

**THIS COMBINED DISCLOSURE STATEMENT AND JOINT PLAN OF LIQUIDATION
HAS NOT BEEN APPROVED FOR SOLICITATION PURPOSES OR OTHERWISE.**

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

IN RE:	§	CHAPTER 11
	§	
PLOVER APPETIZER CO.,	§	CASE NO. 15-11062 (KG)
f/k/a GOLDEN COUNTY FOODS, INC.	§	
et al.,¹	§	JOINTLY ADMINISTERED
	§	
DEBTORS	§	

**DEBTORS' COMBINED DISCLOSURE STATEMENT
AND JOINT PLAN OF LIQUIDATION**

Dated: Wilmington, Delaware
November 12, 2015

Mark D. Collins (No. 2981)
Paul N. Heath (No. 3704)
Joseph C. Barsalona II (No. 6102)
RICHARDS, LAYTON & FINGER, P.A.
One Rodney Square
920 North King Street
Wilmington, Delaware 19801
Telephone: (302) 651-7700
Facsimile: (302) 651-7701
Email: collins@rlf.com
heath@rlf.com
barsalona@rlf.com

Patrick J. Neligan, Jr.
Texas Bar No. 14866000
John D. Gaither
Texas Bar No. 24055516
NELIGAN FOLEY LLP
325 N. St. Paul, Suite 3600
Dallas, Texas 75201
Telephone: (214) 840-5300
Facsimile: (214) 840-5301
Email: pneligan@neliganlw.com
jgaither@neliganlaw.com

COUNSEL FOR THE DEBTORS

¹ The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Plover Appetizer Co. (f/k/a Golden County Foods, Inc.) (3018); Plover Appetizer Holding Co. (f/k/a GCF Holdings II, Inc.) (3151); and Plover Appetizer Franchisee Co. (f/k/a GCF Franchisee, Inc.) (4385). The address of the Debtors' corporate headquarters is 300 Moore Road, Plover, Wisconsin 54467.



TABLE OF CONTENTS
Contents

I. INTRODUCTION	1
II. DEFINITIONS AND CONSTRUCTION OF TERMS	2
A. Definitions.....	2
1. “341 Meeting”	2
2. “Administrative Expense Bar Date”	2
3. “Administrative Expense Claim”	2
4. “Allowance Date”	2
5. “Allowed”	2
6. “Asset Purchase Agreement”	3
7. “Avoidance Actions”	3
8. “Bankruptcy Code”	3
9. “Bankruptcy Court” or “Court”	3
10. “Bankruptcy Rules”	4
11. “Bar Dates”	4
12. “BID Procedures Motion”	4
13. “Bid Procedures Order”	4
14. “Beneficial Interest”	4
15. “Beneficiary”	4
16. “Books and Records”	4
17. “Brazos Entities”	4
18. “Brazos Equity Fund”	4
19. “Brazos Settlement”	4
20. “Brazos Settlement Order”	5
21. “Business Day”	5
22. “Cash”	5
23. “Causes of Action”	5
24. “CBA”	5
25. “CBA Motion”	5
26. “CBA Order”	6
27. “Chapter 11 Cases”	6

28. “Claim”	6
29. “Claims and Balloting Agent”	6
30. “Claims Objection Deadline”	6
31. “Class”	6
32. “Clerk”	6
33. “COD”	6
34. “Collateral”	6
35. “Combined Plan and Disclosure Statement”	6
36. “Committee”	7
37. “Confirmation Date”	7
38. “Confirmation Hearing”	7
39. “Confirmation Notice”	7
40. “Confirmation Order”	7
41. “Credit Agreement”	7
42. “Creditor”	7
43. “Customer”	7
44. “Debtors”	7
45. “Debtors-in-Possession”	8
46. “DIP Loan Agreement”	8
47. “DIP Loan Claim”	8
48. “DIP Modification Motion”	8
49. “DIP Orders”	8
50. “Disputed”	8
51. “Distribution”	8
52. “Distribution Record Date”	8
53. “Docket”	8
54. “Effective Date”	8
55. “Entity”	8
56. “Equity Interests”	9
57. “Equity Interest Funds”	9
58. “Estate” or “Estates”	9
59. “Executory Contract”	9

60. “Fee Claim”	9
61. “Fee Order”	9
62. “File”, “Filed”, or “Filing”	9
63. “Final Fee Application”	10
64. “Final Order”	10
65. “First Day Motions”	10
66. “First Out Term Loan”	10
67. “FTI”	10
68. “General Bar Date”	10
69. “General Unsecured Claim”	10
70. “General Unsecured Claim Funds”	10
71. “Golden Foods”	11
72. “Governmental Bar Date”	11
73. “Governmental Unit”	11
74. “Guaranty”	11
75. “Holder”	11
76. “Intercompany Claims”	11
77. “IRS”	11
78. “Last Out Participation Agreements”	11
79. “Last Out Term Loan”	11
80. “Last Out Term Loan Claim”	11
81. “Lenders”	12
82. “Lien”	12
83. “Limited Guaranty”	12
84. “Liquidating Trust”	12
85. “Liquidating Trust Account”	12
86. “Liquidating Trust Agreement”	12
87. “Liquidating Trust Assets”	12
88. “Liquidating Trust Available Cash”	13
89. “Liquidating Trust Operating Expenses”	13
90. “Liquidating Trust Operating Reserve”	13
91. “Liquidating Trust Seed Money”	13

92. “Liquidating Trustee”	13
93. “Miscellaneous Secured Claim”	14
94. “Monogram”	14
95. “Order”	14
96. “Non-Tax Priority Claim”	14
97. “Person”	14
98. “Petition Date”	14
99. “Piper Jaffray”	14
100. “Plan Supplement”	14
101. “Plover Appetizer”	14
102. “Plover Franchisee”	14
103. “Plover Holding”	14
104. “PNC”	15
105. “Priority Tax Claim”	15
106. “Privilege”	15
107. “Professional”	15
108. “Pro Rata”	15
109. “Revolver”	15
110. “Sale Motion”	15
111. “Sale Hearing”	15
112. “Sale Order”	15
113. “Schedules”	15
114. “Secured Claim”	16
115. “Senior Subordinated Notes”	16
116. “Tax Code”	16
117. “Trust Oversight Committee”	16
118. “Unclaimed Distribution”	16
119. “Unclaimed Distribution Deadline”	16
120. “Unimpaired Claims Cash Reserve”	16
121. “Union”	17
122. “Voting Deadline”	17
123. “UFCW Administrative Claim”	17

124. “UFCW Pension Plan”	17
125. “UFCW Unsecured Claim”	17
126. “UST”	17
B. Interpretation; Application of Definitions and Rules of Construction.....	17
III. BACKGROUND AND DISCLOSURES.....	18
A. The Debtors’ Business and Corporate Structure.....	18
B. Events Precipitating the Chapter 11 Filing	20
C. Prepetition Marketing Activities and Sale Agreement	23
D. The Chapter 11 Cases	24
E. Certain Federal Income Tax Consequences.....	36
F. Alternate Plan.....	37
G. Best Interests Test and Liquidation Analysis.....	37
IV. SUMMARY OF DEBTORS’ ASSETS; SUMMARY OF TREATMENT OF CLAIMS AND ESTIMATED RECOVERIES.....	38
A. Summary of Assets	38
B. Summary of Treatment of Claims and Equity Interests and Estimated Recoveries	39
V. CONFIRMATION AND VOTING PROCEDURES	41
A. Confirmation Procedure.....	41
VI. TREATMENT OF UNCLASSIFIED CLAIMS	48
A. Administrative Expense Bar Date.....	48
B. Treatment of Administrative Expense Claims	48
C. Treatment of Priority Tax Claims	48
D. Payment of Statutory Fees	49
E. Bar Dates for Professional Fee Claims	49
F. Intercompany Claims	50
VII. CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS.....	50
VIII. TREATMENT OF CLAIMS AND EQUITY INTERESTS.....	51
A. Treatment of Claims and Equity Interests	51
B. Modification of Treatment of Claims and Equity Interests	56
C. Cramdown and No Unfair Discrimination.....	56
IX. PROVISIONS REGARDING THE LIQUIDATING TRUST.....	57
A. Arrangements with the Liquidating Trustee	57

B. Funding of the Liquidating Trust.....	58
C. Distributions by the Liquidating Trust.....	58
D. Withholding and Reporting Requirements	59
E. Powers and Authority of the Liquidating Trustee.....	60
F. Post-Confirmation Date Expenses of the Liquidating Trustee	61
X. PROVISIONS GOVERNING DISTRIBUTIONS UNDER THE COMBINED PLAN AND DISCLOSURE STATEMENT	61
A. Method of Payment.....	61
B. Objections to and Resolution of Claims	61
C. Claims Objection Deadline	61
D. No Distribution Pending Allowance.....	62
E. Escrow of Cash Distributions Pending Allowance.....	62
F. Distribution After Allowance	62
G. Satisfaction of Claims Against Co-Debtors and Guarantors	63
H. Investment of Segregated Cash and Property	63
I. Delivery of Distributions	63
J. Unclaimed Distributions	64
K. <i>De Minimis</i> Distributions.....	65
L. Set-Off.....	65
M. Books and Records	65
N. Privileges as to Certain Causes of Action.....	66
XI. IMPLEMENTATION AND EFFECT OF CONFIRMATION OF COMBINED PLAN AND DISCLOSURE STATEMENT	66
A. Means for Implementation of the Combined Plan and Disclosure Statement.....	66
B. Administrative Consolidation	67
XII. INJUNCTION, EXCULPATION AND RELEASES.....	68
A. Injunction	68
B. Exculpation	69
C. Releases.....	70
XIII. EXECUTORY CONTRACTS AND UNEXPIRED LEASES.....	72
A. Rejection of Executory Contracts and Unexpired Leases.....	72
B. Deadline for Filing Proofs of Claim Relating to Executory Contracts and Unexpired Leases Rejected Pursuant to the Combined Plan and Disclosure Statement.....	72

XIV. CONDITIONS TO THE EFFECTIVE DATE	73
A. Conditions Precedent to the Effective Date	73
B. Effect of Failure of Conditions	73
C. Waiver of Conditions to Confirmation and Effective Date	74
XV. RETENTION OF JURISDICTION	74
XVI. MISCELLANEOUS PROVISIONS.....	76
A. Amendment or Modification of the Combined Plan and Disclosure Statement.....	76
B. Severability	77
C. Revocation or Withdrawal of the Combined Plan and Disclosure Statement	77
D. Binding Effect.....	77
E. Notices	78
F. Governing Law	78
G. Allocation of Distributions Between Principal and Interest	78
H. Headings	78
I. Exhibits/Schedules	79
J. Filing of Additional Documents	79
K. No Admissions.....	79
L. Successors and Assigns.....	79
M. Reservation of Rights.....	79
N. Implementation	80
O. Inconsistency.....	80
P. Dissolution of the Debtors	80
Q. Dissolution of the Committee	81
R. Compromise of Controversies	81
S. Request for Expedited Determination of Taxes.....	81

NOTICE

THERE HAS BEEN NO INDEPENDENT AUDIT OF THE FINANCIAL INFORMATION CONTAINED IN THIS COMBINED PLAN AND DISCLOSURE STATEMENT EXCEPT AS EXPRESSLY INDICATED HEREIN. THIS COMBINED PLAN AND DISCLOSURE STATEMENT WAS COMPILED FROM INFORMATION OBTAINED FROM NUMEROUS SOURCES BELIEVED TO BE ACCURATE TO THE BEST OF THE DEBTORS' KNOWLEDGE, INFORMATION AND BELIEF. NO GOVERNMENTAL AUTHORITY HAS PASSED ON, CONFIRMED OR DETERMINED THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED HEREIN.

NOTHING STATED HEREIN SHALL BE DEEMED OR CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTORS OR ANY OTHER PARTY, OR BE DEEMED CONCLUSIVE EVIDENCE OF THE TAX OR OTHER LEGAL EFFECTS OF THE COMBINED PLAN AND DISCLOSURE STATEMENT ON THE DEBTORS OR HOLDERS OF CLAIMS OR EQUITY INTERESTS. CERTAIN STATEMENTS CONTAINED HEREIN, BY NATURE, ARE FORWARD-LOOKING AND CONTAIN ESTIMATES AND ASSUMPTIONS. THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL REFLECT ACTUAL OUTCOMES.

THE STATEMENTS CONTAINED HEREIN ARE MADE AS OF THE DATE HEREOF, UNLESS ANOTHER TIME IS SPECIFIED. THE DELIVERY OF THIS COMBINED PLAN AND DISCLOSURE STATEMENT SHALL NOT BE DEEMED OR CONSTRUED TO CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AT ANY TIME AFTER THE DATE HEREOF.

HOLDERS OF CLAIMS AND EQUITY INTERESTS SHOULD NOT CONSTRUE THE CONTENTS OF THIS COMBINED PLAN AND DISCLOSURE STATEMENT AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL OR TAX ADVICE. THEREFORE, EACH SUCH HOLDER SHOULD CONSULT WITH ITS OWN LEGAL, BUSINESS, FINANCIAL AND TAX ADVISORS AS TO ANY SUCH MATTERS CONCERNING THE COMBINED DISCLOSURE STATEMENT AND COMBINED PLAN AND DISCLOSURE STATEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY.

I. INTRODUCTION

Plover Appetizer Co. f/k/a Golden County Foods, Inc. and its affiliated debtors and debtors in possession (collectively, the “**Debtors**”) hereby propose the Debtors’ Combined Plan and Disclosure Statement² pursuant to sections 1125 and 1129 of the Bankruptcy Code. The Debtors are the proponents of the Combined Plan and Disclosure Statement within the meaning of section 1129 of the Bankruptcy Code.

The Combined Plan and Disclosure Statement constitutes a liquidating chapter 11 plan for the Debtors. The Combined Plan and Disclosure Statement provides for the Debtors’ assets not already liquidated to be liquidated and for the proceeds to be distributed to holders of Allowed Claims in accordance with the terms of the Combined Plan and Disclosure Statement and the priority of claims provisions included in the Bankruptcy Code. Except as otherwise provided by order of the Bankruptcy Court, Distributions will occur on the Effective Date or as soon thereafter as is practicable and at various intervals thereafter. The Combined Plan and Disclosure Statement provides for the establishment of the Liquidating Trust which shall, as provided for in this Combined Plan and Disclosure Statement and the Liquidating Trust Agreement, be the means to effect such liquidation and Distributions. The Debtors will be dissolved as soon as practicable on or after the Effective Date.

Subject to the restrictions on modifications set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and those restrictions on modifications set forth in Section XVI.A. of the Combined Plan and Disclosure Statement, the Debtors, in consultation with the Committee, expressly reserve the right to alter, amend or modify the Combined Plan and

² All capitalized terms not defined in this introduction shall have the same meanings set forth in Section II of the Combined Plan and Disclosure Statement.

Disclosure Statement, one or more times, before its substantial consummation, including as disclosed more fully in Section III.G. of this Combined Plan and Disclosure Statement.

II. DEFINITIONS AND CONSTRUCTION OF TERMS

A. Definitions

As used herein, the following terms have the respective meanings specified below, unless the context otherwise requires:

1. **“341 Meeting”** shall have the meaning ascribed to the term in Section III.E.7.a. of the Combined Plan and Disclosure Statement.

2. **“Administrative Expense Bar Date”** means the Business Day that is thirty (30) days after the Effective Date.

3. **“Administrative Expense Claim”** means any right to payment constituting a cost or expense of administration of the Chapter 11 Cases under sections 503(b) and 507(a)(2) of the Bankruptcy Code including, without limitation, (a) any actual and necessary costs and expenses of preserving the Estates, (b) all compensation and reimbursement of expenses to the extent Allowed by the Bankruptcy Court under section 330 or 503 of the Bankruptcy Code, (c) any fees or charges assessed against the Estates under section 1930 of chapter 123 of Title 28 of the United States Code, and (d) all Claims arising under section 503(b)(9) of the Bankruptcy Code.

4. **“Allowance Date”** means the date on which a Claim becomes an Allowed Claim or an Interest becomes an Allowed Interest.

5. **“Allowed”** means, with reference to any Claim, proof of which was timely and properly filed or, if no proof of Claim was filed, which has been or hereafter is listed by the Debtors in the Schedules, as liquidated in amount and not disputed or contingent and, in each case, as to which: (A) no objection to allowance has been interposed within the applicable

period fixed by the Combined Plan and Disclosure Statement, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or (B) an objection has been interposed and such Claim has been allowed, in whole or in part, by a Final Order.

6. **“Asset Purchase Agreement”** shall have the meaning ascribed to the term in in Section III.C. of the Combined Plan and Disclosure Statement.

7. **“Avoidance Actions”** means any and all rights to recover or avoid transfers or liens under Chapter 5 of the Bankruptcy Code or otherwise, including, but not limited to, sections 506(d), 522, 541, 542, 543, 544, 545, 547, 548, 549, 550, or 553 of the Bankruptcy Code, or otherwise under the Bankruptcy Code or under similar or related state or federal statutes and common law, including, without limitation, all preference, fraudulent conveyance, fraudulent transfer, and/or other similar avoidance claims, rights, and causes of action, whether or not litigation has been commenced as of the Effective Date to prosecute such Avoidance Actions; *subject, however*, to any releases thereof provided in the Combined Plan and Disclosure Statement, the Confirmation Order, Asset Purchase Agreement, the Sale Order, or any other Final Order of the Bankruptcy Court.

8. **“Bankruptcy Code”** means title 11 of the United States Code, as amended from time to time.

9. **“Bankruptcy Court” or “Court”** means the United States Bankruptcy Court for the District of Delaware, having jurisdiction over the Chapter 11 Cases, or if such Court ceases to exercise jurisdiction over the Chapter 11 Cases, such court or adjunct thereof that exercises jurisdiction over the Chapter 11 Cases in lieu of the United States Bankruptcy Court for the District of Delaware.

10. **“Bankruptcy Rules”** means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, and any Local Rules of the Bankruptcy Court, as amended from time to time.

11. **“Bar Dates”** shall have the meaning ascribed to the term in Section III.D.7. of this Combined Plan and Disclosure Statement.

12. **“BID Procedures Motion”** shall have the meaning ascribed to the term in Section III.D.5. of the Combined Plan and Disclosure Statement.

13. **“Bid Procedures Order”** shall have the meaning ascribed to the term in Section III.D.5. of the Combined Plan and Disclosure Statement.

14. **“Beneficial Interest”** means an interest that entitles the holder thereof to a Distribution in accordance with the terms of the Liquidating Trust Agreement.

15. **“Beneficiary”** means the holder of a Beneficial Interest, whether individually or as agent on behalf of one or more other entities. To the extent Holders of Allowed Claims are entitled to a Distribution from the Liquidating Trust pursuant to the terms of the Combined Plan and Disclosure Statement, such Holders are each a Beneficiary.

16. **“Books and Records”** shall have the meaning ascribed to the term in Section X.L. of the Combined Plan and Disclosure Statement

17. **“Brazos Entities”** shall have the meaning ascribed to the term in Section III.D.6. of the Combined Disclosure Statement and Plan.

18. **“Brazos Equity Fund”** shall have the meaning ascribed to the term in Section III.A.3. of the Combined Plan and Disclosure Statement.

19. **“Brazos Settlement”** shall have the meaning ascribed to the term in Section III.D.6. of the Combined Disclosure Statement and Plan.

20. **“Brazos Settlement Order”** shall have the meaning ascribed to the term in Section III.D.7. of the Combined Disclosure Statement and Plan.

21. **“Business Day”** means any day other than a Saturday, Sunday or any other day on which commercial banks in New York, New York are required or authorized to close by law or executive order.

22. **“Cash”** means legal tender of the United States of America and equivalents thereof.

23. **“Causes of Action”** means the Avoidance Actions and all other claims, actions, causes of action, choses in action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, third-party claims, counterclaims, and crossclaims of any Debtor and/or any of the Estates against any Entity, based in law or equity, including, but not limited to, under the Bankruptcy Code, whether direct, indirect, derivative, or otherwise and whether asserted or unasserted, and any and all commercial tort claims against any party, including the Debtors’ current and former directors and officers; *subject, however*, to any releases provided in the Combined Plan and Disclosure Statement, the Confirmation Order, the DIP Orders, the Asset Purchase Agreement, Sale Order, or any other Final Order of the Bankruptcy Court.

24. **“CBA”** shall have the meaning ascribed to the term in Section III.D.5.c. of the Combined Plan and Disclosure Statement.

25. **“CBA Motion”** shall have the meaning ascribed to the term in Section III.D.5.c. of the Combined Plan and Disclosure Statement.

26. **“CBA Order”** shall have the meaning ascribed to the term in Section III.D.5.e. of the Combined Plan and Disclosure Statement.

27. **“Chapter 11 Cases”** means the jointly administered cases under chapter 11 of the Bankruptcy Code commenced by the Debtors, styled as Plover Appetizer Co. f/k/a Golden County Foods, Inc., *et al.*, under Case No. 15-11062, currently pending in the Bankruptcy Court.

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

29. **“Claims and Balloting Agent”** means Kurtzman Carson Consultants LLC.

30. **“Claims Objection Deadline”** means ninety (90) days after the Effective Date or such later date as may be approved by the Bankruptcy Court.

31. **“Class”** means any group of substantially similar Claims or Equity Interests classified by the Combined Plan and Disclosure Statement pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code.

32. **“Clerk”** means the clerk of the Bankruptcy Court.

33. **“COD”** means cancellation of indebtedness.

34. **“Collateral”** means any property or interest in property of (a) an Estate or, (b) after the Effective Date, of a reorganized Debtor, that is subject to a Lien to secure the payment or performance of a Claim, which Lien is valid, perfected and enforceable under applicable law and is not subject to avoidance or otherwise invalid under the Bankruptcy Code or applicable non-bankruptcy law.

35. **“Combined Plan and Disclosure Statement”** means this combined disclosure statement and joint chapter 11 plan of liquidation including, without limitation, all exhibits,

supplements, appendices and schedules hereto, either in their present form or as the same may be altered, amended or modified from time to time through the Confirmation Date.

36. **“Committee”** means the Official Committee of Unsecured Creditors appointed in the Chapter 11 Cases by the Office of the United States Trustee on May 27, 2015.

37. **“Confirmation Date”** means the date on which the Confirmation Order is entered on the Docket.

38. **“Confirmation Hearing”** means the hearing held by the Bankruptcy Court to consider (i) approval of the Combined Plan and Disclosure Statement as providing adequate information pursuant to section 1125 of the Bankruptcy Code and (ii) confirmation of the Combined Plan and Disclosure Statement pursuant to section 1129 of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.

39. **“Confirmation Notice”** shall have the meaning ascribed to the term in Section V.A.7. of the Combined Plan and Disclosure Statement.

40. **“Confirmation Order”** means the Order confirming the Combined Plan and Disclosure Statement pursuant to section 1129 of the Bankruptcy Code.

41. **“Credit Agreement”** shall have the meaning ascribed to the term in Section III.A.3. of the Combined Plan and Disclosure Statement.

42. **“Creditor”** means any Person that is the Holder of a Claim against any of the Debtors.

43. **“Customer”** means that certain customer of the Debtors defined in Section III.B. of the Combined Plan and Disclosure Statement.

44. **“Debtors”** means, collectively, Plover Appetizer, Plover Holding, and Plover Franchisee.

45. **“Debtors-in-Possession”** means the Debtors in their capacity as debtors-in-possession in the Chapter 11 Cases pursuant to sections 1101, 1107(a) and 1108 of the Bankruptcy Code.

46. **“DIP Loan Agreement”** shall have the meaning ascribed to the term in Section III.D.2. of the Combined Plan and Disclosure Statement.

47. **“DIP Loan Claim”** means any Claim arising under or relating to the DIP Loan Agreement.

48. **“DIP Modification Motion”** shall have the meaning ascribed to the term in Section III.D.5.d. of the Combined Plan and Disclosure Statement.

49. **“DIP Orders”** shall have the meaning ascribed to the term in Section III.D.2. of the Combined Plan and Disclosure Statement.

50. **“Disputed”** means any Claim that is listed on the Schedules as disputed, contingent or unliquidated, or which is objected to in whole or in part prior to the Claim Objection Deadline that has not been resolved by settlement or Final Order.

51. **“Distribution”** means any distribution to the Holders of Allowed Claims.

52. **“Distribution Record Date”** means the record date for purposes of making distributions under the Plan on account of Allowed Claims, which date shall be the General Bar Date for all non-governmental Entities and Persons.

53. **“Docket”** means the docket in the Chapter 11 Cases maintained by the Clerk.

54. **“Effective Date”** means the date on which the conditions specified in Section XIV of the Combined Plan and Disclosure Statement have been satisfied or waived.

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

56. **“Equity Interests”** means all equity interests in the Debtors including, but not limited to, all issued, unissued, authorized or outstanding shares or membership interests together with any warrants, options or contract rights to purchase or acquire such interests at any time.

57. **“Equity Interest Funds”** means the Liquidating Trust Assets less such funds as are necessary to pay in full: (i) any Allowed Administrative Expense Claims; (ii) any Allowed Priority Tax Claims; (ii) the Allowed DIP Loan Claim; (iii) the Allowed Last Out Term Loan Claim; (iii) any Allowed Miscellaneous Secured Claims; (iv) any allowed Non-Tax Priority Claim; (v) all Allowed General Unsecured Claims; and (vi) the Liquidating Trust Operating Expenses.

58. **“Estate”** or **“Estates”** means the estates of the Debtors created upon the commencement of the Chapter 11 Cases pursuant to section 541 of the Bankruptcy Code.

59. **“Executory Contract”** means any executory contract or unexpired lease as of the Petition Date between the Debtors and any other Person or Persons, specifically excluding contracts and agreements entered into pursuant to this Combined Plan and Disclosure Statement.

60. **“Fee Claim”** means a claim under sections 330(a), 331, 503 or 1103 of the Bankruptcy Code for compensation of a Professional or other Entity for services rendered or expenses incurred in the Chapter 11 Cases.

61. **“Fee Order”** means the Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals [Docket No. 159] entered by the Bankruptcy Court on June 18, 2015.

62. **“File”**, **“Filed”**, or **“Filing”** means file, filed, or filing with the Bankruptcy Court in the Chapter 11 Cases.

63. **“Final Fee Application”** means an application for final allowance of any Professional’s aggregate Fee Claim.

64. **“Final Order”** means an Order of the Bankruptcy Court or a Court of competent jurisdiction to hear appeals from the Bankruptcy Court, that has not been reversed, stayed, modified or amended and as to which the time to appeal, to petition for certiorari, or to move for reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing shall then be pending.

65. **“First Day Motions”** shall have the meaning ascribed to the term in Section III.D.1. of the Combined Plan and Disclosure Statement.

66. **“First Out Term Loan”** shall have the meaning ascribed to the term in Section III.A.3. of the Combined Plan and Disclosure Statement.

67. **“FTI”** shall have the meaning ascribed to the term in Section III.D.7. of the Combined Plan and Disclosure Statement.

68. **“General Bar Date”** means October 5, 2015.

69. **“General Unsecured Claim”** means any Claim against the Debtors that arose or is deemed by the Bankruptcy Code or Bankruptcy Court, as the case may be, to have arisen before the Petition Date and that is not: (i) an Administrative Expense Claim, (ii) a Priority Tax Claim, (iii) any other Claim entitled to priority under the Bankruptcy Code or any Order of the Bankruptcy Court, (iv) the DIP Loan Claim, (v) the Last Out Term Loan Claim, or (vi) an Equity Interest.

70. **“General Unsecured Claim Funds”** means the Liquidating Trust Assets less such funds as are necessary to pay in full: (i) any unpaid Allowed Administrative Expense Claims and Allowed Priority Tax Claim, (ii) the Allowed DIP Loan Claim, (iii) the Allowed

Last Out Term Loan Claim, (iii) any Allowed Miscellaneous Secured Claims, and (iv) the Liquidating Trust Operating Expenses.

71. **“Golden Foods”** shall have the meaning ascribed to the term in Section III.D.5.e. of the Combined Plan and Disclosure Statement.

72. **“Governmental Bar Date”** means November 12, 2015.

73. **“Governmental Unit”** shall have the meaning set forth in section 101(27) of the Bankruptcy Code.

74. **“Guaranty”** shall have the meaning ascribed to the term in Section III.A.3. of the Combined Plan and Disclosure Statement.

75. **“Holder”** means the beneficial holder of any Claim or Equity Interest.

76. **“Intercompany Claims”** means (a) any account reflecting intercompany book entries by one Debtor with respect to any other Debtor, or (b) any Claim that is not reflected in such book entries and is held by a Debtor against any other Debtor, in each case accruing before or after the Petition Date, including, but not limited to, any claim for reimbursement, payment as guarantor or surety, or any claim for contribution or expenses that were allocable between multiple Debtors.

77. **“IRS”** means the Internal Revenue Service.

78. **“Last Out Participation Agreements”** shall have the meaning ascribed to the term in Section III.A.3. of the Combined Plan and Disclosure Statement.

79. **“Last Out Term Loan”** shall have the meaning ascribed to the term in Section III.A.3. of the Combined Plan and Disclosure Statement.

80. **“Last Out Term Loan Claim”** shall have the meaning ascribed to the term in Section VII.A.2. of the Combined Plan and Disclosure Statement.

81. **“Lenders”** shall have the meaning ascribed to the term in Section III.A.3. of the Combined Plan and Disclosure Statement.

82. **“Lien”** means any mortgage, pledge, deed of trust, assessment, security interest, lease, lien, adverse claim, levy, charge or other encumbrance of any kind, including any “lien” as defined in section 101(37) of the Bankruptcy Code, or a conditional sale contract, title retention contract or other contract to give any of the foregoing.

83. **“Limited Guaranty”** shall have the meaning ascribed to the term in Section III.A.3. of the Combined Plan and Disclosure Statement.

84. **“Liquidating Trust”** means the trust established under the Combined Plan and Disclosure Statement and the Liquidating Trust Agreement.

85. **“Liquidating Trust Account”** means one or more segregated interest bearing accounts established by the Liquidating Trust into which shall be deposited (a) the Liquidating Trust Seed Money, and (b) the proceeds of the liquidation of all other Liquidating Trust Assets.

86. **“Liquidating Trust Agreement”** means the trust agreement that establishes the Liquidating Trust and governs the powers, duties, and responsibilities of the Liquidating Trustee and the Trust Oversight Committee. The Liquidating Trust Agreement shall be filed as part of the Plan Supplement.

87. **“Liquidating Trust Assets”** means all interests of any and every kind owned or otherwise held by the Debtors and their Estates in any and all property of any kind, except for: (i) the Unimpaired Claims Cash Reserve, (ii) the Liquidating Trust Seed Money, and (iii) the Liquidating Trust Operating Reserve. Included within the Liquidating Trust Assets, and not by way of limitation, are all interests of any kind of the Debtors and their Estates in all Causes of

Action. The Liquidating Trust Assets shall, on the Effective Date, be transferred by the Debtors to the Liquidating Trust.

88. **“Liquidating Trust Available Cash”** means the Cash on deposit in the Liquidating Trust Account at any time, less the Liquidating Trust Operating Reserve.

89. **“Liquidating Trust Operating Expenses”** means the reasonable costs and expenses, including professional fees, of the Liquidating Trustee in administering the Liquidating Trust.

90. **“Liquidating Trust Operating Reserve”** means such reserve of Cash determined from time to time by the Liquidating Trustee pursuant to the Liquidating Trust Agreement to be reasonably necessary to pay Liquidating Trust Operating Expenses, including (a) the unpaid liabilities, debts, or obligations of the Liquidating Trust; (b) the fees and expenses of the Liquidating Trustee; (c) all fees and expenses of professionals retained by the Liquidating Trustee; and (d) any and all other costs associated with the liquidation or preservation of the Liquidating Trust Assets. The Liquidating Trust Operating Reserve initially shall be funded with the Liquidating Trust Seed Money.

91. **“Liquidating Trust Seed Money”** means the sum of \$50,000.00 in Cash to be paid, on the Effective Date, by the Debtors to the Liquidating Trustee for deposit into the Liquidating Trust Operating Reserve.

92. **“Liquidating Trustee”** means the Person appointed to administer the Liquidating Trust with such rights, duties, and obligations as set forth in the Liquidating Trust Agreement, subject to the authority of the Trust Oversight Committee. Subject to confirmation of the Combined Plan and Disclosure Statement and approval of the Liquidating Trust Agreement, the

initial Liquidating Trustee shall be Thomas Pitta of Emmet, Marvin & Martin LLP. A copy of Mr. Pitta's curriculum vitae is attached hereto as Exhibit B.

93. **"Miscellaneous Secured Claim"** means a Secured Claim other than the DIP Loan Claim and the Last Out Term Loan Claim.

94. **"Monogram"** shall have the meaning ascribed to the term in Section III.C. of the Combined Plan and Disclosure Statement.

95. **"Order"** means an order or judgment of the Bankruptcy Court as entered on the Docket.

96. **"Non-Tax Priority Claim"** means a Claim that is accorded priority in right of payment under section 507 of the Bankruptcy Code, other than a Priority Tax Claim or an Administrative Expense Claim.

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

98. **"Petition Date"** means May 15, 2015.

99. **"Piper Jaffray"** shall have the meaning ascribed to the term in Section III.C. of the Combined Plan and Disclosure Statement.

100. **"Plan Supplement"** means, collectively, any such documents as are referenced as such in this Combined Plan and Disclosure Statement to be Filed hereafter to supplement or clarify aspects of the Combined Plan and Disclosure Statement.

101. **"Plover Appetizer"** means Plover Appetizer Co. f/k/a Golden County Foods, Inc.

102. **"Plover Franchisee"** means Plover Franchisee Co. f/k/a GCF Franchisee, Inc.

103. **"Plover Holding"** means Plover Holding Co. f/k/a GCF Holdings II, Inc.

104. “**PNC**” means PNC Bank, National Association

105. “**Priority Tax Claim**” means a Claim that is entitled to priority under section 507(a)(8) of the Bankruptcy Code.

106. “**Privilege**” means the attorney client privilege, work product protections or other immunities (including those related to common interests or joint defenses with other parties), or protections from disclosure of any kind held by the Debtors or their Estates.

107. “**Professional**” means any professional person employed in the Chapter 11 Cases pursuant to section 327, 363 or 1103 of the Bankruptcy Code or otherwise pursuant to an Order of the Bankruptcy Court.

108. “**Pro Rata**” means the proportion that an Allowed Claim in a particular Class bears to the aggregate amount of Allowed Claims in that Class.

109. “**Revolver**” shall have the meaning ascribed to the term in Section III.A.3. of the Combined Plan and Disclosure Statement

110. “**Sale Motion**” shall have the meaning ascribed to the term in Section III.D.5.c. of the Combined Plan and Disclosure Statement.

111. “**Sale Hearing**” shall have the meaning ascribed to the term in Section III.D.5.a. of the Combined Plan and Disclosure Statement.

112. “**Sale Order**” shall have the meaning ascribed to the term in Section III.D.5.e. of the Combined Plan and Disclosure Statement.

113. “**Schedules**” means the schedules of assets and liabilities, the list of Holders of Equity Interests and the statement of financial affairs filed by each of the Debtors under section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, and all amendments and modifications thereto through the Confirmation Date.

114. **“Secured Claim”** means a Claim (i) that is secured by a Lien on property in which the Estates have an interest, which lien is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or applicable state law, or a Claim that is subject to a valid right of the Creditor of setoff against amounts owed to the Debtors; (ii) to the extent of the value of the Holder’s interest in the Estates’ interest in such property or to the extent of the amount subject to a valid right of setoff, as applicable; and (iii) the amount of which (A) is undisputed by the Debtors or (B) if disputed by the Debtors, such dispute is settled by written agreement between the Debtors or the Liquidating Trustee and the holder of such Claim or determined, resolved, or adjudicated by Final Order.

115. **“Senior Subordinated Notes”** shall have the meaning ascribed to the term in Section III.A.3. of the Combined Plan and Disclosure Statement.

116. **“Tax Code”** means the Internal Revenue Code of 1986, as amended.

117. **“Trust Oversight Committee”** means the three (3) Person committee appointed by the (a) Committee to oversee, direct, and approve the actions of the Liquidating Trustee in accordance with the Liquidating Trust Agreement. The initial members of the Trust Oversight Committee shall be identified in the Plan Supplement.

118. **“Unclaimed Distribution”** means a Distribution that is not claimed by a Holder of an Allowed Claim on or prior to the Unclaimed Distribution Deadline.

119. **“Unclaimed Distribution Deadline”** means ninety (90) days from the date the Liquidating Trustee makes a Distribution of Cash or other property under the Combined Plan and Disclosure Statement to a holder of an Allowed Claim.

120. **“Unimpaired Claims Cash Reserve”** means Cash held by the Debtors as of the Effective Date, less the Liquidating Trust Seed Money, in an amount necessary to pay in full (or

reserve for) accrued but unpaid Allowed Administrative Expense Claims and Priority Tax Claims as of the Effective Date.

121. **“Union”** means United Food and Commercial Workers, Local 1473, as defined in Section III.D.5.c. of the Combined Plan and Disclosure Statement.

122. **“Voting Deadline”** means January 13, 2016.

123. **“UFCW Administrative Claim”** shall have the meaning ascribed to the term in Section III.D.7. of the Combined Plan and Disclosure Statement.

124. **“UFCW Pension Plan”** shall have the meaning ascribed to the term in Section III.D.7. of the Combined Plan and Disclosure Statement.

125. **“UFCW Unsecured Claim”** shall have the meaning ascribed to the term in Section III.D.7. of the Combined Plan and Disclosure Statement.

126. **“UST”** means the Office of the United States Trustee for the District of Delaware.

B. Interpretation; Application of Definitions and Rules of Construction

Wherever from the context it appears appropriate, each term stated in either the singular or the plural shall include both the singular and the plural and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and neuter. Unless otherwise specified, all section, article, schedule or exhibit references in the Combined Plan and Disclosure Statement are to the respective section in, Article of, Schedule to, or Exhibit to the Combined Plan and Disclosure Statement. The words “herein,” “hereof,” “hereto,” “hereunder” and other words of similar import refer to the Combined Plan and Disclosure Statement as a whole and not to any particular section, subsection or clause contained in the Combined Plan and Disclosure Statement. The rules of construction contained in section 102 of the Bankruptcy Code shall apply to the construction of the Combined Plan and Disclosure Statement. A term used herein

that is not defined herein, but that is used in the Bankruptcy Code, shall have the meaning ascribed to that term in the Bankruptcy Code. The headings in the Combined Plan and Disclosure Statement are for convenience of reference only and shall not limit or otherwise affect the provisions of the Combined Plan and Disclosure Statement.

III. BACKGROUND AND DISCLOSURES

On the Petition Date, the Debtors filed voluntary petitions for relief pursuant to chapter 11 of the Bankruptcy Code initiating these Chapter 11 Cases. After the Petition Date, the Debtors have remained in possession of their assets and management of their businesses as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

A. The Debtors' Business and Corporate Structure

1. Overview of the Debtors' Business

Prior to ceasing operations, the Debtors manufactured a wide variety of prepared foods, including frozen appetizers, snacks, breakfast items, and potato products, generally under the terms of co-packaging agreements with third parties. In addition, the Debtors also provided research and development services to assist customers in the development of new and innovative prepared food products. The Debtors' customers included major food companies, restaurant chains, mass merchants, and retail grocers. The Debtors were headquartered in Plover, Wisconsin, where they maintained two state of the art manufacturing facilities and employed over 500 team members.

2. The Debtors' Corporate Structure

Plover Appetizer is a wholly-owned subsidiary of Plover Holdings, a privately-held, non-operating holding entity with no assets other than its interests in Plover Appetizer. As discussed below, Plover Holdings was a guarantor of Plover Appetizer's secured indebtedness. Plover

Franchisee is an affiliated entity that is a co-borrower on Plover Appetizer's secured indebtedness. Although Plover Franchisee was at one time an operating entity, it ceased operations prior to the Petition Date and has no employees, operations, or assets.

3. The Debtors' Prepetition Debt and Capital Structure

As part of a refinancing in 2013, the Debtors entered into a Revolving Credit, Term Loan and Security Agreement, dated as of November 13, 2013 (the "**Credit Agreement**"), with PNC, as the agent for a syndicate of lenders (the "**Lenders**"). The Credit Agreement provided for a revolving credit line of up to \$20,000,000 (the "**Revolver**"), a "first out" term loan of \$10,000,000 (the "**First Out Term Loan**"), and a "last out" term loan of \$12,500,000 (the "**Last Out Term Loan**"). The amounts owed under the Credit Agreement were secured by liens on substantially all of the Debtors' assets, including the following: (i) receivables; (ii) equipment; (iii) general intangibles; (iv) inventory; (v) real property; (vi) investment property; (vii) leasehold interests; (viii) contract rights; and (ix) all proceeds and products of the foregoing. The amounts borrowed under the Credit Agreement were used to fund the Debtors' general working capital requirements. As of the Petition Date, the total amount due and owing under the Credit Agreement was approximately \$21,000,000.

The obligations under the Credit Agreement were guaranteed by Plover Holdings under the terms of a Guaranty, a Guaranty Security Agreement, and Pledge Agreement, all dated November 13, 2013 (collectively the "**Guaranty**"), between Plover Holdings and PNC on behalf of the Lenders.³ The Guaranty is secured by, *inter alia*, a lien on Plover Holdings' stock in Plover Appetizer. The obligations under the Credit Agreement were also partially guaranteed by

³ The obligations under the Credit Agreement were also guaranteed by Golden County Foods Holdings, Inc., which owns 100% of the equity interests in Plover Franchisee. Golden County Foods Holdings, Inc. is not a debtor in these Chapter 11 Cases.

non-debtor Brazos Equity Fund II, L.P. (“**Brazos Equity Fund**”) under the terms of a Limited Guaranty, dated November 13, 2013, between Brazos Equity Fund and PNC on behalf of the Lenders in an amount not to exceed \$12,500,000 (the “**Limited Guaranty**”). In connection with the Limited Guaranty and subsequent amendments to the Credit Agreement, Brazos Equity Fund purchased an \$8,000,000 participation interest in the Last Out Term Loan from PNC under the terms of Last Out Participation Agreements dated December 5, 2013 and August 29, 2014 (collectively, the “**Last Out Participation Agreements**”). The funds generated under the Last Out Participation Agreements were used to retire secured First Out Term Loan obligations owed by the Debtors to PNC.

The Debtors are also indebted to several lenders, including Brazos Equity Fund, under the terms of certain unsecured Senior Subordinated Notes dated November 13, 2013 in the face amount of \$1,000,000 (the “**Senior Subordinated Notes**”). The Senior Subordinated Notes were issued in connection with the PNC refinancing in November 2013. As of the Petition Date, the Debtor owed trade creditors approximately \$14,000,000.

B. Events Precipitating the Chapter 11 Filing

At the time of the PNC refinancing in November 2013, the Debtors had recently been awarded a large contract to manufacture and package a new breakfast sandwich being introduced into the market. The Debtors believed the contract would generate approximately \$13 million to \$15 million in annual revenue at high profit margins, which was built into the Debtors’ business projections used in the refinancing. In general, new products require a significant amount of initial marketing investment in order to build awareness of the product and generate initial sales. However, in January 2014, the customer reduced its marketing budget and announced that it was deferring the marketing launch of the new sandwich for 18 to 24 months. Without the

customer's marketing support, sales of the sandwich remained very low. As a result, the Debtors failed to meet their initial sales forecast and began to suffer liquidity constraints.

At the time, the Debtors were also producing branded breakfast products bearing the name of an international restaurant chain pursuant to the terms of a license agreement with the owner of the brand.⁴ However, producing a branded product is a high-cost business and did not easily fit within the Debtors' business model, which focused largely on lower cost co-packaging and manufacturing for third-parties. For a variety of reasons, the branded business was not profitable. For example, the Debtors were not given license to produce the restaurant's core menu items, including pancakes, which limited consumer recognition and interest in the products. As a result, sales remained low.

In April 2014, the Debtors were awarded a contract to manufacture a number of frozen appetizer products sold by a large, multinational food company, which would translate into approximately \$50 million to \$60 million in annual revenue. However, the large production volume required the Debtors to make a substantial up-front working capital investment in order to obtain the necessary ingredients and materials, further constraining the Debtors' liquidity at the outset of the contract. In addition, after beginning production the Debtors were unable to obtain sufficient packaging materials for all of the product it was producing, necessitating a stop-start production process dictated by the availability of packaging materials. As a result, the Debtors were unable to produce finished products at their full capacity and suffered serious production inefficiencies. The Debtors' cash flow issues resulted in an event of default under the Credit Agreement in the second quarter of 2014.

⁴ The branded business was operated through Plover Franchisee.

The Debtors took several steps to address the ongoing liquidity crisis, including ceasing Plover Franchisee's unprofitable branded business, reducing labor costs, and hiring new management with experience in turning around distressed food production companies. Soon thereafter, however, the Debtors' largest customer (the "Customer") altered the payment terms under its contract, stretching payment times from net 45 to net 90 days in violation of the parties' agreement. Because sales to the Customer constituted approximately 50% of the Debtors' revenue, the change in payment terms had a significant adverse effect on the Debtors' cash flows, which in turn resulted in substantial losses. As a result of decreased cash flow, the Debtors were unable to buy all of the supplies required to produce products for its customers, which caused interruptions in the Debtors' manufacturing process and resulted in substantial inefficiencies.

Unable to suffer continued losses, the Debtors notified the Customer that the unilateral change in payment terms constituted a breach of contract and expressed their intent to terminate the contract in December 2014. Thereafter, the Debtors and the Customer negotiated a short-term amendment to the agreement, under which the Customer agreed to pay past-due invoices, reduce payment terms to net 15 days, and purchase packaging and materials for the Debtors. The short-term amendment was subsequently extended to July 31, 2015. As a result of the amended contract, the Debtors were able to substantially reduce the amount outstanding under the Credit Agreement. Nonetheless, the existing events of default under the Credit Agreement and PNC's concerns about the Debtors' ability to continue as a going concern led to a reduction in the Debtors' borrowing availability under the Revolver. As a result, the Debtors continued to suffer liquidity constraints.

C. **Prepetition Marketing Activities and Sale Agreement**

In December of 2014, the Debtors began approaching potential sources of capital, including additional financing, to ensure that the Debtors could continue as a going concern. However, the Debtors were unable to obtain any additional capital or financing. Accordingly, the Debtors retained Piper Jaffray & Co. (“**Piper Jaffray**”) in early February 2015 to evaluate the Debtors’ strategic alternatives and assist the Debtors with procuring new financing or selling their assets. In February and March 2015, Piper Jaffray contacted 128 parties to discuss the possibility of refinancing or purchasing the Debtors’ assets, 27 of which were potential sources of financing and 101 of which were potential purchasers. Sixty-three of those contacted executed a non-disclosure agreement and received a memorandum describing the Debtors’ business and the prospective opportunity. Fifty-one of the 63 were potential asset purchasers while the remaining 12 were potential sources of financing. Of those parties, 6 returned initial indications of interest expressing interest in purchasing the Debtors’ assets. No parties expressed interest in a refinancing.

Of the 6 initial indications of interest, the highest offer was submitted by Monogram Appetizers, LLC (“**Monogram**”), a Memphis-based food manufacturer and co-packager who planned to acquire the Debtors’ assets and integrate the Debtors’ operations into its own. Monogram conducted due diligence beginning in late March 2015. After more than a month of intensive negotiation, the Debtors and Monogram reached an agreement for the sale of the Debtors’ assets, which was memorialized in an Asset Purchase Agreement (the “**Asset Purchase Agreement**”). The Asset Purchase Agreement provided for the sale of substantially all of the assets of Plover Appetizer to Monogram under section 363 of the Bankruptcy Code for a purchase price of \$22,000,000 plus certain assumed liabilities. The Debtors initiated the Chapter

11 Cases to facilitate the sale of its assets to Monogram under the Asset Purchase Agreement, subject to higher and better bids received in a competitive auction process.

D. The Chapter 11 Cases

The following is a brief description of certain material events that have occurred during the Chapter 11 Cases.

1. First Day Orders

On or shortly after the Petition Date, in addition to the voluntary petitions for relief filed by the Debtors, the Debtors filed a number of motions and applications (collectively, the “**First Day Motions**”) seeking certain “first day” relief. A summary of the relief obtained pursuant to the First Day Motions is set forth below:

- ***Joint Administration Motion.*** Pursuant to the *Debtors’ Motion for Entry of an Order Directing Joint Administration of Chapter 11 Cases* [Docket No. 4], the Court entered an Order [Docket No. 33] authorizing the joint administration of the Chapter 11 Cases for procedural purposes only.
- ***Application to Retain Kurtzman Carson Consulting LLC.*** Pursuant to the *Debtors’ Application for Entry of an Order Authorizing Employment and Retention of Kurtzman Carson Consultants LLC as Claims and Noticing Agent, Nunc Pro Tunc to the Petition Date* [Docket No. 5], the Court entered an Order [Docket No. 34] authorizing the Debtors to retain Kurtzman Carson Consulting LLC as claims and noticing agent for the Chapter 11 Cases.
- ***Cash Management Motion.*** Pursuant to the *Debtors’ Motion for Authority to Continue Use of Existing Cash Management System, Maintain Existing Bank Accounts, and Continue Use of Existing Business Forms* [Docket No. 6], the Debtors obtained the entry an Order [Docket No. 35] that, among other things, (i) authorized the Debtors to continue to use (a) their current centralized cash management system, and (b) their existing bank accounts, checks and business forms, including authorizing the Debtors to open and close certain bank accounts; (ii) waived certain bank account and related requirements of the Office of the United States Trustee; and (iii) authorized all banks participating in the cash management system to honor certain transfers and charge bank fees and certain other amounts.
- ***Utilities Motion.*** Pursuant to the *Debtors’ Motion for Entry of Interim and Final Orders (I) Prohibiting Utilities from Altering, Refusing, or Discontinuing Service;*

(II) *Approving the Debtors' Proposed Form of Adequate Assurance of Payment for Utilities*; and (III) *Establishing Procedures for Resolving Objections to the Debtors' Proposed Form of Adequate Assurance* [Docket No. 6], the Court entered interim and final Orders [Docket Nos. 36 and 107] authorizing and approving the provision of adequate assurance of payment to the Debtors' utility service providers under section 366 of the Bankruptcy Code, while allowing the Debtors to avoid the threat of imminent termination of their utility services from those utility companies.

- ***Employee Wages/Benefits Motion.*** Pursuant to the *Debtors' Motion for Authority to Pay Prepetition Employee Wages, Compensation, and Employee Benefits* [Docket No. 8], the Court entered interim and final Orders [Docket Nos. 37 and 108] authorizing the Debtors to pay certain reimbursable expenses, prepetition payroll obligations, payroll-related benefits, and healthcare premiums.

2. **DIP Financing Orders**

As of the Petition Date, the Debtors did not have sufficient cash to continue operating without additional financing. Accordingly, the Debtors required postpetition financing in order to continue operating long enough to effectuate the orderly sale of their assets on a going-concern basis. On May 18, 2015, the Debtors filed the *Debtors' Emergency Motion for Interim and Final Orders Authorizing Debtor-in-Possession Financing and Granting Related Relief* [Docket No. 9], requesting, among other things, the entry of interim and final Orders (i) authorizing the Debtors to obtain postpetition financing from PNC under the terms of the Senior Secured Superpriority Debtor-in-Possession Revolving Credit Agreement, Term Loan, and Security Agreement (the "**DIP Loan Agreement**"), (ii) authorizing the Debtors' use of cash collateral (as defined in section 363(a) Bankruptcy Code), subject to an approved budget, (iii) authorizing the Debtors to provide adequate protection in the form of, among other things, replacement liens, superpriority claims, and the payment of postpetition professional fees, costs and expenses of PNC to protect against any diminution in value arising from the Debtors' use of cash collateral or the imposition of the automatic stay under section 362 of the Bankruptcy Code, and (iv) granting certain related relief. The Court entered interim and final Orders on May 20,

2015 and June 22, 2015, respectively [Docket Nos. 43 and 175] (collectively, the “**DIP Orders**”) granting the requested relief and approving the DIP Loan Agreement.

The DIP Loan Agreement, as approved in the DIP Orders, provided the Debtors with sufficient additional financing to continue operating through mid-July 2015. Absent the postpetition financing provided by PNC under the DIP Credit Agreement and DIP Orders, the Debtors’ business would be forced to cease operating and their estates would have suffered immediate and irreparable harm. Thus, entry of the DIP Orders was necessary to preserve, maintain and enhance the value of the Debtors’ remaining assets for the benefit of the Debtors’ stakeholders.

3. Appointment of the Committee

On May 27, 2015, the UST appointed the Committee, which consisted of the following seven (7) members: (a) MCT Dairies, Inc.; (b) Kerry Inc.; (c) Masters Gallery Foods, Inc.; (d) Kraft Foods Group; (e) Total Quality Logistics; (f) The Valen Group; and (g) Indel Food Products, Inc.⁵

4. Employment of Professionals and Advisors

a. Debtors’ Professionals

On June 5, 2015, the Court entered an Order [Docket No. 93] approving the Debtors’ retention and employment of Piper Jaffray in connection with the marketing and sale of the Debtors’ assets. On June 8, 2015, the Court entered an Order [Docket No. 101] authorizing the Debtors to retain Neligan Foley LLP as the Debtors’ general bankruptcy counsel and on June 9, 2015 the Court entered an Order [Docket No. 109] authorizing the Debtors’ retention and employment of Richards, Layton & Finger, P.A. as bankruptcy co-counsel.

⁵ Three Committee members have subsequently resigned from their positions on the Committee.

b. Creditors' Committee Professionals

On July 9, 2015, the Court entered an Order [Docket No. 248] authorizing the retention of Gellert Scali Busenkell & Brown, LLC, as co-counsel to the Committee. On July 10, 2015, the Court entered an Order [Docket No. 249] authorizing the Committee to retain Lowenstein Sandler LLP as co-counsel to the Committee. Additionally, the Court entered an Order [Docket No. 334] on June 23, 2015 authorizing the retention of GlassRatner Advisory & Capital Group, LLC as financial advisors to the Committee.

5. Sale of Assets

a. Bidding Procedures and Bid Deadlines

On May 22, 2015, the Debtors filed the *Debtors' Motion for Entry of Orders (i) Approving Bidding Procedures, Scheduling an Auction and a Sale Hearing, and (ii) Granting Related Relief* (the “**Bid Procedures Motion**”) [Docket No. 58], requesting that the Court approve certain bidding and notice procedures, approve Monogram as the stalking horse bidder for the purchase of the Debtors' assets, schedule an auction for the sale of the purchased assets, and schedule a hearing to consider the sale of the purchased assets to the highest bidder. Because the Debtors did not have sufficient funding to operate beyond July 14, 2015, the proposed bidding procedures were designed to ensure that the Debtors could consummate a sale of their assets on or prior to that date.

By Order dated June 17, 2015 [Docket No. 153] (the “**Bid Procedures Order**”), the Court granted the Bid Procedures Motion establishing certain bidding procedures, setting a June 29, 2015 bid deadline, scheduling an auction for July 1, 2015, and scheduling a sale hearing (the “**Sale Hearing**”) for July 2, 2015. Upon entry of the Bid Procedures Order, the Debtors

provided notice of the bid procedures, auction date, deadline to object to the proposed sale, and the Sale Hearing to all interested parties.

b. Post-Petition Marketing Efforts

After the Petition Date, the Debtors and Piper Jaffray continued marketing the Debtors' assets for sale. During this time period, Piper Jaffray contacted a total of 107 parties regarding the sale of the Debtors' assets. Of the 107 parties contacted, 101 were parties that Piper Jaffray contacted prior to the Petition Date and 6 were new parties that had not previously been contacted. A total of 57 of those parties contacted signed non-disclosure agreements and received access to due diligence materials. Of the 57 that signed non-disclosure agreements, 52 were parties that were contacted or involved in the sale process prior to the Petition Date and 5 were new parties that had no previously been involved. All of the parties contacted postpetition received information regarding the proposed bid procedures and the sale process. A total of 19 parties reviewed the diligence information contained in the data room maintained by Piper Jaffray.

In addition, both Piper Jaffray and the Debtors' management had in-depth discussions with potential bidders in various stages of due diligence. The Debtors also coordinated meetings between certain prospective bidders and the United Food and Commercial Workers, Local 1473 (the "Union") and certain of the Debtors' customers and suppliers. The Debtors and Piper Jaffray continued vigorously marketing the Purchased Assets, soliciting bids, and cooperating with potential bidders until the June 29, 2015 bid deadline. The Debtors believe that this robust marketing process resulted in a fair and open bidding process and generated the highest possible price for the Purchased Assets.

c. Sale Motion and Motion to Terminate CBA

On June 11, 2015, the Debtors filed the *Debtors' Motion for Entry of Order Approving the Sale of Substantially All of the Assets of Golden County Foods, Inc. and Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases* [Docket No. 129] (the "**Sale Motion**") seeking approval to sell substantially all of the assets of Plover Appetizers to Monogram under the terms of the Asset Purchase Agreement, subject to higher and better bids obtained in the bidding and auction process established by the Bid Procedures Order.

Under the Asset Purchase Agreement, termination of the Collective Bargaining Agreement (the "**CBA**"), dated August 1, 2013, between the Debtors and the Union was a condition precedent to Monogram's obligation to close on the sale. Accordingly, following the Petition Date the Debtors commenced good faith negotiations with the Union regarding the consensual termination of the CBA. Unable to reach an agreement with the Union, the Debtors filed the *Debtors' Motion to Reject the Collective Bargaining Agreement and Terminate Associated Pension Obligations* [Docket No. 124] (the "**CBA Motion**") on June 11, 2015. Through the CBA Motion, the Debtors sought the entry of an order approving the rejection of the CBA and termination of the associated pension obligations under section 1113 of the Bankruptcy Code. The CBA Motion was also set for hearing in conjunction with the Sale Hearing.

d. Settlement with the Union

After filing the CBA Motion, the Debtors continued negotiating with the Union regarding the consensual termination of the CBA. In late June 2015, the Debtors and the Union reached an agreement regarding a consensual termination of the CBA and the associated pension obligations. In exchange for the Union's consent to the termination of the CBA, the Debtors agreed to: (i) continue paying all employee wages, paid time off, and associated benefits in the

ordinary course of business until and including the date of closing of a sale of Plover Appetizer's assets; (ii) pay all employees an amount equal to the value of the respective employee's accrued but unused paid time off, including vacation, sick leave, and personal days as of the closing date of a sale; (iii) make a one-time payment, in an amount not to exceed \$250,000, to the Union as reimbursement for the reasonable fees and expenses of the Union's professionals in connection with the Chapter 11 Cases; and (iv) make a one-time payment to all employees (both Union and non-Union), distributed on a *pro rata* basis, in the total amount of \$400,000 less the amount actually paid to the Union as reimbursement for its professionals' fees. The Debtors and the Union incorporated the terms of their agreement into a proposed agreed order granting the CBA Motion, which the parties presented to the Court in conjunction with the Sale Hearing.

In order to ensure that the Debtors had access to sufficient funds to make the payments required under the settlement with the Union, the Debtors filed the *Debtors' Motion for Approval of Modification to Debtor-in-Possession Financing in Connection with Consensual Rejection of Collective Bargaining Agreement* [Docket No. 202] (the "**DIP Modification Motion**") on June 26, 2015. Through the DIP Modification Motion, the Debtors sought approval of a modification to the existing DIP Loan Agreement that would enable the Debtors to borrow up to an additional \$400,000 under the DIP Loan Agreement, if necessary, in order to fund the Debtors' settlement with the Union. On June 29, 2015, the Court entered an Order [Docket No. 205] shortening notice with respect to the DIP Modification Motion and setting the DIP Modification Motion for hearing in conjunction with the Sale Hearing so that it could be considered in connection with the CBA and Sale Motion.

e. Receipt of Bids, Auction, and Sale Hearing

Prior to the expiration of the June 29, 2015 bidding deadline, the Debtors only received one competing bid in addition to the stalking horse bid received from Monogram. The competing bid was submitted by Golden Foods International, Inc. (“**Golden Foods**”), an affiliate of McCain Foods USA. In accordance with the Bid Procedures Order, on July 1, 2015, the Debtors conducted an auction for the sale of the Debtors’ assets at the offices of Richards, Layton, & Finger, P.A. in Wilmington, Delaware. Both Monogram and Golden Foods appeared and participated in the Auction.

After 91 rounds of competitive bidding, the Debtors, in consultation with the Committee and PNC, determined that Monogram had submitted the highest and best bid, consisting of approximately \$37,200,000 in cash plus certain assumed liabilities. The Debtors designated Monogram as the successful bidder in accordance with the terms of the Bid Procedures Order. In addition, the Debtors, in consultation with the Committee and PNC, selected and designated Golden Foods as the alternate bidder under the terms of the Bid Procedures Order. Golden Foods’ bid consisted of \$37,265,000 in cash.⁶

The Court conducted the Sale Hearing on July 2, 2015. At the Sale Hearing, the Court considered, *inter alia*, the DIP Modification Motion, the CBA Motion, and the Sale Motion. The Court granted each motion, approving modification of the DIP Credit Agreement [Docket No. 229], the settlement with the Union (the “**CBA Order**”) [Docket No. 227], and the sale of Plover Appetizer’s assets to Monogram on the terms set forth in the Asset Purchase Agreement (as modified by the parties after the auction) under section 363 of the Bankruptcy Code (the “**Sale Order**”) [Docket No. 228].

⁶ After the deduction of certain liabilities that would be incurred by the Debtors’ estates as a result of Golden Foods’ bid, the total consideration in Golden Foods’ Alternate Bid was \$37,100,000.

On or about July 14, 2015, the Debtors made the required payments to the Union to consummate the terms of the settlement and finalize the rejection of the CBA. With all the conditions precedent to the sale satisfied, the sale to Monogram closed on July 15, 2015. After payment of the DIP Loan Claim from the proceeds of the sale in accordance with the DIP Orders and Sale Orders, the remainder of the sale proceeds were delivered to the Debtors. After closing of the sale, the Debtors held approximately \$22,000,000 in sale proceeds to be distributed to Creditors under the terms of this Combined Plan and Disclosure Statement.

6. Settlement Between the Committee and the Brazos Entities

Upon its formation, the Committee began investigating the prepetition transactions between and among the Debtors, PNC, and Brazos Equity Fund and various of its affiliates (collectively the “**Brazos Entities**”), including the transactions underlying the Credit Agreement, the Limited Guaranty, and the Last Out Participation Agreements. Specifically, the Committee asserted that the Last Out Term Loan participation interests Brazos Equity Fund purchased under the Last Out Participation Agreements should be recharacterized as equity contributions or subordinated in law or in equity, rather than be treated as obligations under the Credit Agreement. Brazos Equity Fund disputed the Committee’s contentions and asserted that there is no basis for recharacterization or subordination of its interest under the Last Out Participation Agreements.

In June 2015, the Committee served extensive informal document requests on the Debtors, the Brazos Entities, and PNC seeking, among other things, documents related to the prepetition operation of the Debtors’ business, information regarding the Brazos Entities’ relationship with the Debtors and PNC, and documents related to the Credit Agreement, the Last Out Participation Agreements, and the Limited Guaranty. In response to these requests, the

Debtors, PNC, and the Brazos Entities produced to the Committee more than 22,000 documents, which included 114,500 individual pages. The Committee conducted a review of the documents from July 2015 to September 2015.

Contemporaneously with its review of the information produced in discovery, the Committee engaged the Brazos Entities and Debtors in discussions regarding a consensual resolution of the estates' claims. After several months of ongoing discussions, the Committee, the Debtors, the Brazos Entities, and PNC ultimately reached an agreement for the consensual resolution of the estates' potential claims against the Brazos Entities on the terms set forth in a settlement agreement dated October 19, 2015 (the "**Brazos Settlement**"). The principal terms of the Brazos Settlement are summarized as follows:

- a) Partial Waiver of Last Out Term Loan Claim. Brazos Equity Fund agreed to waive all right, title and interest in \$500,000.00 of the \$8,000,000.00 principal indebtedness it is purportedly owed by the Debtors pursuant to the terms of the Credit Agreement, the Limited Guaranty, and the Last Out Participation Agreements. Brazos Equity Fund further agreed to waive all right, title and interest to all prepetition and postpetition interest accrued with respect to the Credit Agreement, the Limited Guaranty, or the Last Out Participation Agreements, and thereby reduced the asserted value of its purported secured Last Out Term Loan Claim to \$7,500,000.00. The Last Out Term Loan Claim in the amount of \$7,500,000.00 held by Brazos Equity Fund constitutes an allowed, undisputed, liquidated, non-contingent secured obligation of the Debtors.
- b) Waiver of the Brazos Unsecured Claims. The Brazos Entities agreed to waive all right, title, and interest in General Unsecured Claims asserted by the Brazos Entities, thereby reducing the asserted value of such unsecured claims to \$0.00.
- c) Any Additional Claims. The Brazos Entities agreed not to file any additional claims in the Chapter 11 Cases, including, but not limited to any claims on accounts of professional fees and expenses.
- d) Payment of the Settlement Amount. The Debtors agreed to pay to the Brazos Entities \$7,500,000.00 via wire transfer, in full and final satisfaction of the Last Out Term Loan Claim, within three (3) business days of the effective date of the Brazos Settlement.

- e) Release of Brazos Entities by the Debtors and Committee. The Debtors and Committee released all claims against the Brazos Entities.
- f) Release of Brazos Entities by PNC. PNC released all claims against the Brazos Entities.
- g) Releases of PNC by Brazos Entities, Debtors, and Committee. The Brazos Entities, the Debtors, and the Committee released all claims against PNC.
- h) Release of the Committee by PNC and the Brazos Entities. PNC and the Brazos Entities released all claims against the Committee.

The Debtors believe that the terms of the Brazos Settlement are fair, reasonable, and in the best interest of the Debtors' Estates. In addition to reducing the unsecured claims against the Debtors' Estates, the Brazos Settlement conferred significant value on the Estates and other creditors by reducing the secured Last Out Term Loan Claim asserted against the Debtors' Estates—further increasing the funds available for Distribution to Holders of Allowed General Unsecured Claims. The Brazos Settlement provided additional value to the Debtors' Estates by stopping the accrual of additional interest on the Last Out Term Loan Claim and eliminating the significant administrative expenses associated with litigation of the Last Out Term Loan Claim. The Brazos Settlement resulted in a reduction in the Last Out Term Loan Claim of greater than \$1,000,000.00 million and the elimination of approximately \$1,350,000.00 of General Unsecured Claims held by the Brazos Entities. As such, the Settlement resulted in the elimination of more than \$2,350,000.00 in Claims against the Debtors' Estates.

On October 20, 2015, the Debtors filed *Debtors' Motion for Approval of Global Settlement Between Debtors, the Official Committee of Unsecured Creditors, PNC Bank, and the Brazos Entities* [Docket No. [498]], requesting approval of the Brazos Settlement under sections 105(a) and 363(b) of the Bankruptcy Code and Bankruptcy Rule 9019. By Order dated November 6, 2015 [Docket No. 532] (the "**Brazos Settlement Order**"), the Court approved the

Brazos Settlement. Shortly after the entry of the Brazos Settlement Order, the Debtors paid the Brazos Entities \$7,500,000.00 in full satisfaction of the Last Out Term Loan Claim.

7. Review of Claims Filed by Union Pension Fund

Under the CBA Order, the Debtors' obligations under the CBA were terminated, including the Debtors' obligation to contribute to the United Food and Commercial Workers International Union – Industry Pension Plan (the “UFCW Pension Plan”). As a result of the Debtors' withdrawal from the pension program, the UFCW Pension Plan asserted two claims against the Debtors. First, the UFCW Pension Plan asserted a general unsecured claim against Plover Appetizer in the amount of \$4,416,000.00 (the “UFCW Unsecured Claim”) [Claim No. 44], which reflects the UFCW Pension Plan's calculation of the Debtors' withdrawal liability. Next, the UFCW Pension Plan filed its *Motion of United Food and Commercial Workers International Union – Industry Pension Plan for Allowance and Payment of Administrative Expense Claim Pursuant to Section 503(b)(1)(A)* (the “UFCW Administrative Claim”) [Docket No. 359], seeking the allowance and payment of an administrative claim in the amount of \$154,581.02, which reflects the UFCW Pension Plan's calculation of the net allocable share of the unfunded vested benefits associated with the postpetition period of May 15, 2015 through July 14, 2015.

By order dated October 13, 2015 [Docket No. 487], the Court authorized the Debtors' retention and employment of FTI Consulting, Inc. (“FTI”) to review and analyze the UFCW Unsecured Claim and the UFCW Administrative Claim. Based on FTI's analysis, the UFCW Pension Plan agreed to reduce the UFCW Administrative Claim to \$119,000.00. By order dated November 11, 2015 [Docket No. 524], the Court awarded the UFCW Pension Plan an allowed administrative claim in the amount of \$119,000.00. Shortly thereafter, the Debtors paid the

UFCW Pension Plan \$119,00.00 in full satisfaction of the UFCW Administrative Claim. FTI's analysis is ongoing, and the Debtors reserve all rights with respect to the UFCW Unsecured Claim, including the right to object to the UFCW Unsecured Claim at a later date.

8. Claims Process and Bar Date

a. Section 341(a) Meeting of Creditors

On June 23, 2015, the UST presided over the 341 Meeting in these Chapter 11 Cases. The meeting was concluded on July 13, 2015.

b. Schedules and Statements

Each of the Debtors filed its Schedules with the Court on June 19, 2015. The Debtors filed amended Schedules on July 10, 2015.

c. Bar Dates

Pursuant to an Order [Docket No. 386] of the Court, dated June 18, 2015, the Debtors have established (i) October 5, 2015 (the "**General Bar Date**"), as the deadline for Creditors (other than governmental units (as defined under section 101(27) of the Bankruptcy Code)) to file proofs of Claim in these Chapter 11 Cases; and (ii) November 12, 2015 (the "**Governmental Bar Date**"), and together with the General Bar Date, the "**Bar Dates**") as the deadline for Governmental Units to file proofs of Claim in these Chapter 11 Cases. Notice of the Bar Dates was served on all potential creditors of the Debtors' estates and published in various local and national newspapers on or before August 18, 2015. [Docket Nos. 418, 419 and 420].

E. Certain Federal Income Tax Consequences

The confirmation and consummation of the Combined Plan and Disclosure Statement may have tax consequences to Holders of Claims and Interests. The Debtors do not offer an opinion as to any federal, state, local or other tax consequences to Holders of Claims and

Interests as a result of the confirmation of the Combined Plan and Disclosure Statement. All Holders of Claims and Interests are urged to consult with their own tax advisors to ascertain the federal, state, local and foreign tax consequences of the Combined Plan and Disclosure Statement. This Combined Plan and Disclosure Statement is not intended, and should not be construed, as legal or tax advice to any Creditor, Interest Holder, or any other party in interest.

F. Alternate Plan

If the Combined Plan and Disclosure Statement is not confirmed, the Debtors, the Committee, or any other party in interest could attempt to formulate a different plan. However, the additional costs, all of which would constitute Administrative Expense Claims, may be so significant that one or more parties in interest could request that the Chapter 11 Cases be converted to chapter 7 of the Bankruptcy Code. As discussed below, the Debtors believe Holders of Claims and Interests will receive more under the Combined Plan and Disclosure Statement than they would under chapter 7. Accordingly, the Debtors believe that the Combined Plan and Disclosure Statement enables creditors to realize the best return under the circumstances.

G. Best Interests Test and Liquidation Analysis

Section 1129(a)(7) of the Bankruptcy Code requires that each Holder of an impaired Claim or Interest either (a) accept the Plan or (b) receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the value such holder would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. A hypothetical chapter 7 liquidation analysis is attached to this Combined Disclosure Statement and Plan as Exhibit A. Because the majority of the Debtors' assets have already been liquidated and converted to Cash, the value of any Distributions if the Debtors' Chapter 11 Cases were converted to a case under

chapter 7 of the Bankruptcy Code would be less than the value of Distributions under the Plan. This is because conversion of the Chapter 11 Cases to chapter 7 cases would require the appointment of a chapter 7 trustee, and in turn, such chapter 7 trustee's likely retention of new professionals. The "learning curve" that the trustee and new professionals would be faced with comes at a significant cost to the Estates and with a significant delay compared to the time of Distributions under the Plan (and prosecution of Causes of Action, if any). Worse still, a chapter 7 trustee would be entitled to significant professional fees and commissions relating to the Distributions of the already monetized assets made to creditors. Accordingly, a portion of the cash currently available for Distribution to holders of Claims would instead be paid to the chapter 7 trustee.

As a result, the Debtors believe that the Estates would have fewer funds to be distributed in a hypothetical chapter 7 liquidation than they would if this Plan is confirmed, and therefore holders of Claims in all impaired Classes will recover at least as much, and likely more, than they would in a hypothetical chapter 7 case. Accordingly, the Debtors believe that the "best interests" test of Bankruptcy Code section 1129 is easily satisfied.

IV. SUMMARY OF DEBTORS' ASSETS; SUMMARY OF TREATMENT OF CLAIMS AND ESTIMATED RECOVERIES

A. Summary of Assets

Substantially all of the Debtors' assets were sold to Monogram under the Sale Order. Accordingly, the sole substantial asset of the Debtors' Estates is the cash proceeds of that sale. At the time of filing the Combined Plan and Disclosure Statement, the Debtors were holding approximately \$12,700,000.00, which is to be distributed to Holders of Allowed Claims in accordance with the terms of this Combined Plan and Disclosure Statement and the Bankruptcy Code's priority scheme.

Although the Debtors may hold Causes of Action against various third-parties, the viability and value of those Causes of Action is unknown. Further, all of the Debtors' potential Causes of Action against the Brazos Entities were settled and resolved under the terms of the Brazos Settlement. Similarly, all potential Causes of Action against PNC were released under the terms of the DIP Order. Finally, the vast majority of potential claims under section 547 of the Bankruptcy Code were released under the terms of the Sale Order and Brazos Settlement Order. Accordingly, the Debtors do not believe Causes of Action are a significant asset of their Estates.

B. Summary of Treatment of Claims and Equity Interests and Estimated Recoveries

The following chart provides a summary of treatment of each Class of Claims (other than Administrative Claims and Priority Tax Claims)⁷ and an estimate of the recoveries of each class.⁸ The treatment provided in this chart is for information purposes only and is qualified in its entirety by Section VII of the Combined Plan and Disclosure Statement.⁹

Class	Treatment
Class 1 – DIP Loan Claim Estimated Amount: \$0.00 Estimated Recovery: 100%	Unimpaired The Debtors believe the DIP Loan Claim has been paid in full under the terms of the DIP Orders and Sale Order. To the extent any portion of the DIP Loan Claim remains outstanding, the Holder of the DIP Loan Claim will receive

⁷ The amounts listed below represent estimated Allowed Claims, and do not represent amounts actually asserted by creditors in proofs of claim or otherwise. The Debtors have not completed their analysis of Claims in the Chapter 11 Cases and objections to such Claims have not been fully litigated. Therefore, there can be no assurances of the exact amount of the Allowed Claims at this time. Rather, the actual amount of the Allowed Claims may be greater or lower than estimated.

⁸ The estimated percentage recovery is based upon, among other things, an estimate of the Allowed Claims in the Chapter 11 Cases. The actual amount of the Allowed Claims may be greater or lower than estimated. Thus, the actual recoveries may be higher or lower than projected depending upon, among other things, the amounts and priorities of Claims that are actually Allowed by the Bankruptcy Court.

⁹ Nothing in this summary shall be construed as a limitation on, or waiver of, the right of any party to object to the Allowance of a Claim under section 502(a) of the Bankruptcy Code or otherwise.

Class	Treatment
	<p>the following treatment:</p> <p>On or as soon as practicable after the later of (a) the Effective Date or (b) the Allowance Date with respect to the DIP Loan Claim, the Holder of such Claim shall receive from the Debtors, in full satisfaction, settlement, release and discharge of and in exchange for such Claim, (i) Cash in the Allowed amount of such Claim, or (ii) such other, less favorable treatment to which such Holder and the Debtors agree in writing.</p>
<p>Class 2 – Last Out Term Loan Claim</p> <p>Estimated Amount: \$0.00 Estimated Recovery: 100%</p>	<p>Unimpaired</p> <p>Prior to the Effective Date of the Plan, the Last Out Term Loan Claim will have been paid full under the terms of the Brazos Settlement Order. To the extent any portion of the Last Out Term Loan Claim remains outstanding, the Holder of the Last Out Term Loan Claim will receive the following treatment:</p> <p>On or as soon as practicable after the later of (a) the Effective Date or (b) the Allowance Date with respect to the Last Out Term Loan Claim, the Holder of such Claim shall receive from the Debtors, in full satisfaction, settlement, release and discharge of and in exchange for such Claim, (i) Cash in the Allowed amount of such Claim, or (ii) such other, less favorable treatment to which such Holder and the Debtors agree in writing.</p>
<p>Class 3 – Miscellaneous Secured Claims</p> <p>Estimated Amount: Unknown Estimated Recovery: 100%</p>	<p>Unimpaired</p> <p>On or as soon as practicable after the later of (a) the Effective Date or (b) the Allowance Date with respect to a Miscellaneous Secured Claim, each Holder of an Allowed Miscellaneous Secured Claim shall receive from the Liquidating Trustee, in full satisfaction, settlement, release and discharge of and in exchange for such Claim, either (i) Cash in the Allowed Amount of such Claim, (ii) the return of the Collateral securing such Claim, or (iii) such other, less favorable treatment to which such Holder and the Debtors or the Liquidating Trustee, as appropriate, agree in writing.</p>

Class	Treatment
<p>Class 4 – Non-Tax Priority Claims</p> <p>Estimated Amount: \$802,000.00 Estimated Recovery: 100%</p>	<p>Unimpaired</p> <p>On or as soon as practicable after the later of (a) the Effective Date or (b) the Allowance Date with respect to a Non-Tax Priority Claim, each Holder of a Non-Tax Priority Claim shall receive from the Liquidating Trustee, in full satisfaction, settlement, release and discharge of and in exchange for such Claim, either (i) Cash in the Allowed Amount of such Claim, or (ii) such other, less favorable treatment to which such Holder and the Debtors or the Liquidating Trustee, as appropriate, agree in writing.</p>
<p>Class 5 – General Unsecured Claims</p> <p>Estimated Amount: \$17,939.80 Estimated Recovery: Unknown</p>	<p>Impaired</p> <p>On or as soon as practicable after the later of (a) the Effective Date or (b) the Allowance Date with respect to a General Unsecured Claim, Each Holder of an Allowed General Unsecured Claim shall receive from the Debtors, in full satisfaction, settlement, release and discharge of and in exchange for such Claim, Cash in an amount equal to the Holder's <i>Pro Rata</i> share of the Liquidating Trust Assets after satisfaction of the Liquidating Trust Operating Expenses.</p>
<p>Class 6 – Equity Interests</p> <p>Estimated Amount: n/a Estimated Recovery: Unknown</p>	<p>Impaired</p> <p>Equity Interests will be deemed canceled and extinguished as of the Dissolution Date. Holders of an Equity Interest will not receive or retain any property on account of such Equity Interests.</p>

V. CONFIRMATION AND VOTING PROCEDURES

A. Confirmation Procedure

1. Confirmation Hearing

A hearing before the Honorable Kevin Gross has been scheduled for **January 20, 2016 at 10:00 a.m. (EST)**, at the Bankruptcy Court, 824 North Market Street, 6th Floor, Wilmington, Delaware 19081 to consider confirmation of the Combined Plan and Disclosure Statement pursuant to section 1129 of the Bankruptcy Code. The Confirmation Hearing may be adjourned

from time to time by the Bankruptcy Court without further notice, except for an announcement of the adjourned date made at the Confirmation Hearing.

2. Procedure for Objections

Any objection to approval or confirmation of the Combined Plan and Disclosure Statement must be made in writing and specify in detail the name and address of the objector, all grounds for the objection and the amount of the Claim held by the objector. Responses and objections, if any, to the Combined Plan and Disclosure Statement must: (i) be in writing, (ii) conform to the Bankruptcy Rules and Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware and (iii) be filed with the Court and served so as to be actually received on or before **4:00 p.m. (EST) on January 13, 2016** by (i) the Debtors, c/o their counsel, Patrick J. Neligan Jr. and John D. Gaither, Neligan Foley LLP, 325 N. St. Paul, Suite 3600, Dallas, TX 75201, pneligan@neliganlaw.com, jgaither@neliganlaw.com, and Mark D. Collins, Paul N. Heath, and Joseph C. Barsalona II, Richards Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801, collins@rlf.com, heath@rlf.com, barsalona@rlf.com; (ii) the Committee, c/o Kenneth Rosen, Sharon Levine, Jeffrey Prol, and Eric Chafetz, Lowenstein Sandler LLP, 65 Livingston Ave., Roseland, New Jersey, krosen@lowenstein.com, slevine@lowenstein.com, jprol@lowenstein.com, echafetz@lowenstein.com; (iii) PNC Bank, N.A., c/o its counsel, Robert W. Jones, 200 Crescent Court, Suite 1600, Dallas, Texas 75201, robert.jones@hklaw.com and Regina Stango Kelbon, 1201 Market Street, Suite 800, Wilmington, DE 19801, kelbon@blankrome.com; (iv) Brazos Equity Fund II, L.P., c/o its counsel, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York, 10153-0119; and (v) the UST, c/o Hannah Mufson McCollum, Office of the United States Trustee, 844 King Street, Suite 2207,

Lockbox 35, Wilmington, Delaware 19801, hannah.mccollum@usdoj.gov. Unless an objection is timely filed and served, it may not be considered by the Bankruptcy Court.

3. Requirements for Confirmation

The Bankruptcy Court will confirm the Combined Plan and Disclosure Statement only if it meets all of the applicable requirements of section 1129 of the Bankruptcy Code. Among the requirements for confirmation in these Chapter 11 Cases is that the Combined Plan and Disclosure Statement be: (i) accepted by all impaired Classes of Claims and Equity Interests or, if rejected by an impaired Class, that the Combined Plan and Disclosure Statement “does not discriminate unfairly” against and is “fair and equitable” with respect to such rejecting Class; and (ii) feasible. The Bankruptcy Court must also find that:

- a. the Combined Plan and Disclosure Statement has classified Claims and Interests in a permissible manner;
- b. the Combined Plan and Disclosure Statement complies with the technical requirements of Chapter 11 of the Bankruptcy Code; and
- c. the Combined Plan and Disclosure Statement has been proposed in good faith. *See* 11 U.S.C. §§ 1123, 1129.

4. Classification of Claims and Equity Interests

Section 1122 of the Bankruptcy Code requires the Combined Plan and Disclosure Statement to place a Claim or Equity Interest in a particular Class only if such Claim or Equity Interest is substantially similar to the other Claims or Equity Interests in such Class. The Combined Plan and Disclosure Statement creates separate Classes to deal respectively with Secured Claims, General Unsecured Claims and Equity Interests. The Debtors believe that the Combined Plan and Disclosure Statement’s classifications place substantially similar Claims or

Equity Interests in the same Class and thus meet the requirements of section 1122 of the Bankruptcy Code.

5. Impaired Claims or Equity Interests

Pursuant to section 1126 of the Bankruptcy Code, only the Holders of Claims in Classes impaired by the Combined Plan and Disclosure Statement and receiving a payment or Distribution under the Combined Plan and Disclosure Statement may vote on the Combined Plan and Disclosure Statement. Pursuant to section 1124 of the Bankruptcy Code, a Class of Claims may be “impaired” if the Combined Plan and Disclosure Statement alters the legal, equitable or contractual rights of the Holders of such Claims or Interests in such Class. The Holders of Claims not impaired by the Combined Plan and Disclosure Statement are deemed to accept the Combined Plan and Disclosure Statement and do not have the right to vote on the Combined Plan and Disclosure Statement. The Holders of Claims or Interests in any Class which will not receive any payment or Distribution or retain any property pursuant to the Combined Plan and Disclosure Statement are deemed to reject the Combined Plan and Disclosure Statement and do not have the right to vote.

6. Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires that confirmation of a plan not be likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successor to the Debtors (unless such liquidation or reorganization is proposed in the Combined Disclosure Statement and Plan). Because the Combined Plan and Disclosure Statement proposes a liquidation of all of the Debtors’ assets, for purposes of this test, the Debtors have analyzed the ability of the Liquidating Trust to meet its obligations under the Combined Plan and Disclosure Statement. Based on the Debtors’ analysis, the Liquidating Trust

will have sufficient assets to accomplish its tasks under the Combined Plan and Disclosure Statement. Therefore, the Debtors believe that the liquidation pursuant to the Combined Plan and Disclosure Statement will meet the feasibility requirements of the Bankruptcy Code.

7. Eligibility to Vote on the Combined Plan and Disclosure Statement

Unless otherwise ordered by the Bankruptcy Court, only Holders of Allowed Claims in Class 5 may vote on the Combined Plan and Disclosure Statement. In order to vote on the Combined Plan and Disclosure Statement, you must hold a Claim in Class 5 and have timely filed a proof of Claim or have a Claim that is identified on the Schedules that is not listed as disputed, unliquidated or contingent, or be the holder of a Claim that has been temporarily Allowed for voting purposes only under Bankruptcy Rule 3018(a).

8. Solicitation and Confirmation Notice

All Holders of Claims in Class 5 will receive (i) notice of the confirmation hearing on the Combined Plan and Disclosure Statement (the “**Confirmation Notice**”) (ii) a form of ballot, and (iii) access to a copy of the Combined Plan and Disclosure Statement. All other creditors and parties in interest not entitled to vote on the Combined Plan and Disclosure Statement will only receive a copy of the Confirmation Notice.

9. Procedure/Voting Deadlines

In order for your ballot to count, you must (1) complete, date and properly execute the ballot and (2) properly deliver the ballot to the Claims and Balloting Agent by either mail or overnight courier to the Claims and Balloting Agent at the following address: Golden County Foods Processing Center, c/o Kurtzman Carson Consulting LLC, 2335 Alaska Avenue, El Segundo, California 90245. The Claims and Balloting Agent must RECEIVE ballots on or before **4:00 p.m. (EST) January 13, 2016** (the “**Voting Deadline**”). Except as otherwise

ordered by the Bankruptcy Court, you may not change your vote once a ballot is submitted to the Claims and Balloting Agent. **BALLOTS SENT BY FACSIMILE TRANSMISSION OR E-MAIL ARE NOT ALLOWED AND WILL NOT BE COUNTED.**

Any ballot that is timely received, that contains sufficient information to permit the identification of the claimant and that is cast as an acceptance or rejection of the Combined Plan and Disclosure Statement will be counted and will be deemed to be cast as an acceptance or rejection, as the case may be, of the Combined Plan and Disclosure Statement.

The following ballots will not be counted or considered for any purpose in determining whether the Combined Plan and Disclosure Statement has been accepted or rejected:

- a. any ballot received after the Voting Deadline, unless the Court grants an extension of the Voting Deadline with respect to such ballot;
- b. any ballot that is illegible or contains insufficient information to permit the identification of the claimant;
- c. any ballot cast by a person or entity that does not hold a Claim in a Class that is entitled to vote to accept or reject the Combined Plan and Disclosure Statement;
- d. any ballot cast for a Claim designated as unliquidated, contingent or disputed or as zero or unknown in amount and for which no Bankruptcy Rule 3018(a) motion has been filed by the Bankruptcy Rule 3018(a) motion deadline;
- e. any ballot timely received that is cast in a manner that indicates neither acceptance nor rejection of the Combined Plan and Disclosure Statement

or that indicates both acceptance and rejection of the Combined Plan and Disclosure Statement;

- f. any unsigned ballot; or
- g. any ballot that is submitted by fax or email.

10. Acceptance of the Combined Plan and Disclosure Statement

As a Creditor, your acceptance of the Combined Plan and Disclosure Statement is important. In order for the Combined Plan and Disclosure Statement to be accepted by an impaired Class of Claims, a majority in number (*i.e.*, more than half) and two-thirds in dollar amount of the Claims voting (of each impaired Class of Claims) must vote to accept the Combined Plan and Disclosure Statement. At least one impaired Class of Creditors, excluding the votes of insiders, must actually vote to accept the Combined Plan and Disclosure Statement. The Debtors and the Committee urge that you vote to accept the Combined Plan and Disclosure Statement. **YOU ARE URGED TO COMPLETE, DATE, SIGN AND PROMPTLY RETURN THE BALLOT. PLEASE BE SURE TO COMPLETE THE BALLOT PROPERLY AND LEGIBLY IDENTIFY THE EXACT AMOUNT OF YOUR CLAIM AND THE NAME OF THE CREDITOR.**

11. Elimination of Vacant Classes

Any Class of Claims or Equity Interests that does not contain, as of the date of commencement of the Confirmation Hearing, a Holder of an Allowed Claim or Equity Interest, or a Holder of a Claim temporarily allowed under Bankruptcy Rule 3018, shall be deemed deleted from the Combined Plan and Disclosure Statement for all purposes, including for purposes of determining acceptance of the Combined Plan and Disclosure Statement by such Class under Section 1129(a)(8) of the Bankruptcy Code.

VI. TREATMENT OF UNCLASSIFIED CLAIMS

A. Administrative Expense Bar Date

Requests for payment of Administrative Expense Claims (other than Fee Claims and Section 503(b)(9) Claims) must be filed no later than the Administrative Expense Bar Date. Holders of Administrative Expense Claims (other than Fee Claims and Section 503(b)(9) Claims) that do not file requests for the allowance and payment thereof on or before the Administrative Expense Bar Date shall forever be barred from asserting such Administrative Expense Claims against the Debtors or their Estates.

B. Treatment of Administrative Expense Claims

Except to the extent that any Entity entitled to payment of an Allowed Administrative Expense Claim agrees to a different treatment, each Holder of an Allowed Administrative Expense Claim shall receive Cash in an amount equal to such Allowed Administrative Expense Claim on the Effective Date or within ten (10) Business Days after the entry of a Final Order Allowing such Administrative Expense Claim, whichever is later, or as soon thereafter as is practicable. Such payments to Holders of Allowed Administrative Expense Claims shall be paid by the Debtors from the Unimpaired Claims Cash Reserve, and, to the extent the Unimpaired Claims Cash Reserve is insufficient to pay all such Allowed Administrative Expense Claims, then by the Liquidating Trustee from the first net proceeds of the Liquidating Trust Assets.

C. Treatment of Priority Tax Claims

Each Holder of an Allowed Priority Tax Claim, if any, shall receive in full satisfaction of such Allowed Priority Tax Claim (a) payment in Cash equal to the unpaid portion of such Allowed Priority Tax Claim on the Effective Date or within ten (10) Business Days after such Allowed Priority Tax Claim becomes an Allowed Claim, whichever is later, or as soon thereafter

as is practicable; or (b) Cash in an amount agreed to by the Debtors (if prior to the Effective Date) or the Liquidating Trustee (if after the Effective Date) and such Holder; provided, however, that any Claim or demand for payment of a penalty (other than a penalty of the type specified in section 507(a)(8)(G) of the Bankruptcy Code) shall be disallowed pursuant to this Combined Plan and Disclosure Statement and the Holder of an Allowed Priority Tax Claim shall not assess or attempt to collect such penalty from the Debtors or their Estates. Such payments to Holders of Allowed Priority Tax Claims shall be paid by the Debtors from the Unimpaired Claims Cash Reserve, and, to the extent the Unimpaired Claims Cash Reserve is insufficient to pay all such Allowed Priority Tax Claims in full, then by the Liquidating Trustee from the first net proceeds of the Liquidating Trust Assets following satisfaction of all Allowed Administrative Expense Claims.

D. Payment of Statutory Fees

All fees payable pursuant to section 1930 of title 28 of the United States Code, to the extent unpaid through the Confirmation Date, shall be paid by the Debtors in Cash within ten (10) Business Days after the Confirmation Date, or as soon thereafter as is practicable. From and after the Confirmation Date through the closing of the Chapter 11 Cases, all fees payable pursuant to section 1930 of title 28 of the United States Code, plus any interest under 37 U.S.C. § 3717, shall be paid by the Debtors (if prior to the Effective Date) or the Liquidating Trustee (if after the Effective Date).

E. Bar Dates for Professional Fee Claims

Professionals or other Entities asserting a Fee Claim for services rendered before the Effective Date must File and serve on the Liquidating Trustee and such other Entities who are designated by the Bankruptcy Rules, the Confirmation Order, the Fee Order or other Order of the

Bankruptcy Court a Final Fee Application no later than thirty (30) days after the Effective Date. A Professional may include any outstanding, non-Filed monthly or interim request for payment of a Fee Claim pursuant to the Fee Order in its Final Fee Application. Objections to any Final Fee Application must be Filed and served on the Liquidating Trustee and the requesting party no later than twenty-one (21) days after the Filing of the applicable Final Fee Application. To the extent necessary, the Confirmation Order shall amend and supersede any previously entered Order of the Bankruptcy Court, including the Fee Order, regarding the payment of Fee Claims. Any pending, Filed interim requests for a Fee Claim pursuant to the Fee Order shall be resolved in the ordinary course in accordance with the Fee Order or, if sooner, in connection with the particular Professional's Final Fee Application.

F. Intercompany Claims

All Intercompany Claims shall be disallowed pursuant to this Combined Plan and Disclosure Statement and shall be cancelled as of the Effective Date.

VII. CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

Claims, other than Administrative Expense Claims and Priority Tax Claims, are classified for all purposes, including voting, confirmation and distribution pursuant to the Combined Plan and Disclosure Statement, as follows:

Class	Type	Status Under Plan	Voting Status
1	DIP Loan Claim	Unimpaired	Deemed to Accept
2	Last Out Term Loan Claim	Unimpaired	Deemed to Accept
3	Miscellaneous Secured Claims	Unimpaired	Deemed to Accept
4	Non-Tax Priority Claims	Unimpaired	Deemed to Accept
5	General Unsecured Claims	Impaired	Entitled to Vote
6	Equity Interests	Impaired	Deemed to Reject

VIII. TREATMENT OF CLAIMS AND EQUITY INTERESTS

A. Treatment of Claims and Equity Interests

1. Class 1 – DIP Loan Claim

a. Classification

Class 1 consists of the DIP Loan Claim.

b. Impairment and Voting

Class 1 is unimpaired by the Combined Plan and Disclosure Statement. Holders of Claims in Class 1 are deemed to have accepted the Combined Plan and Disclosure Statement, and thus are not entitled to vote to accept or reject the Combined Plan and Disclosure Statement.

c. Allowance

The Allowed amount of the DIP Loan Claim shall be agreed to by the Debtors or the Liquidating Trustee, as appropriate, and the Holder thereof, or determined by the Bankruptcy Court.

d. Treatment

The DIP Loan Claim was paid in full in accordance with the DIP Loan Order. To the extent any portion of the DIP Loan Claim remains outstanding as of the Effective Date, the Holder of the DIP Loan Claim will receive the following treatment: On or as soon as practicable after the later of (a) the Effective Date or (b) the Allowance Date with respect to the DIP Loan Claim, the Holder of such Claim shall receive from the Liquidating Trustee, as appropriate, in full satisfaction, settlement, release and discharge of and in exchange for such Claim, (i) Cash in the amount of such Allowed Claim outstanding as of the Effective Date, or (ii) such other, less favorable treatment to which such Holder and the Debtors or the Liquidating Trustee, as appropriate, agree in writing.

2. Class 2 – Last Out Term Loan Claim

a. Classification

Class 2 consists of the Last Out Term Loan Claim.

b. Impairment and Voting

Class 2 is unimpaired by the Combined Plan and Disclosure Statement. Holders of Claims in Class 2 are deemed to have accepted the Combined Plan and Disclosure Statement, and thus are not entitled to vote to accept or reject the Combined Plan and Disclosure Statement.

c. Allowance

The Last Out Term Loan Claim shall be Allowed in the amount of \$7,500,000 based on the Brazos Settlement Agreement as approved by the Brazos Settlement Order.

d. Treatment

The Last Out Term Loan Claim will be paid in full in accordance with the Brazos Settlement Order. To the extent any portion of the Allowed Last Out Term Loan Claim remains outstanding as of the Effective Date, the Holder of the Last Out Term Loan Claim will receive the following treatment: On or as soon as practicable after the later of (a) the Effective Date or (b) the Allowance Date with respect to the Last Out Term Loan Claim, the Holder of such Claim shall receive from the Liquidating Trustee, in full satisfaction, settlement, release and discharge of and in exchange for such Claim, (i) Cash in the amount of such Allowed Claim outstanding as of the Effective Date, or (ii) such other, less favorable treatment to which such Holder and the Debtors or the Liquidating Trustee, as appropriate, agree in writing.

3. Class 3 – Miscellaneous Secured Claims

a. Classification

Class 3 consists of all Miscellaneous Secured Claims.

b. Impairment and Voting

Class 3 is unimpaired by the Combined Plan and Disclosure Statement. Holders of Miscellaneous Secured Claims shall be deemed to have accepted the Combined Plan and Disclosure Statement, and thus are not entitled to vote to accept or to reject the Combined Plan and Disclosure Statement.

c. Allowance

The Allowed amount of each Miscellaneous Secured Claim shall be agreed to by the Debtors or the Liquidating Trustee, as appropriate, and the Holder thereof, or determined by the Bankruptcy Court.

d. Treatment

On or as soon as practicable after the later of (a) the Effective Date or (b) the Allowance Date with respect to a Miscellaneous Secured Claim, each Holder of an Allowed Miscellaneous Secured Claim shall receive from the Liquidating Trustee, in full satisfaction, settlement, release and discharge of and in exchange for such Claim, either (i) Cash in the Allowed Amount of such Claim, (ii) the return of the Collateral securing such Claim, or (iii) such other, less favorable treatment to which such Holder and the Debtors or the Liquidating Trustee, as appropriate, agree in writing. Nothing in this Plan shall be construed as a limitation on, or waiver of, any party's right to object to the Allowance of a Miscellaneous Secured Claim under section 502(a) of the Bankruptcy Code or otherwise.

4. Class 4 – Non-Tax Priority Claims

a. Classification

Class 4 consists of all Non-Tax Priority Claims.

b. Impairment and Voting

Class 4 is unimpaired by the Combined Plan and Disclosure Statement. Holders of Non-Tax Priority Claims shall be deemed to have accepted the Combined Plan and Disclosure Statement, and thus are not entitled to vote to accept or to reject the Combined Plan and Disclosure Statement.

a. Allowance

The Allowed amount of each Non-Tax Priority Claim shall be agreed to by the Debtors or the Liquidating Trustee, as appropriate, and the Holder thereof, or determined by the Bankruptcy Court.

b. Treatment

On or as soon as practicable after the later of (a) the Effective Date or (b) the Allowance Date with respect to a Non-Tax Priority Claim, each Holder of a Non-Tax Priority Claim shall receive from the Liquidating Trustee, in full satisfaction, settlement, release and discharge of and in exchange for such Claim, either (i) Cash in the Allowed Amount of such Claim, or (ii) such other, less favorable treatment to which such Holder and the Debtors or the Liquidating Trustee, as appropriate, agree in writing.

5. Class 5 – General Unsecured Claims

a. Classification

Class 5 consists of all General Unsecured Claims.

b. Impairment and Voting

Class 5 is impaired by the Combined Plan and Disclosure Statement. Holders of General Unsecured Claims are entitled to vote to accept or to reject the Combined Plan and Disclosure Statement.

c. Allowance

The Allowed amount of each General Unsecured Claim shall be agreed to by the Debtors or the Liquidating Trustee, as appropriate, and the Holder thereof, or determined by the Bankruptcy Court.

d. Treatment

On or as soon as practicable after the later of (a) the Effective Date or (b) the Allowance Date with respect to a General Unsecured Claim, each Holder of a General Unsecured Claim shall receive from the Liquidating Trustee, in full satisfaction, settlement, release and discharge of and in exchange for such Claim, Cash in an amount equal to their *Pro Rata* share of all of the General Unsecured Claim Funds, *provided, however*, that all Distributions to Holders of Allowed General Unsecured Claims shall be subject to the Liquidating Trustee first paying in full, and reserving for as reasonable and appropriate, the Liquidating Trust Operating Expenses, in the time and manner provided in the Combined Plan and Disclosure Statement and the Liquidating Trust Agreement.

6. Class 6 – Equity Interests in the Debtors

a. Classification

Class 5 consists of the Equity Interests in the Debtors.

b. Impairment and Voting

Class 6 is impaired by the Combined Plan and Disclosure Statement. Holders of Equity Interests shall be deemed to have rejected the Combined Plan and Disclosure Statement, and thus are not entitled to vote to accept or to reject the Combined Plan and Disclosure Statement.

c. Allowance

The Allowed amount of each Equity Interest in the Debtors shall be agreed to by the Debtors or the Liquidating Trustee, as appropriate, and the Holder thereof, or determined by the Bankruptcy Court.

d. Treatment

On the Effective Date, all Equity Interests in the Debtors (including any and all options or rights to exercise warrants or options or to otherwise acquire any Equity Interests) shall be cancelled, deemed terminated, and of no further force and effect. Holders of an Equity Interest will not receive or retain any property on account of such Equity Interests.

B. Modification of Treatment of Claims and Equity Interests

The Debtors reserve the right to modify the treatment of any Allowed Claim or Equity Interest in any manner adverse only to the Holder of such Claim or Equity Interest at any time after the Effective Date upon the consent of the Holder of the Claim or Equity Interest whose Allowed Claim or Equity Interest, as the case be, is being adversely affected.

C. Cramdown and No Unfair Discrimination

In the event that any impaired Class of Claims or Equity Interests rejects the Combined Plan and Disclosure Statement or is deemed to have rejected the Combined Plan and Disclosure Statement, the Debtors hereby request, without any delay in the occurrence of the Confirmation Hearing or Effective Date, that the Bankruptcy Court confirm the Combined Plan and Disclosure Statement in accordance with section 1129(b) of the Bankruptcy Code with respect to such non-accepting Class, in which case the Combined Plan and Disclosure Statement shall constitute a motion for such relief.

Confirming the Combined Plan and Disclosure Statement under such a circumstance is what is known as a “cramdown”. Among other things, a “cramdown” is appropriate where the Bankruptcy Court finds that a plan does not unfairly discriminate against the objecting classes and is fair and equitable with respect to those objecting classes. A plan unfairly discriminates against a class if another class of equal rank in priority will receive greater value under the plan than the nonaccepting class without reasonable justification. A plan is fair and equitable if no claim or interest junior to the objecting class shall receive or retain any claim or interest under the plan.

IX. PROVISIONS REGARDING THE LIQUIDATING TRUST

A. Arrangements with the Liquidating Trustee

On or before the commencement of the Confirmation Hearing, the Debtors shall file with the Bankruptcy Court a Plan Supplement containing the Liquidating Trust Agreement, identifying the Liquidating Trustee, and identifying the members of the Liquidating Trust Oversight Committee. At the Confirmation Hearing, the Bankruptcy Court shall consider and, if appropriate, ratify the selection of the Liquidating Trustee. All compensation for the Liquidating Trustee shall be paid from the Liquidating Trust Assets in accordance with the Liquidating Trust Agreement. The approved person shall serve as the Liquidating Trustee upon execution of the Liquidating Trust Agreement on the Effective Date. The Liquidating Trustee shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court. On the Effective Date, each holder of a Claim shall be deemed to have ratified and become bound by the terms and conditions of the Liquidating Trust Agreement.

B. Funding of the Liquidating Trust

In accordance with Section XI.A.1. of the Plan and Sections 1123(a)(5)(B) and 1123(b)(3)(B), on the Effective Date the Debtors shall transfer and shall be deemed to have irrevocably transferred to the Liquidating Trust the following: (i) the Liquidating Trust Seed Money and (ii) the Liquidating Trust Assets, together with such other amount that may be agreed to by the Debtors and the Committee at any time up to the Confirmation Hearing, with no reversionary interest to the Debtors. The Liquidating Trust Seed Money and the Liquidating Trust Assets shall be used by the Liquidating Trustee in a manner provided for in the Combined Plan and Disclosure Statement and in the Liquidating Trust Agreement.

C. Distributions by the Liquidating Trust

Distributions by the Liquidating Trust shall be made in accordance with, and as set forth in the Liquidating Trust Agreement. The net proceeds of the Liquidating Trust Assets shall be utilized by the Liquidating Trustee as follows: (i) first, to make payments to the Holders of Allowed Administrative Expense Claims, until such Claims are paid in full; (ii) second, to make payments to Holders of Allowed Priority Tax Claims, until such Claims are paid in full; (iii) third, to the Holder of the Allowed DIP Loan Claim, until such Claim is paid in full; (iv) fourth, to the Holder of the Allowed Last Out Term Loan Claim, until such Claim is paid in full; (v) fifth, to Holders of Allowed Miscellaneous Secured Claims, until such Claims are paid in full; (vi) sixth, to Holders of Allowed Non-Tax Priority Claims, until such Claims are paid in full; (vii) seventh, to Holders of Allowed General Unsecured Claims, on a *Pro Rata* basis, until such Claims are paid in full; and (viii) eighth, to Holders of the Equity Interests in the Debtors, on a *Pro Rata* basis.

D. Withholding and Reporting Requirements

In connection with the Combined Plan and Disclosure Statement and all Distributions thereunder, the Liquidating Trustee shall, to the extent applicable, comply with all tax withholding and reporting requirements imposed by any federal, state, provincial, local, or foreign taxing authority, and all Distributions hereunder shall be subject to any such withholding and reporting requirements. The Liquidating Trustee shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements including, without limitation, requiring that, as a condition to the receipt of a Distribution, the Holder of an Allowed Claim complete the appropriate IRS Form W-8 or IRS Form W-9, as applicable to each Holder. Notwithstanding any other provision of the Combined Plan and Disclosure Statement (a) each Holder of an Allowed Claim that is to receive a Distribution pursuant to the Combined Plan and Disclosure Statement shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed on such Holder by any governmental unit, including income and other tax obligations, on account of such Distribution, and (b) no Distribution shall be made to or on behalf of such Holder pursuant to the Combined Plan and Disclosure Statement unless and until such Holder has made arrangements satisfactory to the Liquidating Trustee to allow it to comply with its tax withholding and reporting requirements. Any property to be distributed pursuant to the Combined Plan and Disclosure Statement shall, pending the implementation of such arrangements, be treated as an undeliverable Distribution to be held by the Liquidating Trustee, as the case may be, until such time as the Liquidating Trustee is satisfied with the Holder's arrangements for any withholding tax obligations.

E. Powers and Authority of the Liquidating Trustee

The Liquidating Trustee shall, in addition to any powers and authority specifically set forth in other provisions of the Combined Plan and Disclosure Statement and the Liquidating Trust Agreement, and subject to the terms and conditions in the Liquidating Trust Agreement and the rights of the Trust Oversight Committee, be empowered to (i) effect all actions and execute all agreements, instruments and other documents necessary to perform its duties under the Combined Plan and Disclosure Statement and Liquidating Trust Agreement, (ii) establish, as necessary, disbursement accounts for the deposit and distribution of all amounts distributed under the Liquidating Trust, (iii) make Distributions in accordance with the Combined Plan and Disclosure Statement, (iv) object to Claims, as appropriate, (v) employ and compensate professionals to represent it with respect to its responsibilities, including but not limited to the Committee's counsel, (vi) assert any of the Debtors' claims, Causes of Action, rights of setoff, or other legal or equitable defenses, and (vii) exercise such other powers as may be vested in the Liquidating Trustee by order of the Bankruptcy Court, pursuant to the Combined Plan and Disclosure Statement and Liquidating Trust Agreement. The Liquidating Trustee, subject to the terms and conditions of the Liquidating Trust Agreement and the rights of the Trust Oversight Committee, may take any and all actions which it deems reasonably necessary or appropriate to defend against any Claim, including, without limitation, the right to: (a) exercise any and all judgment and discretion with respect to the manner in which to defend against or settle any Claim, including, without limitation, the retention of professionals, experts and consultants; and (b) enter into a settlement agreement or agreements, provided that such settlement is entered into by the Liquidating Trust in good faith.

F. Post-Confirmation Date Expenses of the Liquidating Trustee

As provided for in the Liquidating Trust Agreement, the Liquidating Trustee shall receive reasonable compensation for services rendered pursuant to the Combined Plan and Disclosure Statement and Liquidating Trust Agreement without further Court order. In addition, except as otherwise ordered by the Bankruptcy Court, the amount of reasonable fees and expenses incurred by the Liquidating Trustee on or after the Effective Date (including, without limitation, reasonable attorney and professional fees and expenses) shall be paid without further Court order.

X. PROVISIONS GOVERNING DISTRIBUTIONS UNDER THE COMBINED PLAN AND DISCLOSURE STATEMENT

A. Method of Payment

Unless otherwise expressly agreed, in writing, all Cash payments to be made pursuant to the Combined Plan and Disclosure Statement shall be made by check drawn on a domestic bank or an electronic wire.

B. Objections to and Resolution of Claims

Subject to the terms and conditions of the Liquidating Trust Agreement and the rights of the Trust Oversight Committee, the Liquidating Trustee shall have the right to file objections to Claims after the Effective Date. All objections shall be litigated to entry of a Final Order; *provided, however*, that only the Liquidating Trustee, subject to the Liquidating Trust Agreement and any Trust Oversight Committee input, shall have the authority to compromise, settle, otherwise resolve or withdraw any objections, without approval of the Bankruptcy Court.

C. Claims Objection Deadline

The Liquidating Trustee, and any other party in interest to the extent permitted pursuant to section 502(a) of the Bankruptcy Code, shall file and serve any objection to any Claims no

later than the Claims Objection Deadline; *provided, however*, the Claims Objection Deadline may be extended by the Bankruptcy Court from time to time upon motion by the Liquidating Trustee for cause.

D. No Distribution Pending Allowance

Notwithstanding any other provision of the Combined Plan and Disclosure Statement or the Liquidating Trust Agreement, no payment or Distribution of Cash or other property shall be made with respect to any portion of a Disputed Claim unless and until all objections to such Claim are resolved by Final Order or as otherwise permitted by this Combined Plan and Disclosure Statement.

E. Escrow of Cash Distributions Pending Allowance

On any date that Distributions are to be made under the terms of the Combined Plan and Disclosure Statement, the Liquidating Trustee shall reserve Cash or property equal to 100% of the Cash or property that would be distributed on such date on account of Disputed Claims as if each such Disputed Claim were an Allowed Claim but for the pendency of a dispute with respect thereto. The Liquidating Trustee shall also reserve any interest, dividends or proceeds of such Cash. Such Cash, together with any interest, dividends or proceeds thereof, shall be held in trust for the benefit of the Holders of all such Disputed Claims pending determination of their entitlement thereto.

F. Distribution After Allowance

Within the later of (i) ten (10) Business Days after such Claim becomes an Allowed Claim and (ii) thirty (30) days after the expiration of the Claims Objection Deadline, the Liquidating Trustee shall distribute all Cash or other property, including any interest, dividends or proceeds thereof, to which a Holder of an Allowed Claim is then entitled.

G. Satisfaction of Claims Against Co-Debtors and Guarantors

To the extent a Claim against a Debtor is based upon the Debtor's guaranty or co-signing of a debt that serves as the basis for a Claim against another Debtor, the Claim arising from the guaranty or co-signing will be deemed satisfied upon the satisfaction of the underlying Claim in accordance with the Combined Plan and Disclosure Statement. If the Claim against one Debtor (i.e., the underlying debt) is paid in part, the related Claim against the guarantor(s) or co-debtor(s) shall be reduced by the amount paid on the Claim against the other Debtor(s). In no event shall a party holding a Claim based on a guaranty or co-signing by one Debtor of a debt owed by another Debtor collect more than the underlying debt that was guaranteed or co-signed.

H. Investment of Segregated Cash and Property

To the extent practicable, the Liquidating Trustee may invest any Cash or other property segregated on account of a Disputed Claim, undeliverable Distribution, or any proceeds thereof (i) in a manner that will yield a reasonable net return taking into account the safety of the investment or (ii) in any manner permitted by section 345 of the Bankruptcy Code; *provided, however*, that the Liquidating Trustee shall be under no obligation to so invest such Cash or proceeds and shall have no liability to any party for any investment made or any omission to invest such Cash, other property or proceeds.

I. Delivery of Distributions

Except as provided herein, Distributions to Holders of Allowed Claims shall be made: (1) at the addresses set forth on the respective proofs of Claim Filed by such holders; (2) at the addresses set forth in any written notices of address changes delivered to the Liquidating Trustee after the date of any related proof of Claim; or (3) at the address reflected in the Schedules if no

proof of Claim is filed and the Liquidating Trustee has not received a written notice of a change of address.

If the Distribution to the Holder of any Claim is returned to the Liquidating Trustee as undeliverable, no further Distribution shall be made to such Holder unless and until the Liquidating Trustee is notified in writing of such Holder's then current address. Undeliverable Distributions shall remain in the possession of the Liquidating Trustee until the earlier of (i) such time as a Distribution becomes deliverable or (ii) such undeliverable Distribution becomes an unclaimed Distribution pursuant to Section X.J. of the Combined Plan and Disclosure Statement.

Within 30 days after the end of each calendar quarter following the Effective Date, or upon such other interval as the Bankruptcy Court may order, but in no event less frequently than annually, the Liquidating Trustee shall make Distributions of all Cash and property that has become deliverable during the preceding quarter. Each such Distribution shall include the net return yielded from the investment of any undeliverable Cash, from the date such Distribution would have been due had it then been deliverable to the date that such Distribution becomes deliverable.

The Liquidating Trustee shall make reasonable efforts to update or correct contact information for recipients of undeliverable Distributions, provided, however, nothing contained in the Combined Plan and Disclosure Statement shall require the Liquidating Trustee to locate any Holder or an Allowed Claim.

J. Unclaimed Distributions

Any Cash or other property to be distributed under the Combined Plan and Disclosure Statement shall revert to the Liquidating Trustee if it is not claimed by the Entity within three (3)

months after the date of such Distribution. If such Cash or other property is not claimed on or before such date, the Distribution made to such Entity shall be deemed to be reduced to zero.

K. De Minimis Distributions

The Liquidating Trustee shall not distribute cash to the Holder of an Allowed Claim in an impaired Class if the amount of Cash to be distributed on account of such Claim is less than \$25.00 in the aggregate. Any Cash not distributed pursuant to this Article X of the Combined Plan and Disclosure Statement will be the property of the Estates and be distributed pursuant to the terms of this Combined Plan and Disclosure Statement.

L. Set-Off

The Debtors retain the right to reduce any Claim by way of setoff in accordance with their books and records. Rights of a setoff of any Entity or Person are preserved for the purpose of asserting such rights as a defense to any Claims or Causes of Action of the Debtors, their Estates, or the Liquidating Trust, as applicable.

M. Books and Records

On the Effective Date, the Debtors' books and records (excluding any electronic mail or other correspondence among the Debtors and their counsel subject to a Privilege other than those referred to in Section X.M. of the Combined Plan and Disclosure Statement) (the "**Books and Records**") shall be transferred to the Liquidating Trust. With respect to all other Books and Records retained by the Debtors after the Confirmation Date, the Liquidating Trustee shall be free, in its discretion, to abandon, destroy, or otherwise dispose of any such Books and Records in compliance with applicable non-bankruptcy law at any time on and after the Effective Date, without the need for any other or further court order.

N. Privileges as to Certain Causes of Action

Privileges of the Debtors relating solely to any existing Causes of Action pursued, investigated, or considered by the Debtors prior to the Confirmation Date (not otherwise resolved) shall be transferred, assigned, and delivered to the Liquidating Trust, without waiver or release, and shall vest with the Liquidating Trust. The Liquidating Trustee shall hold and be the beneficiary of all such Privileges and shall be entitled to assert such Privileges. No such Privilege shall be waived by disclosures to the Liquidating Trustee of the Debtors' documents, information, or communications subject to the attorney-client privilege, work product protection or other immunities (including those related to common interest or joint defense with third parties), or protections from disclosure held by the Debtors. The Liquidating Trustee shall reserve the right to request other materials that may be subject to Privilege for appropriate reasons, but representatives of the Debtors and the Debtors' Professionals shall maintain the ability to oppose any such request on any grounds or to seek compensation in connection with such production, with any disputes to be decided by the Bankruptcy Court. The Debtors' Privileges, whether transferred to the Liquidating Trust or retained by the Debtors, will remain subject to the rights of third parties under applicable law, including any rights arising from the common interest doctrine, the joint defense doctrine, joint attorney-client representation, or any agreement.

XI. IMPLEMENTATION AND EFFECT OF CONFIRMATION OF COMBINED PLAN AND DISCLOSURE STATEMENT**A. Means for Implementation of the Combined Plan and Disclosure Statement**

In addition to the provisions set forth elsewhere in the Combined Plan and Disclosure Statement, the following shall constitute the means for implementation of the Combined Plan and Disclosure Statement:

1. Funding of Liabilities and Distributions

On the Effective Date, the Debtors and the Debtors' Estates shall transfer to the Liquidating Trust the Liquidating Trust Seed Money and the Liquidating Trust Assets, to be utilized, administered and distributed by the Liquidating Trustee in accordance with the terms and conditions of this Combined Plan and Disclosure Statement, the Confirmation Order and the Liquidating Trust Agreement.

2. Corporate Action; Effectuating Documents; Further Transactions

On the Effective Date, all matters and actions provided for under the Combined Plan and Disclosure Statement that would otherwise require approval of the directors and officers, or members or managers of the Debtors shall be deemed to have been authorized and effective in all respects as provided herein and shall be taken without any requirement for further action by the directors and officers, or members and managers of the Debtors. The Debtors are authorized to execute, deliver, file or record such contracts, instruments, releases, and other agreements or documents and to take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Combined Plan and Disclosure Statement.

B. Administrative Consolidation

The classification and manner of satisfying all Claims and Interests under the Combined Plan and Disclosure Statement takes into consideration the rights that Holders of Claims and Interests may have against each of the Debtors, whether arising under contract, law or equity. Holders of Claims or Interests are classified in consolidated classes of Claims against and Interests in all Debtors in Section VII above for administrative convenience with respect to voting and the making of Distributions on account of Claims and Interests. The Confirmation Order shall approve this administrative consolidation.

Such administrative consolidation shall not affect: (a) the legal and corporate structures of the Debtors; (b) Interests between and among the Debtors; or (c) the vesting of assets in the Liquidating Trust. In addition, such administrative consolidation shall not constitute a waiver of the mutuality requirement for setoff under section 553 of the Bankruptcy Code.

This Combined Plan and Disclosure Statement serves as a motion seeking entry of an order consolidating the Estates for administrative purposes only, as set forth above and the closing of the Chapter 11 Cases for all of the Debtors. Unless an objection to such consolidation or case closing is made in writing by any creditor affected by the Combined Plan and Disclosure Statement, filed with the Bankruptcy Court and served on the Debtors on or before the Combined Plan and Disclosure Statement objection deadline as established by the Bankruptcy Court, the consolidation and case closing order (which may be the Confirmation Order) may be entered by the Bankruptcy Court. In the event any such objections are timely filed, a hearing with respect thereto shall occur at or before the hearing on confirmation of the Combined Plan and Disclosure Statement.

XII. INJUNCTION, EXCULPATION AND RELEASES

A. Injunction

All injunctions or stays provided for in the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date. **Except as otherwise provided in the Combined Plan and Disclosure Statement, or to the extent necessary to enforce the terms and conditions of the Combined Plan and Disclosure Statement, the Confirmation Order, or a separate order of the Bankruptcy Court, all Entities who have held, hold or may hold Claims against or Interests in the Debtors shall be permanently enjoined from taking any**

of the following actions against the Debtors, their Estates, or any of their property on account of any such Claims or Interests: (A) commencing or continuing, in any manner or in any place, any action or other proceeding; (B) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree or order; (C) creating, perfecting, or enforcing any lien or encumbrance; (D) asserting a setoff, right of subrogation, or recoupment of any kind against any debt, liability, or obligation due to the Debtors, except as otherwise set forth in Section X.L. of the Combined Plan and Disclosure Statement; and (E) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Combined Plan and Disclosure Statement; provided, however, that such Entities shall not be precluded from exercising their rights pursuant to and consistent with the terms of the Combined Plan and Disclosure Statement, the Confirmation Order, or the Liquidating Trust Agreement.

B. Exculpation

Except as otherwise specifically provided in the Combined Plan and Disclosure Statement, the Debtors and the Committee, and any of their respective members, officers, directors, employees, advisors, professionals, attorneys, representatives, financial advisors, investment bankers, agents, independent contractors or other professionals and any of such parties' successors and assigns, solely in their capacities as such, shall not have or incur any liability for any claim, action, proceeding, Cause of Action, Avoidance Action, suit, account, controversy, agreement, promise, right to legal remedies, right to equitable remedies, right to payment, or claim (as defined in Bankruptcy Code section 101(5)), whether known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or

unsecured and whether asserted or assertable directly or derivatively, in law, equity, or otherwise to one another or to any claimholder or interest holder, or any other party in interest, or any of their respective agents, employees, representatives, advisors, attorneys, or affiliates, or any of their successors or assigns, for any act or omission originating or occurring on or after the Petition Date through and including the Effective Date in connection with, relating to, or arising out of the Debtors, the Chapter 11 Cases, the negotiation and filing of the Combined Plan and Disclosure Statement, the filing of the Chapter 11 Cases, the pursuit of confirmation of the Combined Plan and Disclosure Statement, the consummation of the Combined Plan and Disclosure Statement, the administration of the Combined Plan and Disclosure Statement, or the property to be liquidated and/or distributed under the Combined Plan and Disclosure Statement, except for their willful misconduct or gross negligence as determined by a Final Order of a Court of competent jurisdiction, and in all respects shall be entitled to rely reasonably upon the advice of counsel with respect to their duties and responsibilities under the Combined Plan and Disclosure Statement.

C. Releases

1. Terms of Releases

As of the Effective Date, for good and valuable consideration, the Debtors (in their individual capacities and as debtors and debtors in possession) shall waive and discharge any of their respective members, officers, directors, employees, advisors, professionals, attorneys, representatives, financial advisors, investment bankers, agents, independent contractors or other professionals and any of such parties' successors and assigns, and the Committee, and any of its members, advisors, professionals, attorneys, representatives,

financial advisors, investment bankers, and agents, from all Claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, and liabilities (other than the rights of the Debtors to enforce this Combined Plan and Disclosure Statement, and the contracts, instruments, releases, indentures, and other agreement or documents delivered hereunder, and liabilities arising after the Effective Date in the ordinary course of business) whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity, or otherwise that are based in whole or part on any act omission, transaction, event, or other occurrences, whether direct or derivative, taking place on or prior to the Effective Date in connection with, or related to the Debtors, the Chapter 11 Cases, and the Combined Plan and Disclosure Statement.

2. Reservation of Rights

Except as specifically provided in the Combined Plan and Disclosure Statement or in the Confirmation Order, nothing contained in the Combined Plan and Disclosure Statement or in the Confirmation Order shall be deemed to be a waiver or relinquishment of any claim, Cause of Action, right of setoff, or other legal or equitable defense, if any, that the Debtors have immediately prior to the Petition Date, against or with respect to any Claim left unimpaired by the Combined Plan and Disclosure Statement. The Debtors or the Liquidating Trustee, as the case may be, shall have, retain, reserve, and be entitled to assert all such claims, Causes of Action, rights of setoff, or other legal or equitable defenses which they or any of them had immediately prior to the Petition Date fully as if the Chapter 11 Cases had not been commenced, and all legal and equitable rights of any Debtors respecting any Claim left unimpaired by the Combined Plan and Disclosure

Statement may be asserted after the Confirmation Date to the same extent as if the Chapter 11 Cases had not been commenced. The Liquidating Trustee's right to commence and prosecute Causes of Action shall not be abridged or materially altered in any manner by reason of confirmation of the Combined Plan and Disclosure Statement. No defendant party to any Causes of Action brought by the Debtors or the Liquidating Trustee shall be entitled to assert any defense based, in whole or in part, upon confirmation of the Combined Plan and Disclosure Statement, and confirmation of the Combined Plan and Disclosure Statement shall not have any res judicata or collateral estoppel effect upon the commencement and prosecution of the Causes of Action.

XIII. EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Rejection of Executory Contracts and Unexpired Leases

On the Effective Date, all Executory Contracts and unexpired leases not assumed before the Confirmation Date will be deemed rejected. The Confirmation Order shall constitute an order approving such rejection as of the Effective Date.

B. Deadline for Filing Proofs of Claim Relating to Executory Contracts and Unexpired Leases Rejected Pursuant to the Combined Plan and Disclosure Statement

If the rejection by the Debtors, pursuant to the Combined Plan and Disclosure Statement or otherwise, of an Executory Contract or unexpired leases gives rise to a Claim, a proof of Claim must be filed with the Claims and Balloting Agent at Golden County Foods Processing Center, c/o Kurtzman Carson Consulting LLC, 2335 Alaska Avenue, El Segundo, California 90245, by no later than thirty (30) days after the later of (i) notice of entry of the Confirmation Order, and (ii) other notice that the Executory Contract or unexpired lease has been rejected. Any proofs of Claim not filed and served within such time periods will be forever barred from assertion against the Debtors and their Estates. Unless otherwise Ordered by the Bankruptcy

Court, all Claims arising from the rejection of Executory Contracts and unexpired leases shall be treated as General Unsecured Claims under the Combined Plan and Disclosure Statement.

XIV. CONDITIONS TO THE EFFECTIVE DATE

A. Conditions Precedent to the Effective Date

The Combined Plan and Disclosure Statement shall not become effective unless and until the following conditions shall have been satisfied or waived:

1. The Confirmation Order shall have become a Final Order in full force and effect with no stay thereof then in effect.

2. All actions, documents and agreements necessary or appropriate to implement the Combined Plan and Disclosure Statement, including the Liquidating Trust Agreement, shall have been effected or executed.

B. Effect of Failure of Conditions

If each condition to the Effective Date has not been satisfied or duly waived within forty-five (45) days after the Confirmation Date, then upon motion by any party in interest, made before the time that each of the conditions has been satisfied or duly waived and upon notice to such parties in interest as the Bankruptcy Court may direct, the Confirmation Order may be vacated by the Bankruptcy Court; *provided, however*, that notwithstanding the filing of such motion, the Confirmation Order shall not be vacated if each of the conditions to the Effective Date is either satisfied or duly waived by the Debtors before the any Order granting such relief becomes a Final Order. If the Confirmation Order is vacated pursuant to this Section, the Combined Plan and Disclosure Statement shall be deemed null and void in all respects and nothing contained herein shall (i) constitute a waiver or release of any Claims by or against the Debtors, or (ii) prejudice in any manner the rights of the Debtors.

C. Waiver of Conditions to Confirmation and Effective Date

Each of the conditions to the Effective Date may be waived, in whole or in part, by the Debtors in consultation with the Committee, without notice or an Order of the Bankruptcy Court.

XV. RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, following the Effective Date, the Bankruptcy Court shall retain such jurisdiction over the Chapter 11 Cases as is legally permissible, including, without limitation, such jurisdiction as is necessary to ensure that the interests and purposes of the Combined Plan and Disclosure Statement and the Liquidating Trust Agreement are carried out. The Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of, and related to, the Chapter 11 Cases, the Combined Plan and Disclosure Statement, and/or the Liquidating Trust Agreement pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

1. To hear and determine any objections to Claims and to address any issues relating to Disputed Claims;
2. To enter and implement such Orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified or vacated;
3. To issue such Orders in aid of execution and consummation of the Combined Plan and Disclosure Statement and the Liquidating Trust Agreement, to the extent authorized by section 1142 of the Bankruptcy Code;
4. To consider any amendments to or modifications of the Combined Plan and Disclosure Statement and the Liquidating Trust Agreement, to cure any defect or omission, or

reconcile any inconsistency in any Order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

5. To hear and determine all requests for compensation and reimbursement of expenses to the extent Allowed by the Bankruptcy Court under section 330 or 503 of the Bankruptcy Code;

6. To hear and determine disputes arising in connection with the interpretation, implementation or enforcement of the Combined Plan and Disclosure Statement and the Liquidating Trust Agreement;

7. To hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code;

8. To hear any other matter not inconsistent with the Bankruptcy Code;

9. To enter a final decree closing the Chapter 11 Cases;

10. To ensure that Distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of the Combined Plan and Disclosure Statement and the Liquidating Trust Agreement;

11. To resolve disputes concerning any reserves with respect to Disputed Claims or the administration thereof.

12. To decide or resolve any motions, adversary proceedings, contested or litigated matters arising out of, under, or related to, the Chapter 11 Cases;

13. To issue injunctions, enter and implement other Orders or take such other actions as may be necessary or appropriate to restrain interference by any Person or Entity with the occurrence of the Effective Date or enforcement of the Combined Plan and Disclosure Statement or the Liquidating Trust Agreement, except as otherwise provided herein;

14. To determine any other matters that may arise in connection with or related to the Combined Plan and Disclosure Statement, the Liquidating Trust Agreement, the Confirmation Order or any contract, instrument, release, indenture or other agreement or document created or implemented in connection with the Combined Plan and Disclosure Statement or the Liquidating Trust Agreement;

15. To enforce, interpret, and determine any disputes arising in connection with any stipulations, orders, judgments, injunctions, exculpations, and rulings entered in connection with the Chapter 11 Cases (whether or not the Chapter 11 Cases have been closed);

16. To resolve any disputes concerning whether a Person or Entity had sufficient notice of the Chapter 11 Cases, the Bar Dates, the Administrative Expense Bar Date, the Governmental Bar Date, and/or the hearing on the approval of the Combined Plan and Disclosure Statement for the purpose of determining whether a Claim, or Equity Interest is discharged and/or enjoined hereunder or for any other purpose; and

17. To resolve any other matter or for any purpose specified in the Combined Plan and Disclosure Statement, the Confirmation Order, or the Liquidating Trust Agreement, or any other document entered into in connection with any of the foregoing.

XVI. MISCELLANEOUS PROVISIONS

A. Amendment or Modification of the Combined Plan and Disclosure Statement

Alterations, amendments or modifications of the Combined Plan and Disclosure Statement may be proposed in writing by the Debtors in consultation with the Committee, at any time before the Confirmation Date, provided that the Combined Plan and Disclosure Statement, as altered, amended or modified, satisfies the conditions of sections 1122 and 1123 of the

Bankruptcy Code, and the Debtors shall have complied with section 1125 of the Bankruptcy Code.

B. Severability

In the event the Bankruptcy Court determines, before the Confirmation Date, that any provision in the Combined Plan and Disclosure Statement is invalid, void or unenforceable, such provision shall be invalid, void or unenforceable with respect to the Holder or Holders of such Claims or Equity Interest as to which the provision is determined to be invalid, void or unenforceable. The invalidity, voidability or unenforceability of any such provision shall in no way limit or affect the enforceability and operative effect of any other provision of the Combined Plan and Disclosure Statement.

C. Revocation or Withdrawal of the Combined Plan and Disclosure Statement

The Debtors, in consultation with the Committee, reserve the right to revoke or withdraw the Combined Plan and Disclosure Statement before the Confirmation Date. If the Debtors revoke or withdraw the Combined Plan and Disclosure Statement before the Confirmation Date, then the Combined Plan and Disclosure Statement shall be deemed null and void. In such event, nothing contained herein shall constitute or be deemed a waiver or release of any Claims by or against the Debtors or the Liquidating Trustee or to prejudice in any manner the rights of either of the Debtors or the Liquidating Trustee in any further proceedings involving the Debtors.

D. Binding Effect

The Combined Plan and Disclosure Statement shall be binding upon and inure to the benefit of the Debtors, the Holders of Claims, and the Holders of Equity Interests, the Liquidating Trust, the Liquidating Trustee, and their respective successors and assigns.

E. Notices

All notices, requests and demands to or upon the Liquidating Trustee to be effective shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as shall be set forth in the Confirmation Order.

F. Governing Law

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

G. Allocation of Distributions Between Principal and Interest

To the extent that any Allowed Claim entitled to a Distribution under the Combined Plan and Disclosure Statement is comprised of indebtedness and accrued but unpaid interest thereon, such Distribution shall be allocated to the principal amount of the Claim first and then, to the extent the consideration exceeds the principal amount of the Claim, to accrued but unpaid interest.

H. Headings

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

I. Exhibits/Schedules

All exhibits and schedules to the Combined Plan and Disclosure Statement are incorporated into and are a part of the Combined Plan and Disclosure Statement as if set forth in full herein.

J. Filing of Additional Documents

On or before substantial consummation of the Combined Plan and Disclosure Statement, the Debtors shall file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Combined Plan and Disclosure Statement.

K. No Admissions

Notwithstanding anything herein to the contrary, nothing contained in the Combined Plan and Disclosure Statement shall be deemed as an admission by any Entity with respect to any matter set forth herein.

L. Successors and Assigns

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

M. Reservation of Rights

Except as expressly set forth herein, the Combined Plan and Disclosure Statement shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order. None of the filing of the Combined Plan and Disclosure Statement, any statement or provision contained herein, or the taking of any action by the Debtors with respect to the Combined Plan and

Disclosure Statement shall be or shall be deemed to be an admission or waiver of any rights of the Debtors, Holders of Claims or Equity Interest before the Effective Date.

N. Implementation

The Debtors shall take all steps, and execute all documents, including appropriate releases, necessary to effectuate the provisions contained in this Combined Plan and Disclosure Statement.

O. Inconsistency

In the event of any inconsistency among the Combined Plan and Disclosure Statement, and the Liquidating Trust Agreement, the provisions of the Liquidating Trust Agreement shall govern. In the event of any inconsistency among the Combined Plan and Disclosure Statement and any other instrument or document created or executed pursuant to the Combined Plan and Disclosure Statement, the provisions of the Combined Plan and Disclosure Statement shall govern.

P. Dissolution of the Debtors

Immediately following the distribution of all of the Debtors' and the Estates' property pursuant to the terms of the Combined Plan and Disclosure Statement, on the Effective Date, (i) the Debtors' directors and officers and any remaining employees shall be deemed to have resigned and (ii) the Debtors and/or the Liquidating Trustee, as the case may be, are authorized to take any and all actions necessary to effectuate the Debtors' dissolution for all purposes under applicable state law. The Debtors are further authorized to take all such further action as is necessary following the Confirmation Date to implement the foregoing.

Q. Dissolution of the Committee

Upon the occurrence of the Effective Date, the Committee shall dissolve automatically, whereupon its members, professionals and agents shall be released from any duties and responsibilities in the Chapter 11 Cases and under the Bankruptcy Code (except with respect to (i) obligations arising under confidentiality agreements, which shall remain in full force and effect, (ii) applications for payment of fees and reimbursement of expenses of Professionals, and (iii) any pending motion for other actions seeking enforcement of implementation of the provisions of the Combined Plan and Disclosure Statement and Liquidating Trust Agreement).

R. Compromise of Controversies

Pursuant to Bankruptcy Rule 9019, and in consideration for the classification, distribution and other benefits provided under the Combined Plan and Disclosure Statement, the provisions of this Combined Plan and Disclosure Statement shall constitute a good faith compromise and settlement of all Claims or controversies resolved pursuant to the Combined Plan and Disclosure Statement. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of each of the foregoing compromises or settlements, and all other compromises and settlements provided for in the Combined Plan and Disclosure Statement and the Chapter 11 Cases, and the Bankruptcy Court's findings shall constitute its determination that such compromises and settlements are in the best interests of the Debtors, the Estates and all Holders of Claims and Equity Interests against the Debtors.

S. Request for Expedited Determination of Taxes

The Debtors and the Liquidating Trustee shall have the right to request an expedited determination under section 505(b) of the Bankruptcy Code with respect to tax returns filed, or to be filed, for any and all taxable periods ending after the Filing Date through the Effective Date.

Dated: November 12, 2015
Wilmington, Delaware

PLOVER APPETIZER CO. f/k/a GOLDEN
COUNTY FOODS, INC. (for itself and on behalf
of its debtor affiliates)

By:

/s/ David Wiggins

David Wiggins

Chief Executive Officer

EXHIBIT A

LIQUIDATION ANALYSIS

[TO BE FILED]

EXHIBIT B

CURRICULUM VITAE OF LIQUIDATING TRUSTEE

[TO BE FILED]