court of Perry County, Alabama, styled *Phillips and Jordan, Incorporated v. Perry-Uniontown Ventures I, LLC and Perry County Associates, LLC* , Cause No. 53-CV-2009-900016.00 (the "Lien Action). This pre-petition Lien Action alleged that P&J had not been paid for certain work, materials and equipment, and asserted claims for breach of contract, work and labor, unjust enrichment, and enforcement of a lien. The Lien Action also sought monetary damages and the imposition of a lien on property owned by PUV and PCA.

On January 28, 2010, pursuant to Section 28 U.S.C. §1452(a), Debtors PUV and PCA, defendants in the Lien Action, filed a Notice or Removal of the Lien Action, asserting that Bankruptcy Court had jurisdiction over the Lien Action as a suit arising in or related to the Debtors' bankruptcy cases under title 11 of the Code pursuant to 28 U.S.C. § 1334(b).

Once in this Court, the Debtors, and P&J filed a Stipulation for Agreed Stay of Proceedings, stipulating that all activity (all pleadings and all deadlines) in the Lien Action would be stayed until the expiration of the "Exclusivity Period" either on May 26, 2010, if no Plan was filed, or on July 25, 2010 if a Plan was filed.

On May 17, 2010, as one part of a comprehensive resolution of the disputes between Debtors, on the one hand, and P&J and Phill-Con on the other hand, the parties to the Lien Action announced to the Bankruptcy Court that they had agreed to dismiss the Lien Action as well as all claims and counterclaims that were or could have been asserted therein. On May 28, 2010, the Bankruptcy Court signed an Agreed Order to Dismiss With Prejudice, dismissing all of P&J's claims against the PUV and PCA that were or could have been brought in the Lien Action and all of PUV's and PCA's counterclaims and/or cross-claims against P&J that were or could have been asserted in the Lien Action.

E. Turnover Action.

On January 26, 2010, PUV filed an adversary action against P&J and Phill-Con in the U.S. Bankruptcy Court Southern District of Alabama (Selma Division), docketed as Adversary Proceeding Number 10-0008 (the "Turnover Action"). In the Turnover Action, Debtor PUV claimed, among other things: that Defendants had inappropriately withheld information relating to a contract with the TVA for disposal of fly ash at the Arrowhead Landfill owned by PUV; that they had withheld moneys that they had collected from TVA (that Defendants had claimed it as "set-offs" as to other amounts they claimed PUV owed them); that Defendants had no right to

such set-offs; and that their failure to remit (on the basis of the alleged set offs) caused PUV to be unable to make its scheduled payment to its Noteholders. PUV sought an equitable accounting and a turnover and accounting pursuant to § 543 of the Bankruptcy Code. After an agreed extension of time, Defendants answered the complaint on March 8, 2010, denying, other things, that the description of the parties' relationship stated in the complaint was complete or that they had improperly withheld funds from PUV (maintaining it had a right to a set off).

After some discovery and further negotiations, the parties to the Turnover Action announced to the Bankruptcy Court on May 17, 2010 that they had agreed to dismiss the Turnover Action as well as all claims and counterclaims that were or could have been asserted therein. On May 28, 2010, the Bankruptcy Court signed an Agreed Order resolving the dispute between the parties. P&J and Phill-Con agreed to return to the Debtors funds that they had withheld based, at least in part, on the "off-set" of the Passaic Past Due Operating (with retroactive application of the $1.00/1.00 split of the monies formerly allocated to the recovery of past due construction and operations payments). The total amount returned to the Debtors under this agreement was $1,153,456.71.

F. Cash Collateral Agreements.

On March 9, 2010, the Court entered an interim Order Authorizing Use of Cash Collateral and, on May 6, 2010, the Court entered its final Order Authorizing Use of Cash Collateral attaching both a Term Sheet and Bankruptcy Budget for the period January 26, 2010 through October 31, 2010. The Bankruptcy Budget is set forth as Exhibit "B and C" to the Plan and are attached hereto as Exhibits B & C.

G. Amended Operations Agreement.

As part of the resolution of the Lien Action and Turnover Proceeding and in conjunction with their efforts to extend and expand Phase 1 of the TVA Contract, and to be awarded Phase 2 of TVA's Kingston project (together, the "Additional TVA Contracts"), the Debtors, P&J and Phill-Con worked together to modify and consolidate their operations agreements into a single, workable agreement. The Landfill Operations Master Agreement with TVA Addendum that resulted was attached to the May 28, 2010 Agreed Order.

H. Term Sheet with Noteholders.

After resolution of their issues with P&J and Phill-Con, the Debtors turned their attention to working on a global resolution with the Noteholders. As announced to the Bankruptcy Court on July 20, 2010, the agreement provided for payment of the next three interest payments on the Notes and a deadline of October 26, 2011 for repayment of the outstanding principal at par, plus accrued interest since 6/26/11, plus reimbursement of all reasonable Indenture Trustee expenses, including legal fees and the fees of Bridge Associates, LLC (collectively the "Payoff Amount").

This arrangement and the Noteholder forbearance it provided created a "runway" for the Debtors to reach a Financing Event in the summer or fall of 2011. The agreement also specified (i) reporting requirements, (ii) releases between the parties, (iii) the subordination of insider

claims, (iv) details of the post-confirmation cash management arrangements, and (v) express default provisions. These terms have been adopted and made a part of the Plan.

I. EPA Regulatory Announcements.

In the wake of the Kingston coal ash spill, the TVA, EPA and other state and federal authorities formed a Kingston Ash Spill Task Force to deal with the immediate environmental response items and to develop a comprehensive cleanup plan for the Kingston site. That effort led to the TVA Contract described above. However, the Kingston Spill also had the broader effect of spurring the EPA to look more carefully at the coal ash disposal problem in the United States. In particular, it led the EPA to focus on the safety of coal ash ponds, and on the safety of coal ash in general.

In the months following the Kingston spill, the EPA gathered detailed information regarding the ash ponds of approximately 300 electrical utility sites, conducted on-site assessments regarding their structural integrity of such sites (and so their vulnerability to a Kingston-type spill),[3] ordered cleanup and repairs where necessary, and - ultimately - began to develop a national plan, and national rules, for dealing with one of the largest and most difficult waste streams in the United States.[4]

In May of this year, the EPA proposed its first-ever national rules for the safe and environmentally-sound management of coal ash wastes at coal-fired power plants. These rules – actually two alternative sets of rules -- imposed protective controls on old and new ash ponds, and on old and new landfills, in order to protect against leachate risks to groundwater and human health, and to protect against Kingston-like structural failures in the ash ponds' containment walls.

One set of the proposed rules, premised from Subtitle C of the Resource Conservation and Recovery Act ("RCRA") would result in comprehensive and heavy-handed federal regulation of the ash management and ash disposal process. The other set of proposed rules, to be promulgated in accordance with RCRA's Subtitle D, would be less heavy-handed, and depend more on civil lawsuits and state agency enforcement than on direct EPA enforcement. Under both sets of rules, however, it would be EPA – for the first time – setting national standards for coal ash disposal and waste management at utilities and at those landfills providing coal ash waste management services to those utilities.

The final scope of the new national rules will not be known for some time. The comment period, during which extensive comments are expected, has been extended sixty days from its

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[3] By June of 2009, EPA had already identified 44 "High Hazard Potential" ash ponds. See June 29, 2009 EPA Press Release ("EPA Posts List of 44 'High Hazard Potential' Coal Ash Impoundments"). By February 2010, another forty ponds had been designated as having "significant" or "high" hazard potential. See February 3, 2010 EPA Press Release ("EPA Releases Electric Utility Plans to Improve Safety of Coal Ash Impoundments"). EPA's review of utilities' coal ash ponds is continuing.

[4] According to the American Coal Ash Association, more than 136 million tons of coal ash residuals (fly ash, bottom ash, boiler slag, and flue gas desulfurized gypsum) were generated in 2008, alone.

original end date of September 20, 2010. The final rules will not likely be propounded for some months thereafter. However, the potentially important fact for Debtors and for the Arrowhead Landfill is that either regulatory scheme disincentivizes onsite wet ash ponds and incentivizes the use of landfills. In the EPA's own words:[5]

> Both options will provide for the first time on a national basis that liners and ground water monitoring are in place at new landfills handling coal ash in order to prevent leaching of contaminants to groundwater and resulting risks to human health. Under the Subtitle C proposal, EPA is adopting measures intended to phase out the wet handling of CCRs and existing surface impoundments; under the Subtitle D proposal, existing impoundments would require liners, **which will create strong incentives to close these impoundments and transition to safer landfills which store coal ash in dry form.** Both proposals will ensure stronger oversight of the structural integrity of impoundments in order to prevent accidents like the one at Kingston, TN.

J. Environmental Claims.

Despite the exemplary and environmentally-sound performance of the Arrowhead Landfill since its opening in 2007, "not in my backyard" opponents of the landfill have claimed that the landfill is hazardous to the local residents and the local environment. Most of these claims are associated with a Florida-based lawyer who seems bent on promoting them in the local community and in the local media. However, other than that common denominator, little is known regarding the claims – that is, little is known of the claimed injuries, or the claimed damages, or the connections, if any, between the landfill and the allegedly injured parties. For the most part, it is not even known where the alleged claimants reside in relation to the landfill, as their attorney cites only rural route numbers in giving notice of their alleged claims.

None of the potential claimants has appeared in the bankruptcy, none has filed claims against the Debtors' estates, and none has filed suit against the Debtors.[6] As a result, it is not known what, if any, role these claims or claimants will play in the bankruptcy proceedings at this time. Of course, against this highly suspect backdrop, and the absence of any known environmental violations at the landfill, any claim that is made will be very closely examined by the Debtors.

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[5] See Question 6 of "Frequent Questions: Coal Combustion Residues (CCR) – Proposed Rule" on the EPA website.

[6] Some claimants have filed suit against P&J and Phill-Con in state court, see Abrahams v. Phill-Con Services, LLC, No. CV-210-21 (Perry County Circuit Court. filed June 21, 2010), and a smaller group have made the same or similar claims in the federal court, see Abrahams v. Phill-Con Services, LLC, No. 2:10-CV-00326 (S.D. Ala. filed June 25, 2010). Please note, however, that the state court action has subsequently been removed to this Court by the defendants and assigned Adversary No. 10-00075.

K. Bar Date for Filing of Claims Arising Prior to the Petition Date.

On July 26, 2010, the Debtors filed a Motion to Set Bar Date for Filing of Claims. That Motion requested a Bar Date of September 15, 2010. By Order dated August 19, 2010, the court granted the Motion and set a September 15, 2010 Bar Date.

IV. SUMMARY OF THE PLAN OF LIQUIDATION.

A. General Plan Objectives.

The Plan provides that the Reorganized Debtors will continue owning all of the rights, interests, permits, and property associated with Arrowhead Landfill, with modified obligations to the Indenture Trustee under an interest-only payment plan extending through October 31, 2011, and through a Financing Event scheduled to be closed by the Fall of 2001 (whichever comes later). The Financing Event will be designed to give the Noteholders three options: (i) the option of being paid in full at par as a result of the Financing Event, (ii) the option of accepting the Financing Event as payment in full of all of the Reorganized Debtors' obligations owed to the Noteholders, or (iii) if the consideration raised by the Financing Event is less than at full par, the option to decline to accept such consideration and move for the reopening of the Bankruptcy Proceeding with the appointment of a liquidating trustee.

Distributions will be made to the Indenture Trustee and all other holders of Allowed (non-subordinated) Claims using available cash on hand as of the Effective Date and income generated from operations at the Arrowhead Landfill. The terms of the Plan obligations to the Indenture Trustee and Noteholders are set forth in the Term Sheet announced to the Bankruptcy Court and made the basis of the Plan. The Debtors shall operate their business from the effective date of the Plan until the earlier of the Financing Event or October 31, 2011, in accordance with those "Cash Collateral Budgets" attached as Exhibits B and C. Exhibit B is the PUV Cash Collateral Budget through October 31, 2010 and Exhibit C is the PUV Post-Confirmation Budget through October 31, 2011.

B. Classification of Claims and Equity Interests.

The following is a designation of the Classes of Claims and Equity Interests treated pursuant to the Plan. Administrative Expense Claims, Priority Non-Tax Claims and Priority Tax Claims are included as Classes only for convenience notwithstanding Section 1123(a)(1) of the Bankruptcy Code. A Claim or Equity Interest is included in a particular Class only to the extent that (i) the Claim or Equity Interest meets the description of that Class, and (ii) the Claim or Equity Interest is an Allowed Claim or Equity Interest.

1. Claims and Equity Interests.

Class A - Unclassified Claims

A-1 Administrative Expense Claims

A-2 Priority Non-Tax Claims

A-3 Priority Tax Claims

Class B – Secured Claims

B-1 Secured Tax Claims

B-2 Secured Claim of Indenture Trustee / Noteholders

Class C – Unsecured Claims

C-1 General Unsecured Claims

C-2 Subordinated Unsecured Claims of Insiders

Class D - Equity Interests

D-1 Equity Interests in PUV

D-2 Equity Interests in PCA

C. Identification of Impaired Classes of Claims and Equity Interests.

1. Unimpaired Classes of Claims and Equity Interests.

Except for Creditors holding claims in Classes A and B-1, no Class of Claims or Equity Interests is unimpaired under the Plan.

2. Impaired Classes of Claims and Equity Interests.

Except for Creditors holding claims in Classes A and B-1, all Classes of Claims and Equity Interests are impaired under the Plan.

3. Impairment Controversies.

If a controversy arises as to whether any Class of Claims or Equity Interests is impaired under the Plan, the Bankruptcy Court shall determine such controversy after notice and a hearing.

D. Treatment of Administrative Expenses and Priority Tax Claims

All Administrative Expenses shall be treated as follows:

1. Administrative Expenses.

(a) Administrative Expenses Bar Date. The holder of any Administrative Expense other than (i) a Fee Claim, (ii) a liability incurred and paid in the ordinary course of business by the Debtors, or (iii) an Allowed Administrative Expense, must, within 30 days after the Effective Date, file with the Bankruptcy Court and serve on the Debtors

and their counsel, notice of such Administrative Expense. At a minimum, such notice must identify (i) the name of the holder of such Claim, (ii) the amount of such Claim, and (iii) the basis of such Claim. **FAILURE TO FILE THIS NOTICE TIMELY AND PROPERLY SHALL RESULT IN THE ADMINISTRATIVE EXPENSE BEING FOREVER BARRED AND DISCHARGED.**

(b) Filing Fee Claims. Each Person asserting a Fee Claim for services rendered or expenses incurred before the Effective Date shall, within 30 days after the Effective Date, file with the Bankruptcy Court, and serve on the Bankruptcy Administrator, the Reorganized Debtors and their counsel, a Fee Application. **FAILURE TO FILE A FEE APPLICATION TIMELY SHALL RESULT IN THE FEE CLAIM BEING FOREVER BARRED AND DISCHARGED**.

(c) Allowance of Administrative Expenses. An Administrative Expense with respect to which notice has been properly filed and served pursuant to section 4.1(a) of the Plan shall become an Allowed Administrative Expense if no objection is filed within 30 days after the filing and service of notice of such Administrative Expense. If an objection is timely filed, the Administrative Expense shall become an Allowed Administrative Expense only to the extent Allowed by Final Order. An Administrative Expense that is a Fee Claim, and with respect to which a Fee Application has been timely filed pursuant to section 4.1(b) of the Plan, shall become an Allowed Administrative Expense only to the extent Allowed by Final Order

(d) Payment of Allowed Administrative Expenses. Each holder of an Allowed Administrative Expense Claim shall receive from the Reorganized Debtors, at the option of the Reorganized Debtors: (i) the amount of such holder's Allowed Claim in one Cash payment on the later of the Effective Date or the next Business Day after such Claim becomes an Allowed Claim; (ii) the amount of such holder's Allowed Claim in accordance with the ordinary business terms of such expense or cost; or (iii) such other treatment to which the holder of such Administrative Expense and the Reorganized Debtors may agree in writing.

2. Priority Non-Tax Claims.

Each holder of an Allowed Priority Non-Tax Claim shall receive from the Reorganized Debtors, at the option of the Reorganized Debtors: (i) the amount of such holder's Allowed Claim in one Cash payment on the later of the Effective Date or the next Business Day after such Claim becomes an Allowed Claim; (ii) such other treatment to which the holder of such Allowed Priority Non-Tax Claim and the Reorganized Debtors may agree in writing; or (iii) the amount of such holder's Allowed Claim in accordance with Bankruptcy Code Section 1129(a)(9)(B).

3. Priority Tax Claims.

Each holder of an Allowed Priority Tax Claim shall receive from the Reorganized Debtors, at the option of the Reorganized Debtors: (i) the amount of such holder's Allowed Claim in one Cash payment on the later of the Effective Date or the next Business Day after such Claim becomes an Allowed Claim; (ii) such other treatment to which the holder of such Allowed Priority Tax Claim and the Reorganized Debtors may agree in writing; or (iii) the amount of such

holder's Allowed Claim in accordance with Bankruptcy Code Section 1129(a)(9)(C). If the Debtors or Reorganized Debtors fail to cure an Event of Default as to priority tax payments within twenty (20) days after service of a written notice of default from a holder of an Allowed Priority Tax Claim, then that holder of an Allowed Priority Tax Claim may (a) enforce the entire amount if its claim; (b) exercise any and all rights and remedies under applicable non-bankruptcy law; and (c) seek such relief as may be appropriate in this Bankruptcy Court.

E. Treatment of Claims and Equity Interests

The Plan provides that the Reorganized Debtors will continue owning all of the rights, interests, permits, and property associated with Arrowhead Landfill, with modified obligations to the Indenture Trustee under an interest only payment plan extending through the Termination Date. On or before the Termination Date, Debtors will either: (i) make payment in full to the Indenture Trustee of all amounts and obligations owed under the Indenture or otherwise with respect to the Notes; or (ii) consummate a Financing Event acceptable to the Indenture Trustee and the Noteholders in their sole discretion. Distributions will be made to the Indenture Trustee and all other holders of Allowed (non-subordinated) Claims in order of priority using available Cash or Collateral on hand as of the Effective Date and income generated from operations at the Arrowhead Landfill. The Debtors shall operate their business from the Effective Date until October 31, 2011, in accordance with the collective "Cash Collateral Budgets" attached as Exhibits A and B to the Plan. Exhibit A is the PUV Cash Collateral Budget through October 31, 2010 and Exhibit B is the PUV Post-Confirmation Budget through October 31, 2011. Any earnings of the Debtors in excess of that amount projected pursuant to the Cash Collateral Budgets, including any insurance proceeds, condemnation payments and other items of extraordinary income or income not in the ordinary course of the business of Debtors, shall be paid to the Indenture Trustee for application as provided in the Indenture; provided, however, that all ordinary income will be credited against the interest obligations due on 9/25/2010, 1/27/2011 and 6/26/2011 on a cumulative basis. In the event of a Default under the Plan, which has not been cured in accordance with the terms of the Plan, all of PUV's assets shall be placed in a liquidating trust (the "Liquidating Trust") and the Liquidating Trustee shall be appointed, without further hearing, notice, or order of the Bankruptcy Court, to orderly liquidate the Trust Assets. The assets of PCA will continue to be owned by PCA and will not be placed in the Liquidating Trust. The affairs of PCA will be reorganized and/or liquidated by the transfer of the membership interests of PCA to the Liquidating Trust.

1. Class B-1 - Secured Tax Claims.

Each holder of an Allowed Secured Tax Claim shall receive from the Reorganized Debtors, at the option of the Reorganized Debtors: (i) the amount of such holder's Allowed Claim in one Cash payment on the later of the Effective Date, the next Business Day after such Claim becomes an Allowed Claim, or the date when such Secured Tax Claim becomes due under Alabama state law; or (ii) such other treatment to which the holder of such Allowed Secured Tax Claim and the Reorganized Debtors may agree in writing.

2. Class B-2 - Indenture Trustee/Noteholder Claims.

The following aggregate payments of interest (the "Interest Payments") and principal shall be made by PUV to the Indenture Trustee on or before the dates set forth below:

Interest:	9/25/10 -- $2.4905 million (7/1/10 payment in arrears) 1/27/11 -- $2.4905 million (1/1/11 payment in arrears) 6/26/11 -- $2.4905 million
Principal	10/26/11 -- Payoff of remaining principal at par, plus interest since 6/26/11, plus reimbursement of all reasonable expenses of the Indenture Trustee including, but not limited to, actual legal fees and fees of Bridge Associates, LLC, and all other amounts that are owed under (i) the Indenture, (ii) any of the Bond Documents or (iii) with respect to the Notes (the "Payoff Amount").

The obligation to make said payments shall be absolute and unconditional and shall not be delayed or excused by any subsequent event or occurrence, nor shall they be amended without the prior written consent of the Indenture Trustee and the Noteholders in their sole and absolute discretion. After receiving written notice from the Indenture Trustee of the lack of timely payment of any of the foregoing payments, Debtors shall have five (5) Business Days following receipt of such notice to cure the default. Time is of the essence with respect to said payments. Existing reserve accounts held by the Indenture Trustee will not be used to fund these obligations but will be retained by Indenture Trustee to defer expenses of the Chapter 11 Case.

The first-priority, fully-perfected security position of the Indenture Trustee in all of the Debtors' and Reorganized Debtors' assets including, but not limited to, all pre-petition and post-petition proceeds arising from operations of the Arrowhead Landfill (including the Debtors' or Reorganized Debtors' entitlement to any proceeds of any agreement with the TVA), and all other accounts receivable, contract rights, equipment, inventory, goods, fixtures and general intangibles, is hereby confirmed. The first-priority, fully-perfected position of the Indenture Trustee in the real property and interests occupied by the Debtors and otherwise described in that certain Mortgage and Security Agreement from the Debtors to the Indenture Trustee dated as of September 7, 2007, and was recorded September 7, 2007, in Book 608, Page 497 of the Perry County records and covering certain property in Perry County, Alabama is likewise confirmed. Additionally, the Indenture Trustee shall have a first-priority, fully-perfected security interest in 100% of the membership interest of PCA, and in 100% of the membership interest of PUV. Notwithstanding anything in the Plan to the contrary, the Indenture Trustee's claims and liens shall survive and shall not be impaired, discharged or released until the interest payments and Pay-off Amounts are paid in full or the Financing Event has been accepted.

3. Class C-1 - General Unsecured Claims.

Upon the Reorganized Debtors meeting of all other requirements in the Plan, each holder of an Allowed General Unsecured Claim shall receive from the Reorganized Debtors, at the option of the Reorganized Debtors: (i) the amount of such holder's Allowed Claim in one Cash payment on the later of the payment as set forth in Section 5.3 or the next Business Day after

such Claim becomes an Allowed Claim, (ii) payment in full, with interest at 4.5% per annum, with annual payments over seven years with the first payment due on January 15, 2012 or (iii) such other treatment to which the holder of such Allowed General Unsecured Claim and the Reorganized Debtors may agree in writing. In the event that the Debtors fail to meet all of the requirements of the Plan and the Liquidating Trustee is appointed, each holder of an Allowed General Unsecured Claim shall receive its pro rata share of any remaining proceeds of the liquidation of the Debtors assets after payment in full of creditors holding Class B-2 Claims.

4. Class C-2 - Subordinate Claims and Subordinated Insider Claims.

The holder of any Subordinated Claim or a Subordinated Insider Claim shall be paid from the Cash flow remaining after the Reorganized Debtors have satisfied in full creditors holding Claims in Classes A, B and C-1. To the extent the Debtors Default under the Plan, then, at the Debtors' election, such Subordinated Insider Claims shall be either converted to an Equity Interest or disallowed. If converted to an Equity Interest, it is acknowledged that the Indenture Trustee's lien in membership interests of the Debtors will continue in any such issued and outstanding membership interests of the Debtors and Reorganized Debtors. Each of Noteholders and Trustee reserve their right to object to the Subordinate Insider Claims.

5. Class D-1 - Equity Interest in PUV.

Under the Plan, in the event the Debtors meet their obligations in Section 5.2, the Member shall retain his entire equity interest in the PUV based upon the payment of all Secured Creditors and unsecured Creditors in full, and his contributions to the operations and financing activities, each pursuant to the Plan. No distributions to Equity Interest Holders in PUV will be made until after all payments are made in full to all secured and unsecured claimants of the Debtors and any subsequently incurred trade payables of the Reorganized Debtors.

6. Class D-2 - Equity Interest in PCA.

Under the Plan, PUV will retain all of its right, title and equity interest in and to PCA. No distributions to Equity Interest Holders will be made until after all payments are made to all secured and unsecured Claimants of the Debtors and any subsequently incurred past due trade payables of the Reorganized Debtors.

F. Acceptance or Rejection of Plan.

1. Classes Entitled to Vote.

Each impaired Class of Claims shall be entitled to vote separately to accept or to reject the Plan. Any unimpaired Class of Claims or Equity Interests shall not be entitled to vote to accept or to reject the Plan.

2. Class Acceptance Requirement.

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

3. Cramdown.

This section shall constitute the Debtors' request, pursuant to Section 1129(b)(1), that the Bankruptcy Court confirm the Plan notwithstanding the fact that the requirements of Section 1129(a) may not be met.

4. Cure Payments and Release of Liability.

All cure payments which may be required by Bankruptcy Code Section 365(b)(1) under any executory contract or unexpired lease that is assumed, or assumed and assigned, under the Plan shall be made by the Reorganized Debtors; *provided, however*, in the event of a dispute regarding the amount of any cure payments, the cure of any other Defaults, the ability to provide adequate assurance of future performance, or any other matter pertaining to assumption or assignment, the Reorganized Debtors shall make such cure payments and cure such other Defaults and provide adequate assurance of future performance, all as may be required by Bankruptcy Code Section 365(b)(1), following the entry of a Final Order resolving such dispute. To the extent that a party to an assumed executory contract or unexpired lease has not filed an appropriate pleading with the Bankruptcy Court on or before the thirtieth (30th) day after the Effective Date disputing the amount of any cure payments offered to it by the Reorganized Debtors, disputing the cure of any other Defaults, disputing the promptness of the cure payments, or disputing the provisions of adequate assurance of future performance, then such party shall be deemed to have waived its right to dispute such matters.

G. Provisions Governing Distribution.

1. Distributions.

Any payments or distributions to be made by the Reorganized Debtors pursuant to the Plan shall be made to the holders of Allowed Claims. Any payments or distributions to be made by the Reorganized Debtors pursuant to the Plan shall be made on the Effective Date except as otherwise provided for in the Plan, or as may be ordered by the Bankruptcy Court. Any payment or distribution by the Reorganized Debtors pursuant to the Plan, to the extent delivered by the United States Mail, shall be deemed delivered when deposited by the Reorganized Debtors into the United States Mail.

2. Distributions to be Made by the Reorganized Debtors.

Distributions to be made to any holder of an Allowed Claim under the Plan shall be made by the Reorganized Debtors.

3. Means of Cash Payment.

Payments of Cash to be made by the Reorganized Debtors pursuant to the Plan shall be made by check drawn on a domestic bank or by wire transfer from a domestic bank.

4. Delivery of Distributions.

Distributions and deliveries to holders of Allowed Claims shall be made at the addresses set forth on the proofs of Claim or proofs of interest filed by such holders (or at the last known addresses of such holders if no proof of Claim or proof of interest is on file); or if the Debtors have been notified of a change of address, at the address set forth in such notice.

5. Time Bar to Cash Payments.

Checks issued by the Reorganized Debtors in respect of Allowed Claims shall be null and void if not cashed within ninety (90) days of the date of delivery thereof. Requests for reissuance of any check shall be made directly to the Reorganized Debtors by the holder of the Allowed Claim to whom such check originally was issued. Any claim in respect of such a voided check shall be made on or before the later of the first anniversary of the Effective Date or ninety (90) calendar days after the date of delivery of such check. After such date, all Claims in respect of void checks shall be discharged and forever barred, and the amount of such checks shall become "unclaimed property" and shall be disposed of as such under the laws of the State of Alabama.

6. No Interest Unless Otherwise Provided

No interest shall be paid on any Claim unless, and only to the extent that, the Plan specifically provides otherwise.

7. No De Minimis Distributions.

No Distribution of less than five dollars ($5) shall be made to any holder of an Allowed Claim. Such undistributed amount shall be retained by the Reorganized Debtors. Whenever a payment of a fraction of a cent would otherwise be called for, the actual payment shall reflect a rounding of such fraction down to the nearest whole cent.

H. Procedures for Resolving and Treating Contested and Contingent Claims.

1. Objection Deadline.

Unless a different date is set by order of the Bankruptcy Court, all objections to Claims shall be served and filed no later than ninety (90) calendar days after the Effective Date or ninety (90) calendar days after a particular proof of Claim is filed, whichever is later. However, despite the preceding, the Indenture Trustee retains the right to object to any Insider Claim until the Debtors' requirements set forth in Sections 5.3 and 7.2 are met. Any proof of Claim filed more than thirty (30) calendar days after the Confirmation Date shall be of no force and effect, shall be

deemed disallowed, and will not require objection. All Contested Claims shall be litigated to Final Order; *provided, however,* subject to the prior written consent of Indenture Trustee (until the Reorganized Debtors have met the requirements set forth in Sections 5.3 and 7.2), that the Reorganized Debtors may compromise and settle any Contested Claim in their discretion, without approval of the Bankruptcy Court. Confirmation of the Plan authorizes the Reorganized Debtors, subject to the prior written consent of Indenture Trustee (until such time as the Interest Payments and Payoff Amount due to the Indenture Trustee and the Noteholders hereunder have been paid in full), to enter into any compromise or settlement of a Claim or Litigation Claim without further order from the Bankruptcy Court or notice and hearing.

2. Responsibility for Objecting to Claims.

Only the Reorganized Debtors, the Indenture Trustee and the Liquidating Trustee may file objections to claims after the Effective Date of the Plan.

3. No Distribution Pending Allowance.

Notwithstanding any other provision of the Plan, no payment or distribution shall be made with respect to any Contested Claim unless and until such Contested Claim becomes an Allowed Claim.

4. Administration of Contested Claims.

(a) No Distribution Pending Allowance. Notwithstanding any other provision of the Plan, no payment or distribution shall be made with respect to any Contested Claim unless and until such Contested Claim becomes an Allowed Claim.

(b) Disputed Claims Reserve. In determining the amount of distributions to be made under the Plan to holders of Allowed Claims, the appropriate distributions required by the Plan shall be made according to estimates and subject to the provisions of the Plan. To protect the interests of holders of Contested Claims, the Disputed Claims Reserve shall be established on or prior to the Effective Date. On the Effective Date, the Reorganized Debtors shall fund the Disputed Claims Reserve with Cash in an amount that represents the Pro Rata Share of the Cash that would otherwise be distributed to holders of Contested Claims if such Claims were Allowed.

(c) Distribution After Allowance. As soon as practicable after a Contested Claim becomes an Allowed Claim, the holder of an Allowed Claim shall receive a distribution in an amount equal to the aggregate of all the distributions that such holder would have received had such Contested Claim been an Allowed Claim on the Effective Date. Distributions to each holder of a Contested Claim, to the extent that such Claim becomes an Allowed Claim, shall be made in accordance with the provisions of the Plan governing the Class of Claims to which such Claim belongs. The Reorganized Debtors shall have the right to make or direct the making of all interim distributions to the holders of Allowed Claims. No interest shall be paid on account of a Contested Claim that later becomes an Allowed Claim except as otherwise provided in the Plan.

(d) Distribution After Disallowance. If and when a Contested Claim becomes a Disallowed Claim, the Pro Rata Share of the distributions to which each holder is entitled shall increase commensurately. Accordingly, the Reorganized Debtors, in their sole discretion, shall have the right to make or direct the making of any subsequent distributions.

I. Executory Contracts and Leases

1. General Treatment; Assumed If Not Rejected.

The Plan constitutes and incorporates a motion by the Debtors to assume, as of the Effective Date, all prepetition executory contracts and unexpired leases to which the Debtors are a party, except for executory contracts or unexpired leases that: (a) have been assumed or rejected pursuant to Final Order of the Bankruptcy Court; or (b) are the subject of a separate motion pursuant to Section 365 of the Bankruptcy Code to be filed and served by the Debtors on or before the Effective Date.

2. Bar to Rejection Damages.

If the rejection of an executory contract or an unexpired lease by the Debtors results in damages to the other party or parties to such contract or lease, a Claim for such damages shall be forever barred and shall not be enforceable against the Debtors or the Reorganized Debtors or their properties or agents, successors, or assigns, unless a proof of Claim is filed with the Bankruptcy Court and served upon the Reorganized Debtors by the earlier of (a) 30 calendar days after the Confirmation Date or (b) such other deadline as the Bankruptcy Court may set for asserting a Claim for such damages.

3. Rejection Claims.

Any Rejection Claim arising from the rejection of an unexpired lease or executory contract not barred by section 10.2 of the Plan shall be treated as a General Unsecured Claim against the Debtors pursuant to Article 5 of the Plan; *provided, however*, that any Rejection Claim based upon the rejection of an unexpired lease of real property either prior to the Confirmation Date or upon the entry of the Confirmation Order shall be limited in accordance with Section 502(b)(6) of the Bankruptcy Code and state law mitigation requirements. Nothing contained herein shall be deemed an admission by the Debtors that such rejection gives rise to or results in a Claim or shall be deemed a waiver by the Debtors of any objections to such Claim if asserted.

J. Maintenance of Causes of Action.

1. Causes of Action.

Unless expressly waived or released in the Plan or Confirmation Order, the Reorganized Debtors shall retain any causes of action belonging to the Debtors' estates pursuant to Section 541 of the Bankruptcy Code, including all Litigation Claims, and may litigate rights to payments, or Claims that may belong or have belonged to the Debtors.

K. Liquidating Trustee.

1. Appointment.

The Liquidating Trustee shall be approved by the Court in the Confirmation Order and shall thereafter be appointed, at the absolute and sole discretion of the Indenture Trustee, by the filing by Indenture Trustee of a Notice of Appointment after any Default under the Plan, which Default shall not have been cured in accordance with the terms of the Plan. The Liquidating Trustee shall serve without a bond. In the event of the death, resignation, incapacity, disqualification or misconduct of the Liquidating Trustee, the Indenture Trustee shall appoint a new Liquidating Trustee.

2. Liquidating Trust.

The Liquidating Trust shall be established in accordance with and governed by the Liquidating Trust Agreement. For tax purposes, the transfer of the Trust Assets to Liquidating Trust for the benefit of creditors of the Debtors is intended and expected to be treated as a transfer of these assets to such creditors and a deemed transfer by such creditors to the Liquidating Trust. This treatment will result in the Liquidating Trust being considered a "grantor trust" for tax purposes, that is, the beneficiaries of the Liquidating Trust will be deemed the grantors of the Liquidating Trust and the owners of the Trust Assets. As a grantor trust, the Liquidating Trust will not be a taxable entity under applicable tax law but, instead, will be a pass-through entity that will pass any taxable income or losses generated by the Liquidating Trust through to its beneficiaries. By confirming the Plan, the Bankruptcy Court will specifically approve and designate the Liquidating Trust and the Liquidating Trustee as the representative of the Debtors' estates upon the Reorganized Debtors' Default and the written notice from the Indenture Trustee to the Bankruptcy Court, the Reorganized Debtors and Liquidating Trustee of the appointment of the Liquidating Trustee, including the transfer of the Trust Assets to the Liquidating Trust.

3. Trust Assets.

All of PUV's assets shall be automatically placed in the Liquidating Trust upon the filing of a Notice of Appointment after any Default under the Plan, which Default shall not have been cured in accordance with the terms of the Plan.

4. Duration.

The Liquidating Trustee shall continue to exist until the entry of a Final Order by the Bankruptcy Court closing the Bankruptcy Cases pursuant to Section 350(a) of the Bankruptcy Code.

5. Duties.

Upon the Liquidating Trustee's appointment, the Liquidating Trustee shall discharge all of the rights, powers and duties set forth in the Plan, including the rights, powers, and duties of a

trustee under 704(a)(1), (2), (4), (5) and (7) and 1106(a)(6) and (7) of the Bankruptcy Code. Without limiting the generality of the foregoing, the Liquidating Trustee, acting on behalf of the Debtors or the Reorganized Debtors, shall have the following rights, powers and duties:

(a) to receive, control, manage, administer, dispose of and sell the Trust Assets and the Assets of PCA for the benefit of holders of Allowed Claims who may receive distributions under the Plan and pursuant to the terms of the Liquidating Trust Agreement;

(b) to use, acquire and dispose of property free of any restrictions imposed under the Bankruptcy Code;

(c) to employ, retain, and replace such persons, including actuaries, attorneys, accountants, auctioneers, brokers, managers, consultants, other professionals, agents, investigators, expert witnesses, consultants and advisors as necessary to discharge the duties of the Liquidating Trustee under the Plan and to pay the reasonable fees and costs of such employment without the need to seek approval from the Bankruptcy Court.

(d) to object to the Allowance of Claims or seek equitable subordination of Claims, pursuant to the terms of the Plan;

(e) to establish reserves and open, maintain and administer bank accounts as necessary to discharge the duties of the Liquidating Trustee under the Plan;

(f) to investigate, analyze, commence, prosecute, litigate, collect and otherwise administer the Claims, Liens, Avoidance Actions and Litigation Claims;

(g) to voluntarily engage in arbitration or mediation with respect to any Litigation Claim or cause of action;

(h) to represent the Liquidating Trust before the Bankruptcy Court and other courts of competent jurisdiction with respect to all matters including the authorization to file and prosecute suich motions, applications, adversary proceedings, lawsuits, objections or other pleadings in those courts;

(i) to seek the examination of any entity under and subject to the provisions of Bankruptcy Rule 2004;

(j) to pay any Bankruptcy Administrator fees;

(k) to comply with applicable orders of the Bankruptcy Court and any other court of competent jurisdiction over the matters set forth herein;

(l) to comply with all applicable laws and regulations concerning the matters set forth herein;

(m) to invest the Cash of the Debtors in: (a) direct obligations of the United States of America or obligations of any agency or instrumentality thereof which are guaranteed by the full faith and credit of the United States of America; (b) in money market deposit accounts, checking accounts, savings accounts or certificates of deposit, or other time deposit accounts that are issued by a commercial bank or savings institution organized under the laws of the United States of America or any state thereof; or (c) any other investments that may be permissible under 345 of the Bankruptcy Code or order of the Bankruptcy Court;

(n) to exercise such other powers as may be vested in the Liquidating Trustee pursuant to the Plan, the Confirmation Order or other Final Orders of the Bankruptcy Court; and

(o) to execute any documents, instruments, contracts and agreements necessary and appropriate to carry out the powers and duties of the Liquidating Trustee.

6. Fees and Expenses.

Compensation of the Liquidating Trustee and the costs and expenses of the Debtors (including, without limitation, professional fees and expenses) shall be paid from the Trust Assets upon the prior written consent of the Indenture Trustee. Without limitation of the foregoing, the Liquidating Trustee shall pay, without further order, notice or application to the Bankruptcy Court, the reasonable fees and expenses of the Liquidating Trustee and the Liquidating Trustee's professionals, as necessary to discharge the Liquidating Trustee's duties under the Plan. The payment of fees and expenses of the Liquidating Trustee and the Liquidating Trustee's professionals shall be from the Trust Assets and be made in the ordinary course of business, upon obtaining the prior written consent of the Indenture Trustee, and shall not be subject to the prior approval of the Bankruptcy Court.

7. Compromising Disputed Claims, Litigation Claims, Liens and Causes of Action.

The Liquidating Trustee is authorized to: (i) compromise and settle any causes of action, Litigation Claims, Liens and Claims, upon obtaining the consent of the Indenture Trustee; and (ii) execute necessary documents, including stipulations of settlement or release, without notice to any party other than the Indenture Trustee and without further order of the Bankruptcy Court.

L. Conditions Precedent to Confirmation and Consummation of the Plan.

1. Conditions to Confirmation.

The following are conditions precedent to the occurrence of the Confirmation Date, each of which must be satisfied or waived in accordance with Section 13.3 of the Plan:

(a) An order finding that the Disclosure Statement contains adequate information pursuant to Section 1125 of the Bankruptcy Code shall have been entered;

(b) The Bankruptcy Court shall have entered an Order in the Chapter 11 case pursuant to Federal Rule of Bankruptcy Procedure 9019, which may be the Confirmation Order, approving the Plan;

(c) The proposed Confirmation Order shall be in a form and substance satisfactory to the Debtors and the Indenture Trustee; and

(d) The Bankruptcy Court will have approved any other necessary agreements or settlements required by the Plan.

2. Conditions to Effective Date of Plan.

The following are conditions precedent to and approved by the occurrence of the Effective Date, each of which must be satisfied or waived in accordance with Section 13.3 of the Plan:

(a) The Confirmation Order shall have been entered in a form and substance satisfactory to the Debtors and the Indenture Trustee, and shall, among other things, provide that the Debtors and the Reorganized Debtors are authorized and directed to take all actions necessary or appropriate to consummate the Plan, including without limitation, to enter into, implement and perform under the contracts, instruments and other agreements or documents created in connection with the Plan;

(b) The Confirmation Order shall not then be stayed, vacated or reversed;

(c) All material authorizations, consents and regulatory approvals required, if any, in connection with the consummation of the Plan shall have been obtained; and

(d) All material actions, documents and agreements necessary to implement the Plan, including, but not limited to, the release agreements set forth in Section 7.3 shall have been effected or executed.

3. Waiver of Conditions.

Each of the conditions set forth in Sections 13.1 and 13.2 of the Plan, with the express exception of the conditions contained in Section 13.1(a) and Section 13.2(a) and (b) may be waived in whole or in part by the Debtors without any notice to parties in interest or the Bankruptcy Court and without a hearing; *provided, however*, that such waiver will not be effective without the consent of Indenture Trustee and the Noteholders.

M. Discharge; Injunction.

1. Discharge of Debtors.

Except as otherwise provided in the Plan, to the extent permitted by Section 1141 of the Bankruptcy Code, the treatment of all claims under the Plan, including those contemplated by Article 5 or 6 of the Plan, shall be in exchange for the discharge, and release of all Claims and Equity Interests of any nature whatsoever against the Debtors or any of their Assets or properties. Except as otherwise provided in the Plan, upon the making of all of the distributions required under the Plan, including those in Article 5 of the Plan, and in exchange for their treatment under the Plan, the Debtors and their successors in interest shall be deemed discharged and released pursuant to Section 1141(d)(1)(A) of the Bankruptcy Code from any and all Claims treated in the Plan, as well as all other Claims and Equity Interests, demands and liabilities that arose before the Effective Date, and all debts of the kind specified in Section 502(g), 502(h), or 502(i) of the Bankruptcy Code, whether or not (a) a proof of Claim based upon such debt is filed or deemed filed under Section 501 of the Bankruptcy Code; (b) a Claim based upon such debt is Allowed under Section 502 of the Bankruptcy Code; (c) the holder of a Claim based upon such debt has accepted the Plan; or (d) the Claim has been Allowed, disallowed, or estimated pursuant to Section 502(c) of the Bankruptcy Code. The Confirmation Order shall be a judicial determination of discharge of all liabilities of the Debtors and their successors in interest other than those obligations specifically set forth pursuant to the Plan.

2. Exculpation and Limitation of Liability.

None of the Debtors, the Professionals retained by the Debtors or the Professionals employed by the Debtors; any of the Debtors, or their affiliates nor any of their managers, officers, directors, partners, associates, employees, members or agents (collectively, the "Exculpated Persons"), shall have or incur any liability to any person for any act taken or omission made in good faith in connection with or related to the bankruptcy case or actions taken therein, including negotiating, formulating, implementing, confirming or consummating the Plan, the Disclosure Statement, or any contract, instrument, or other agreement or document created in connection with the Plan. The Exculpated Persons shall have no liability to any Creditors or Equity Holders for actions taken under the Plan, in connection therewith or with respect thereto in good faith, including, without limitation, failure to obtain Confirmation of the Plan or to satisfy any condition or conditions, or refusal to waive any condition or conditions, precedent to Confirmation or to the occurrence of the Effective Date. Further, the Exculpated Persons will not have or incur any liability to any holder of a Claim, holder of an Interest, or party-in-interest herein or any other Person for any act or omission with or arising out of their administration of

the Plan or the property to be distributed under the Plan, except for gross negligence or willful misconduct as finally determined by the Bankruptcy Court, and in all respects such person will be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

3. Approval of Releases.

To the extent necessary, the Plan constitutes the Debtors' motion pursuant to Bankruptcy Rule 9019 seeking approval of all releases and injunctions granted in the Plan.

N. Consummation of the Plan

1. Consummation of Plan.

The Plan shall be substantially consummated only when all Interest Payments and the Payoff Amount have been made (or the Indenture Trustee and the Noteholders, in their sole discretion, agree to accept consideration from Financing Event as payment and satisfaction in full of all of Reorganized Debtors' obligations) and all reporting requirements as set forth in Section 7.2 hereof are met.

2. Retention of Jurisdiction.

Pursuant to Sections 1334 and 157 of Title 28 of the United States Code, the Bankruptcy Court shall retain exclusive jurisdiction of all matters arising in, arising under, and related to the Chapter 11 Case and the Plan, for the purposes of Sections 105(a) and 1142 of the Bankruptcy Code, and for, among other things, the following purposes:

(a) to hear and to determine any and all objections to or applications concerning the allowance of Claims or the allowance, classification, priority, compromise, estimation, or payment of any Administrative Expense, Claim, or Equity Interest;

(b) to hear and determine any and all applications for payment of fees and expenses from the Debtors' estate made by attorneys or any other Professional pursuant to Sections 330 or 503 of the Bankruptcy Code, or for payment of any other fees or expenses authorized to be paid or reimbursed from the Debtors' estates under the Bankruptcy Code, and any and all objections thereto;

(c) to hear and determine pending applications for the rejection, assumption, or assumption and assignment of unexpired leases and executory contracts and the allowance of Claims resulting therefrom, and to determine the rights of any party in respect of the assumption or rejection of any executory contract or lease;

(d) to hear and determine any and all adversary proceedings, applications, or contested matters, including any remands from any appeals;

(e) to hear and to determine all controversies, disputes, and suits which may arise in connection with the execution, interpretation, implementation, consummation, or enforcement of the Plan or in connection with the enforcement of any remedies made available under the Plan, or, prior to the Effective Date, any agreements or settlements approved under the Plan and any agreements to be executed and delivered under the Plan;

(f) to liquidate any disputed, contingent, or unliquidated Claims;

(g) to hear and determine all disputes between Creditors regarding the extent, validity or priority of Liens;

(h) to ensure that distributions to holders of Allowed Claims are accomplished as provided herein;

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

(j) to consider any modification of the Plan pursuant to Section 1127 of the Bankruptcy Code, to cure any defect or omission, or to reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(k) to enter and to implement such orders as may be necessary or appropriate to execute, interpret, implement, consummate, or to enforce the terms and conditions of the Plan and the transactions contemplated thereunder;

(l) to hear and to determine any other matter not inconsistent with the Bankruptcy Code and Title 28 of the United States Code that may arise in connection with or related to the Plan, including any suits or actions against any third parties which are specifically reserved and assigned to the Reorganized Debtors; and

(m) to enter a final decree closing the Chapter 11 Case.

3. Abstention and Other Courts.

If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of or relating to the Chapter 11 Case, this section of the Plan shall have no effect upon and shall not control, prohibit, or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

4. Nonmaterial Modifications.

Upon first receiving the written prior consent of the Indenture Trustee, the Debtors may, with the approval of the Bankruptcy Court and without notice to all holders of Claims and Equity Interests, correct any nonmaterial defect, omission, or inconsistency in the Plan in such manner and to such extent as may be necessary or desirable. The Debtors may undertake such nonmaterial modification pursuant to this section insofar as it does not adversely change the treatment of the Claim of any Creditor or the interest of any Equity Interest holder who has not accepted in writing the modification.

5. Material Modifications.

Modifications of the Plan may be proposed in writing by the Debtors at any time before confirmation, provided that the Plan, as modified, meets the requirements of Sections 1122 and 1123 of the Bankruptcy Code, and the Debtors shall have complied with Section 1125 of the Bankruptcy Code. Upon first obtaining written consent of the Indenture Trustee, the Plan may be modified at any time after confirmation and before the Effective Date, provided that the Plan, as modified, meets the requirements of Sections 1122 and 1123 of the Bankruptcy Code and the Bankruptcy Court, after notice and a hearing, confirms the Plan, as modified, under Section 1129 of the Bankruptcy Code, and the circumstances warrant such modification.

V. MEANS OF IMPLEMENTATION OF THE PLAN.

A. General Means of Implementation of Plan.

During the Bankruptcy, the Debtors worked to reach consensus with their two major constituencies: (a) the Arrowhead Landfill operators – Phill-Con and its affiliate P&J, and (b) the Indenture Trustee and the Noteholders. With respect to the former, the Bankruptcy Court entered an Order Granting Motion to Assume Amended Executory Contract and For Approval of Settlement on May 28, 2010. With respect to the latter, the Bankruptcy Court entered the Cash Collateral Order providing for the use of cash collateral through October 31, 2010. The Indenture Trustee, the Noteholders and Debtors have also agreed to the Cash Collateral Budget through October 31, 2011 in the form attached hereto as Exhibits B and C. The Plan incorporates these documents and provides the means for the continued operations of the Arrowhead Landfill in compliance with all applicable laws.

1. Reporting Requirements.

(a) Monthly Reports: Reports for the preceding month must be provided to the Bankruptcy Administrator, the Indenture Trustee, and the Noteholders by the 15th calendar day (or the next Business Day if the 15th calendar day is not a Business Day) of the following month (the "Monthly Reports"). Notwithstanding any terms or conditions of the Indenture to the contrary, in the event the Monthly Reports are not received by the 15th calendar day (or the next Business Day if the 15th calendar day is not a Business Day) of the following month, the Indenture Trustee may provide written notice of such failure to Debtors. Following receipt of such notice, Debtors shall have five (5) Business Days to cure the failure. In the event that

Debtors shall fail to timely deliver the Monthly Reports, by the 15th calendar day (or the next Business Day if the 15th calendar day is not a Business Day) of the following month, to the Indenture Trustee and Noteholders more than two (2) times, and written notice of such default is delivered to the Debtors, then upon the occurrence of a third failure to timely deliver the Monthly Reports by the 15th calendar day (or the next Business Day if the 15th calendar day is not a Business Day) of the following month, Debtors shall not be entitled to any further right to receive notice or cure such further failure, and such failure shall constitute a Default under the Plan. The Monthly Reports shall include an actual versus budgeted comparison (by line item) of the Cash Collateral Budgets. Detailed back-up will be provided on revenues received, operational expenses paid (other than $5.31 per ton to Phill-Con), capital expenditures made (including detailed breakdown of capital improvements and backup for same), and all back-up for non-recurring monthly administrative obligations.

(b) Quarterly Reviewed Reports: Reports for the preceding quarter must be provided to the Bankruptcy Administrator, the Indenture Trustee, and the Noteholders within thirty (30) calendar days following the end of the fiscal quarter (the "Quarterly Reports"). Notwithstanding the Indenture, in the event the Quarterly Reports are not received by the 30th calendar day following the end of the fiscal quarter, the Bankruptcy Administrator and/or the Indenture Trustee may provide written notice of such failure to Debtors. Following receipt of such notice, Debtors shall have five (5) Business Days to cure the failure. In the event that Debtors shall fail to timely deliver the Quarterly Reports to the Indenture Trustee and Noteholders, by the 30th calendar day following the end of the fiscal quarter, more than two (2) times, and written notice of such default is delivered to Debtors, then upon the occurrence of a third failure to timely deliver the Quarterly Reports by the 15th calendar day (or the next Business Day if the 15th calendar day is not a Business Day) of the following month, Debtors shall not be entitled to any further right to receive notice or cure such further failure, and such failure shall constitute a Default under the Plan. The Quarterly Reports shall include a quarterly compilation of the monthly reports (in the format of a composite of the actual v. budget comparison) along with a balance sheet, income statement, Cash flow statement and report on the status of marketing efforts and generation of new clients for Arrowhead Landfill. The Quarterly Reports shall substitute for the Monthly Reports for March, June, and September.

(c) Audited Annual GAAP Reporting: Beginning with the fiscal year ending December 31, 2010, annual audited financial statements for the fiscal year prepared under generally accepted accounting principles ("GAAP") and certified by Windham Brannon, or such other firm of independent certified public accountants as approved by the Indenture Trustee, must be provided to the Indenture Trustee and the Noteholders (the "Annual Reports"). The Annual Reports shall be due by April 15th of the following year (if the Debtors operate on a calendar basis) or 105 days following the end of the Debtors' fiscal years (the "Report Date"). The Annual Reports shall include, but not be limited to, the type of information contained in the Monthly and Quarterly reports. The failure to provide the Indenture Trustee and the Noteholders with the Annual Report by the Report Date shall constitute a Default under the Plan. The Annual Reports shall substitute for the Quarterly Report for the fourth quarter.

(d) Reservation: The Indenture Trustee reserves the right to have included within the Monthly, Quarterly and Annual reports any other financial or operational information it deems appropriate; provided, however, if the Indenture Trustee requests additional information or

material that the Debtors are unable to provide within the time limits set under Paragraphs 7.2 (a), (b) and (c), the Debtors can petition the Bankruptcy Court for appropriate relief.

(e) Inspection Right: The Indenture Trustee and the Noteholders shall have the right to examine the Arrowhead Landfill property, and the books, records and other documents of Debtors after two (2) Business Days written notice. This right of inspection includes right of access to the landfill by the Indenture Trustee, the Noteholders, and/or their employees, professionals, and agents and guests.

2. Release.

(a) Pursuant to the release agreement executed by the relevant parties, in consideration of the foregoing and the releases set forth in the following paragraph, each of Debtors, Member, Briarcliff 55, LLC and the Personnel Outsourcing Entity, and any entity directly or indirectly owned in whole or in part by each of the preceding, expressly release, acquit, remise and forever discharge Indenture Trustee, MetLife and Ensign Peak, and any past, present or future Noteholder, whether in a capacity relating to the Indenture and the Notes or otherwise, and their respective direct and indirect affiliates, and each of their respective present and former officers, directors, members, managers, employees, agents, consultants, brokers, attorneys, shareholders, predecessors, successors-in-interest, and permitted assigns against any and all claims, demands, damages, liabilities, actions, or causes of action, of whatsoever kind or nature, whether statutory or at common law, known or unknown, suspected or unsuspected, that arise from, or could have arisen from their business relationships prior to the Effective Date.

(b) Pursuant to the Release Agreement, upon the payment in full to the Indenture Trustee of the Payoff Amount and the Interest Payments set forth in Section 5.3 of the Plan or upon acceptance by the Indenture Trustee and the Noteholders, in their sole discretion, of the consideration from the Financing Event as payment and satisfaction in full of all of Reorganized Debtors' obligations, the Indenture Trustee, for itself and for the Noteholders, shall expressly release, acquit, remise and forever discharge the Debtors, the Member, and the Personnel Outsourcing Entity , and each of their respective present and former officers, directors, members, managers, employees, agents, consultants, brokers, attorneys, shareholders, predecessors, successors-in-interest, and permitted assigns against any and all claims, demands, damages, liabilities, actions, or causes of action, of whatsoever kind or nature, whether statutory or at common law, known or unknown, suspected or unsuspected, that arise from, or could have arisen from their business relationships related to the Arrowhead Landfills prior to the Effective Date.

(c) Nothing in the releases set forth in the two preceding paragraphs is intended to or does resolve any claims or defenses that arise after the Effective Date, and nothing in the Plan is intended to or does release any claims or defenses that any Party may have in the future regarding any other party's breach of the representations, warranties, and covenants contained herein.

3. Cash Management.

(a) All revenue received prior to the Confirmation Date will be disbursed in accordance with the provisions of the Cash Collateral Order.

(b) All revenue from non-TVA and TVA operations after the Confirmation Date will be paid directly into a checking account held by PUV at U.S. Bank. Said account shall meet the collateralization requirements currently imposed by the bankruptcy administrator for approved accounts. Such account shall be subject to a control agreement among the Debtors, the Indenture Trustee and U.S. Bank, N.A., in favor of the Indenture Trustee. Notwithstanding the foregoing, the terms of the Operations Agreement shall govern collection procedures by the Operator, including the deposit by the Operator of customer checks into the approved collateralized account.

(c) Debtors shall make no expenditures after the Confirmation Date except to the extent and for the purposes provided in the Cash Collateral Budgets. Debtors will be entitled to withdraw from such account only those monies necessary to meet Bankruptcy Court-approved expenses as reflected in the Cash Collateral Budgets. Any revenue in excess of that required to meet monthly budgeted expenses provided for in the Cash Collateral Budgets shall be paid to the Indenture Trustee for application in accordance with the provisions of the Indenture. As timing on expenses and capital investments may vary, it is acknowledged that any unused amounts within any given category of the monthly budget will carry over with such category for use in future months; *provided, however*, that without further action of the Bankruptcy Court or consent of the Debtors, the Indenture Trustee, at the direction of the Noteholders, may alter the order in which funds are applied. Notwithstanding the above, all ordinary income will be credited against the interest obligations due on 9/25/2010, 1/27/2011 and 6/26/2011 on a cumulative basis.

(d) Revenue to be paid to the Indenture Trustee pursuant to the Plan shall be paid on a monthly basis after expenditures for the prior month have been determined but in no event later than the fifteenth (15th) day of the month following the month in which such Revenue is received.

4. Default.

(a) The Plan shall be substantially consummated only when all Interest Payments and the Payoff Amount have been made in full (or the Indenture Trustee and the Noteholders, in their sole discretion, agrees to accept consideration from Financing Event as payment and satisfaction in full of all of Reorganized Debtors' obligations) and all reporting requirements as set forth in Section 7.2 hereof are met. Notwithstanding anything to the contrary in the Indenture, the following events shall constitute a "Default" under the Plan:

(i) Failure to make the payments set forth in Section 5.3, failure to meet the reporting requirements set forth in Section 7.2, failure to allow access pursuant to 7.2(e), and/or meet the cash management requirements set forth in Section 7.4 which are not cured in accordance with the terms of the Plan, or the Debtors or the Reorganized Debtors commit fraud or gross malfeasance; or

(ii) the entry of an injunction forcing the cessation of operations at Arrowhead Landfill for more than thirty (30) calendar days.

(b) Upon the occurrence of a Default, not timely cured by the Debtors, in accordance with the terms of the Plan, then the Indenture Trustee and the Noteholders may, in their sole and

absolute discretion, direct the appointment of the Liquidating Trustee and the transfer of the Trust Assets into the Liquidating Trust by written notice to the Debtors and the Liquidating Trustee, without further hearing, notice, or order of the Bankruptcy Court, that the Debtors' assets be placed in such Liquidating Trust, and overseen by the Liquidating Trustee. The Liquidating Trustee shall be appointed and the Trust Assets transferred into the Liquidating Trust upon the Indenture Trustee's filing a notice with the Bankruptcy Court and mailing of the written notice to the Debtors and Liquidating Trustee. No party shall have a right to seek a modification of the Plan without the mutual agreement of the Debtors and the Indenture Trustee.

5. Stay of Proceedings. For so long as Reorganized Debtors meet their obligations under the Plan, all collection action by the Indenture Trustee against the Debtors, Briarcliff 55, LLC, Member and the Personnel Outsourcing Entity will be stayed. Any applicable statute of limitations will be tolled as of June 28, 2010.

6. Injunctions Against Refiling.

There shall be an injunction against the Debtors and the Reorganized Debtors filing for bankruptcy protection until after all obligations of the Plan have been fully satisfied.

7. Modification to LLC Agreements.

The Debtors' LLC Agreements shall be modified to provide that, until the requirements of Section 5.3 of the Plan are met, the Liquidating Trustee must consent to the filing of a voluntary bankruptcy petition by either of the Debtors or Reorganized Debtors.

8. Assumptions of Liabilities.

Except as otherwise provided herein, the Reorganized Debtors shall assume liability for and the obligation to make the distributions required to be made under the Plan, but shall not otherwise assume the liabilities of the Debtors.

9. Injunction.

Except as otherwise provided in the Plan, from and after the Confirmation Date, all holders of Claims against and Equity Interests in the Debtors are permanently restrained and enjoined (a) from commencing or continuing in any manner, any action or other proceeding of any kind with respect to any such Claim or Equity Interest against the Debtors and their Assets; (b) from enforcing, attaching, collecting, or recovering by any manner or means, any judgment, award, decree, or order against the Assets or the Debtors; (c) from creating, perfecting, or enforcing any encumbrance of any kind against the Assets and the Debtors; (d) from asserting any setoff, right of subrogation, or recoupment of any kind against any obligation due the Debtors; and (e) from performing any act, in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan; *provided, however,* (i) that each holder of a Contested Claim may continue to prosecute its proof of claim in the Bankruptcy Court and all holders of Claims and Equity Interests shall be entitled to enforce their rights under the Plan and any agreements executed or delivered pursuant to or in connection with the Plan, and (ii) the

holder of a Lien on any Collateral which is surrendered pursuant to the Plan or hereafter by the Reorganized Debtors may exercise its legal and contractual rights and remedies, including foreclosure sale, with respect thereto. However, despite the preceding, in the event of a Default, the Indenture Trustee may take any action to proceed against the Assets or Trust Assets or enforce its liens and to collect or recover from the Debtors, Reorganized Debtors, or Liquidating Trust on account of the Indenture Trustee's Claims.

10. Payment of Post-Confirmation Quarterly Fees.

The Reorganized Debtors shall timely pay all fees incurred pursuant to 28 U.S.C. §1930(a)(6) until the Clerk of the Bankruptcy Court closes the Chapter 11 Case. The Reorganized Debtors shall file with the Bankruptcy Court, and serve on the Bankruptcy Administrator, a quarterly financial report for each quarter (or portion thereof) that the cases remain open until the Clerk of the Bankruptcy Court closes the Chapter 11 Case.

11. Revocation of Plan.

Upon obtaining the prior written consent of the Indenture Trustee, the Debtors reserve the right to revoke and withdraw the Plan before the entry of the Confirmation Order. If the Debtors revoke or withdraw the Plan, or if confirmation of the Plan does not occur, then the Plan shall be deemed null and void and nothing contained herein shall be deemed to constitute a waiver or release of any Claims by the Debtors, or by any other Person, or deemed to prejudice in any manner the rights of the Debtors or any other Persons in any further proceedings involving the Debtors.

12. Transfer of Assets to the Reorganized Debtors.

On the Effective Date, the Debtors' Assets, including the Litigation Claims, will be reserved, preserved, assigned, transferred, and conveyed, as the case may be, to the Reorganized Debtors free and clear of all liens, claims and encumbrances or interests, except to the extent that such Liens and Claims are expressly retained under the Plan.

13. Avoidance of Actions.

THE PLAN CONTEMPLATES PAYMENT IN FULL TO ALL CLASSES OF CREDITORS HOLDING ALLOWED CLAIMS, THEREFORE, IN THE EVENT THAT THE REORGANIZED DEBTORS MEET ALL OF THEIR OBLIGATIONS UNDER THE PLAN, INCLUDING, BUT NOT LIMITED TO THEIR OBLIGATIONS IN SECTIONS 5.3 AND 7.2, THE REORGANIZED DEBTORS SHALL WAIVE AND RELEASE ALL RIGHTS TO PURSUE ANY PREFERENCES OR FRAUDULENT TRANSFERS AS AN AFFIRMATIVE RECOVERY. HOWEVER, SUCH ACTIONS MAY BE USED AS A SETOFF AGAINST A FILED CLAIM.

IN THE EVENT THAT THE REORGANIZED DEBTORS DEFAULT UNDER THE PLAN, WHICH DEFAULT HAS NOT BEEN CURED IN ACCORDANCE WITH THE TERMS OF THE PLAN, ALL PREFERENCE, FRAUDULENT TRANSFER AND

OTHER AVOIDANCE ACTIONS ARE EXPRESSLY RETAINED AND SHALL BE PLACED IN THE LIQUIDATING TRUST AND MAY BE PROSECUTED BY THE LIQUIDATING TRUSTEE.

14. Other Actions.

Except for Avoidance Actions that are waived and released pursuant to Section 7.14 in the event that the Reorganized Debtors meet all their obligations under the Plan including, but not limited to, their obligations in Section 5.3 and 7.2, the Reorganized Debtors will prosecute the Litigation Claims and unless expressly settled or waived, those claims shall be preserved for the Reorganized Debtors to prosecute. **THE PLAN DOES NOT RELEASE AND IS NOT INTENDED TO RELEASE ANY OF THE LITIGATION CLAIMS, UNLESS EXPRESSLY PROVIDED FOR IN THE PLAN OR THE CONFIRMATION ORDER.** The Reorganized Debtors will not settle, compromise or waive any claim, indebtedness or cause of action against any third party without the prior written consent of the Indenture Trustee in the exercise of such trustee's sole discretion.

15. Compromise of Litigation Claims.

Subject to the additional provisions of this paragraph, the Reorganized Debtors may compromise or settle in their sole discretion any Litigation Claim without further order or authority from the Bankruptcy Court. However, until the Reorganized Debtors fulfill all of the requirements of the Plan, the Reorganized Debtors' ability to compromise or settle any Litigation Claim is subject to the prior written consent of the Indenture Trustee, which consent shall not be unreasonably withheld.

VI. FEASIBILITY

With the extension of Phase 1 of the TVA Contract and the ongoing operational needs of the Kingston Fossil Ridge Plant, Arrowhead is scheduled to receive 1.5 million tons of coal ash from TVA. The delivery of this tonnage is expected to begin in September of 2010 and end in March 2011. In addition to this contract extension, the Debtors are pursuing other opportunities to secure additional waste. Based upon Revenue associated with the extension of the TVA contract , as reflected in the Plan Budget attached as Exhibit "C" hereto, PUV is projected to have sufficient revenues to pay all operating expenses including payment of interest to the Series 2007 note holders through October 26, 2011. These revenues, along with the potential revenues to be realized from the execution of additional contracts, provide the "runway" necessary for the Financing Event.

The refinancing process will led by Grayhorse Capital Partners, LLC, in close consultation with Management, the Operator and the Noteholders. Although the final structure of the Financing cannot be determined at this time, it is likely the structure will include a combination of several capital layers. A successful financing is likely to occur due to several distinct competitive advantages of PUV: the strong financial and operational performance of the project, its exemplary regulatory and safety record, and the unique attributes highlighted below:

- *Extensive State Permitting:* The Arrowhead Landfill is permitted to receive waste *from* the sixteen largest states on the Eastern seaboard. These 16 states currently generate over 24 million annual tons of waste, which must be disposed of outside the respective state of generation.

- *Location:* The Arrowhead Landfill has direct dual rail access from the Norfolk Southern FastTrack and CSX rail lines and barge access from the Gulf of Mexico. The direct rail lines mean shorter transport times and the need for fewer rail cars to deliver the same tonnage of waste and allow the respective transfer station operator to handle almost double the tonnage of waste temporarily stored at its facility. These efficiencies translate into greatly reduced transportation costs for the Facility and greater opportunities to negotiate MSW and Coal Ash disposal contracts.

- *Available Landfill Capacity:* The Arrowhead Landfill is currently one of the largest landfills in the eastern United States with a permitted ability to receive a maximum average daily intake of 15,000 tons of MSW, C&D, Coal Ash. As currently designed and permitted, the Facility has 26.7 million cubic yards (covering 256 acres) of actual disposal area. The Debtors have an option on an additional 1,181 acres for further potential expansion of the facility. The Army Corps of Engineers and ADEM have issued a draft wetlands disturbance permit which will more than double the Facility's current volume to 58.3 million cubic yards.

- *Subtitled "D" Facility:* Under either the EPA's Subtitle C or the Subtitle D proposals for coal ash disposal in the future, Arrowhead Landfill's existing liner-protected cells would satisfy the anticipated state and federal requirements.

- *Sustainability of Landfills:* *Solid Waste Digest* (Vol. 14, No.9) estimates remaining landfill life in the United States at 21 years. The northeast is predicted to have 14 years of remaining capacity and the southeast is predicted to have 23 years. It is useful to consider landfill capacity in terms of sustainable capacity; i.e., the inventory of available disposal space. Sustainable capacity is defined as existing landfill capacity divided by ten, the number of years it takes to permit and construct new landfill capacity. A ratio of 100% implies that landfill capacity is being added at the same rate it is being consumed. A ratio below 100% implies landfill capacity is being consumed at a faster rate then it is being added. *Solid Waste Digest* estimates the sustainable capacity ratio in the U.S. currently is 47 percent. The implication is the U.S is consuming its disposal capacity at twice the rate at which capacity is being added.

PUV is engaging in a multi pronged strategy to drive short and long term revenue growth. Currently, the Company has completed its RFP process and is in the final stages of reviewing proposals and selecting an experienced solid waste marketing firm. The marketing firm selected will be charged with:

- Continuing business development for future coal ash contracts with TVA;

- Securing additional coal ash contracts with southeastern coal-fired utilities;

- Diversifying the waste flow to include Municipal Solid Waste with marketing efforts focused on the large municipalities within mid and southern Florida, primarily Collier, Lee, Dade, Broward and Palm Beach counties; and

- Providing introductions to short and long term strategic partners for the Company.

VII. CERTAIN TAX CONSEQUENCES OF THE PLAN.

This section summarizes certain material federal income tax consequences of the implementation of the Plan to the Debtor and to certain holders of Allowed Claims. This summary does not address the federal income tax consequences to holders of Claims who are deemed to have accepted the Plan (i.e., holders of Class 1 and 3 Claims) while this summary is based on the Internal Revenue Code ("IRC"), existing and proposed U.S. Treasury Regulations, judicial decisions, and published administrative rules and pronouncements of the IRS as in effect on the date hereof, all of those laws, rules and regulations are subject to change, possibly on a retroactive basis. Any such change could significantly affect the federal income tax consequences described below. The federal income tax consequences of the Plan are complex and are, in some respects, subject to uncertainties.

The Debtors have not filed a request for rulings from the IRS nor have they requested an opinion of counsel with respect to any of the tax aspects of the Plan. This summary does not address state, local or foreign income or other tax consequences of the Plan, nor does it purport to address the federal income tax consequences of the Plan to special classes of taxpayers (such as non-U.S. persons, broker-dealers, banks, mutual funds, insurance companies, financial institutions, thrifts, small business investment companies, regulated investment companies, tax-exempt organizations, persons holding a claim as part of a hedging, straddle, conversion or constructive sale transaction or other integrated investments, traders in securities that elect to use a mark-to-market method of accounting for their security holding, certain expatriates or former long term residents of the United States, or persons that received their claims as compensation for service. **ACCORDINGLY, THE FOLLOWING SUMMARY IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE PARTICULAR CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM. EACH HOLDER OF A CLAIM IS URGED TO CONSULT ITS OWN TAX ADVISORS FOR THE FEDERAL, STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX CONSEQUENCES APPLICABLE TO IT UNDER THE PLAN.**

A. Consequences to the Debtor.

[TO BE INSERTED PRIOR TO SOLICITATION]

B. Consequences to Holders of Claims and Interests.

[TO BE INSERTED PRIOR TO SOLICITATION]

THE FOREGOING SUMMARY HAS BEEN PROVIDED FOR INFORMATIONAL PURPOSES ONLY. ALL HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR TAX ADVISORS CONCERNING THE FEDERAL, STATE, LOCAL, AND OTHER TAX CONSEQUENCES APPLICABLE UNDER THE PLAN.

VIII. CONFIRMATION OF PLAN – REQUIREMENTS.

In order for the Plan to be confirmed, the Bankruptcy Code requires, among other things, that the Plan be proposed in good faith, that the Debtor disclose specified information concerning payments made or promised to insiders, and that the Plan comply with the applicable provisions of chapter 11 of the Bankruptcy Code. Section 1129(a) of the Bankruptcy Code also requires that at least one Class of Claims has accepted the Plan ("Minimum Voting Threshold"), that Confirmation of the Plan is not likely to be followed by the need for further financial reorganization, and that the Plan be fair and equitable with respect to each Class of Claims or Interests which is impaired under the Plan. The Bankruptcy Court can confirm the Plan if it finds that all of the requirements of section 1129(a) have been met. The Debtors believe that the Plan meets all of these required elements. With respect to the so-called "feasibility" test (i.e., that the Plan is not likely to be followed by the need for further financial reorganization), the Plan provides for an orderly liquidation of the Debtors' assets and the Debtors believe that they will be able to consummate the Plan fully.

In the event that a Class of Claims votes to reject the Plan, the Plan does not satisfy all of the requirements of Section 1129(a) of the Bankruptcy Code. Although the Minimum Voting Threshold is not met, the Bankruptcy Court nevertheless may confirm the Plan under the "cram down" provisions of Section 1129(b) of the Bankruptcy Code if all of the other provisions of Section 1129(a) of the Bankruptcy Code are met. Thus, the Debtor presently intends, to the extent necessary, (i) to undertake to have the Bankruptcy Court confirm the Plan under the "cram down" provisions of Section 1129(b) of the Bankruptcy Code, and (ii) to amend the Plan to the extent necessary to obtain entry of the Confirmation Order.

In order to confirm a Plan over the dissenting vote of an impaired Class under Section 1129(b) of the Bankruptcy Code that satisfies the remaining provisions of Section 1129(a) of the Bankruptcy Code, the Bankruptcy Court, on request of the Debtor, "shall" confirm the Plan if the Plan does not discriminate unfairly, and is fair and equitable with respect to each Class of Claims or interests that is impaired under, and has not accepted, the Plan. For purposes of Section 1129(b) of the Bankruptcy Code, a Plan is "fair and equitable" with respect to a class of unsecured Creditors if, at a minimum, it satisfies the "absolute "priority rule" and the "best interests of creditors test."

A. Absolute Priority Rule.

To satisfy the absolute priority rule, the Plan must provide that the holder of any Claim or Interest that is junior to the Claims of the dissenting Class will not receive or retain under the Plan, on account of such junior Claim or interest, any property unless the Claims of the dissenting Class are paid in full.

The Debtors believe that the Plan satisfies the absolute priority rule. The Debtors further believe that all non-accepting impaired Classes will receive or retain payment or distribution, as the case may be, on account of their Claims or Interests, sufficient to permit full satisfaction of such Claims before junior Classes receive or retain any property on account of such junior Claims.

B. Best Interest of Creditors Test; Liquidation Analysis.

Under the best interest of creditors test, the Plan is confirmable if, with respect to each impaired Class of Claims or Interests, each holder of an Allowed Claim or Allowed Interest in such Class has either (i) accepted the Plan, or (ii) receives or retains under the Plan, on account of its Claim or Interest, property of a value, as of the Effective Date, that is not less than the amount such holder would receive or retain if the Debtor were to be liquidated under chapter 7 of the Bankruptcy Code.

To determine what the holders of each Class of Claims or Interests would receive if the Debtors were to be liquidated under Chapter 7 of the Bankruptcy Code, the Bankruptcy Court must determine the dollar amount that would be generated from the liquidation of the Debtor's assets in a chapter 7 liquidation case. The amount that would be available for satisfaction of the Allowed Claims and Interests of the Debtors would consist of the proceeds resulting from the disposition of the assets of the Debtors augmented by the cash held by the Debtors at the time of the commencement of the chapter 7 case. Such amounts would be reduced by the costs and expenses of the liquidation and by such additional Administrative Claims and other priority Claims that might result from the chapter 7 case.

Here, it is clear that the current liquidation value of the landfill, without continued operations, proper marketing, development, new cell construction and revenue generation, is insufficient to satisfy the $58.6 million first lien position of the Noteholders. Under a liquidation scenario, the unsecured creditors would receive nothing.

Thus, the Debtors believe the Plan satisfies the "best interests of creditors test", and, indeed, that the Plan is in the best interests of Creditors.

IX. PROCEDURES FOR VOTING ON PLAN.

As noted above, pursuant to the Bankruptcy Code, a plan groups various Claims and Interests into classes, each consisting of parties having similar legal rights in relation to a debtor. Each class may then be treated as either "impaired" or "unimpaired" under a plan. There are three ways in which a plan may leave a claim or interest "unimpaired." First, a plan may not

propose to alter the legal, equitable or contractual rights of the holder of the claim or interest. Second, all defaults (excluding those covered by Section 365(b)(2) of the Bankruptcy Code) may be cured and the original terms of the obligation reinstated. Third, a plan may provide for the payment in full of the obligation to the holder of the claim or interest. If a class is unimpaired, then it is presumed to vote in favor of a plan.

An impaired class that would receive nothing under a plan is presumed to have rejected such a plan. An impaired class that is proposed to receive any distribution (whether in Cash, securities or other property) has the right to vote, as a class, to accept or reject the plan. A class of Creditors accepts a plan if more than one-half (1/2) of the ballots that are timely received from members of such class, representing at least two thirds (2/3) of the dollar amount of Claims for which ballots are timely received, vote in favor of such plan. Section 1126(e) of the Bankruptcy Code provides that a Creditor's vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that the Creditor's vote either to accept or reject a plan was not solicited or cast in good faith, or in compliance with the Bankruptcy Code. A plan under which any class of Claims is impaired may be confirmed by the Bankruptcy Court only if it has been accepted by at least one such class.

Each holder of an Allowed Claim in an impaired Class which retains or receives property under the Plan shall be entitled to vote separately to accept or reject the Plan and shall indicate such vote on a duly executed and delivered Ballot as provided in such order as is entered by the Bankruptcy Court establishing certain procedures with respect to the solicitation and tabulation of votes to accept or reject the Plan, or any other order or orders of the Bankruptcy Court.

Each Creditor should first carefully review this Disclosure Statement and the Plan. The Creditor should then complete the portions of the Ballot indicating the Class or Classes in which the Creditor's Claim falls and the total dollar amount of the Claim. If the Creditor's Claim falls into more than one Class, then the Creditor should list each Class and state the dollar amount of the Claim which belongs in each Class. It is critical that the Class(es) and amounts(s) of the Claim be correctly stated on the Ballot, so that the Creditor's vote can be properly counted.

Next, the Creditor should mark in the space provided on the Ballot whether the Creditor wishes to accept or to reject the Plan. Please be sure to fill in the name of the Creditor for whom the Ballot is being filed. Finally, the Ballot must be signed by the Creditor, or by an officer, partner, or other authorized agent of the Creditor. Please note that the Debtor reserves the right to object to the allowance, designation of Class and/or allowable amount of any Claim set forth in a Ballot for purposes of voting and/or distribution under the Plan.

Completed and signed Ballots should be returned to:

Jeffery J. Hartley
Helmsing, Leach, Herlong, Newman & Rouse, P.C.
P.O. Box 2767
Mobile, Alabama 36652

TO BE COUNTED, YOUR BALLOT MUST BE RECEIVED BY 5:00 P.M. CENTRAL DAYLIGHT SAVINGS TIME ON THE DATE ULTIMATELY ORDERED BY THE COURT.

X. CONFIRMATION HEARING.

The CONFIRMATION HEARING will be held by the Honorable Margaret Mahoney, United States Bankruptcy Judge, on [*], in the United States Bankruptcy Court, [Mobile Bankruptcy Court Room Info]. At that hearing, the Bankruptcy Court will decide whether the Plan should be confirmed, and will hear and decide any and all objections to the Plan. Any Creditor, or other party in interest who wishes to object to Confirmation of the Plan, or to the classification of Claims and Interests provided in the Plan, must, not later than 4:00 p.m. on [*], file an objection with the Clerk's Office, United States Bankruptcy Court, [Mobile Bankruptcy Court Address] and serve a copy of the objection on the following persons:

(a) counsel to the Debtor: Arley D. Finley, III, Esq., 700 Lavaca, Suite 1400, Austin, Texas 78701 and Jeffery Hartley, 150 Government Street, Suite 2000, Mobile, Alabama 36602; and

(b) counsel to the Indenture Trustee: Marc Solomon, Burr & Forman, LLP., 420 North 20th Street, Suite 3400, Birmingham, Alabama 35203:

Any objections to the Plan which are not filed and served by the above date may not be considered by the Bankruptcy Court. Any person or entity who files an objection to Confirmation of the Plan or to the classification of Claims and Interests provided in the Plan must also attend the Confirmation Hearing, either in person or through counsel.

If the Plan is confirmed, its provisions will bind the Estate and any and all entities, including all of the Debtor's Creditors and shareholders, whether or not the Claim or Interest of such Creditor or shareholder is impaired under the Plan and whether or not the Creditor or shareholder has, either individually or by a Class, voted to accept the Plan.

Dated: August 20, 2010.

Respectfully submitted,

PERRY UNIONTOWN VENTURES I, LLC

By: _____

PERRY COUNTY ASSOCIATES, LLC

By: _____

HELMSING, LEACH, HERLONG, NEWMAN & ROUSE, P.C.

/s/ Jeffery Hartley

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ATTORNEYS FOR DEBTORS AND DEBTORS-IN-POSSESSION