THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE COURT.

A HEARING TO CONSIDER THE ADEQUACY OF THIS DISCLOSURE STATEMENT UNDER SECTION 1125 OF THE BANKRUPTCY CODE HAS BEEN SET BY THE BANKRUPTCY COURT FOR NOVEMBER 5, 2013 AT 11:00 A.M. (PREVAILING EASTERN TIME). THE DEBTORS RESERVE THE RIGHT TO AMEND, SUPPLEMENT OR OTHERWISE MODIFY THIS DISCLOSURE STATEMENT PRIOR TO AND UP TO THE DATE OF SUCH HEARING.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	)	Chapter 11
Rural/Metro Corporation, et al.,	)	Case No. 13-11952 (KJC)
Debtors.	)	Jointly Administered

DISCLOSURE STATEMENT WITH RESPECT TO THE FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION FOR RURAL/METRO CORPORATION AND ITS AFFILIATED DEBTORS

Dated: October 31, 2013

WILLKIE FARR & GALLAGHER LLP
787 Seventh Avenue
New York, New York 10019
(212) 728-8000

YOUNG CONAWAY STARGATT & TAYLOR, LLP
Rodney Square
1000 North King Street
Wilmington, DE 19801
(302) 571-6600

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR WILL THERE BE ANY DISTRIBUTION OF THE SECURITIES DESCRIBED HEREIN UNTIL THE EFFECTIVE DATE OF THE PLAN.

THE VOTING DEADLINE TO ACCEPT OR REJECT THE PLAN IS **5:00 P.M. (PREVAILING EASTERN TIME) ON DECEMBER 9, 2013**, UNLESS EXTENDED BY THE DEBTORS (THE "**VOTING DEADLINE**"). TO BE COUNTED, BALLOTS MUST BE RECEIVED BY THE VOTING AGENT (AS DEFINED HEREIN) ON OR BEFORE THE VOTING DEADLINE.

THE CONFIRMATION AND EFFECTIVENESS OF THE PLAN ARE SUBJECT TO MATERIAL CONDITIONS PRECEDENT. THERE IS NO ASSURANCE THAT THESE CONDITIONS WILL BE SATISFIED OR WAIVED.

HOLDERS OF CLAIMS AGAINST, AND HOLDERS OF INTERESTS IN, THE DEBTORS ARE ENCOURAGED TO READ AND CAREFULLY CONSIDER THE MATTERS DESCRIBED IN THIS DISCLOSURE STATEMENT.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT AND THE EFFECTIVE DATE OCCURS, ALL HOLDERS OF CLAIMS AGAINST, AND HOLDERS OF INTERESTS IN, THE DEBTORS (INCLUDING, WITHOUT LIMITATION, THOSE HOLDERS OF CLAIMS OR INTERESTS WHO DO NOT SUBMIT BALLOTS TO ACCEPT OR REJECT THE PLAN OR WHO ARE NOT ENTITLED TO VOTE ON THE PLAN) WILL BE BOUND BY THE TERMS OF THE PLAN AND THE TRANSACTIONS CONTEMPLATED THEREBY.

THIS DISCLOSURE STATEMENT HAS NOT BEEN FILED WITH, NOR NECESSARILY REVIEWED BY, AND THE SECURITIES TO BE ISSUED ON OR AFTER THE EFFECTIVE DATE WILL NOT HAVE BEEN THE SUBJECT OF A REGISTRATION STATEMENT FILED WITH, THE SECURITIES AND EXCHANGE COMMISSION (THE "**SEC**") UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY OTHER SECURITIES REGULATORY AUTHORITY OF ANY STATE UNDER ANY STATE SECURITIES OR "BLUE SKY" LAWS. THE PLAN HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SEC, ANY OTHER SECURITIES REGULATORY AUTHORITY, OR ANY STATE SECURITIES COMMISSION, AND NEITHER THE SEC NOR ANY STATE SECURITIES COMMISSION HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED HEREIN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY STATE OR OTHER JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED.

THE DEBTORS BELIEVE THAT THE SOLICITATION OF VOTES ON THE PLAN MADE BY THIS DISCLOSURE STATEMENT, AND THE OFFER OF THE NEW SECURITIES THAT MAY BE DEEMED TO BE MADE PURSUANT TO THE SOLICITATION MAY BE

EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT AND RELATED STATE STATUTES BY REASON OF THE EXEMPTION PROVIDED BY SECURITIES ACT SECTION 4(2), OR OTHER APPLICABLE EXEMPTIONS, AND EXPECT THAT THE ISSUANCE OF THE SECURITIES UNDER THE PLAN WILL BE EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT AND RELATED STATE STATUTES BY REASON OF THE APPLICABILITY OF SECTIONS 1145(a)(1) AND (2) OF THE BANKRUPTCY CODE AND SECURITIES ACT SECTION 4(2), OR OTHER APPLICABLE EXEMPTIONS.

EXCEPT AS OTHERWISE SET FORTH HEREIN, THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE BY THE DEBTORS AS OF THE DATE HEREOF, AND THE DELIVERY OF THIS DISCLOSURE STATEMENT WILL NOT, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AT ANY TIME SUBSEQUENT TO THE DATE HEREOF.

NO PERSON HAS BEEN AUTHORIZED BY THE DEBTORS IN CONNECTION WITH THE PLAN OR THE SOLICITATION TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT, THE PLAN AND THE EXHIBITS AND SCHEDULES ATTACHED TO OR INCORPORATED BY REFERENCE OR REFERRED TO IN THE DISCLOSURE STATEMENT AND/OR PLAN, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MAY NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE DEBTORS.

FOR THE CONVENIENCE OF HOLDERS OF CLAIMS AND INTERESTS, THIS DISCLOSURE STATEMENT SUMMARIZES THE TERMS OF THE PLAN AND CERTAIN OF THE PLAN DOCUMENTS. IF ANY INCONSISTENCY EXISTS BETWEEN THE PLAN OR THE APPLICABLE PLAN DOCUMENTS AND THIS DISCLOSURE STATEMENT, THE TERMS OF THE PLAN OR THE APPLICABLE PLAN DOCUMENTS ARE CONTROLLING. THE SUMMARIES OF THE PLAN AND THE PLAN DOCUMENTS IN THIS DISCLOSURE STATEMENT DO NOT PURPORT TO BE COMPLETE AND ARE SUBJECT TO, AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO, THE FULL TEXT OF THE PLAN AND THE APPLICABLE PLAN DOCUMENTS. ALL HOLDERS OF CLAIMS AND INTERESTS ARE ENCOURAGED TO REVIEW THE FULL TEXT OF THE PLAN AND THE PLAN DOCUMENTS, AND TO READ CAREFULLY THIS ENTIRE DISCLOSURE STATEMENT, INCLUDING ALL EXHIBITS HERETO.

THIS DISCLOSURE STATEMENT MAY NOT BE RELIED ON FOR ANY PURPOSE OTHER THAN TO DETERMINE WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN, AND NOTHING STATED HEREIN SHALL CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PERSON, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTORS OR ANY OTHER PERSON, OR BE DEEMED CONCLUSIVE EVIDENCE OF THE TAX OR OTHER LEGAL EFFECTS OF THE PLAN ON THE DEBTORS OR HOLDERS OF CLAIMS OR INTERESTS.

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

FORWARD-LOOKING STATEMENTS

THIS DISCLOSURE STATEMENT CONTAINS FORWARD-LOOKING STATEMENTS BASED PRIMARILY ON THE CURRENT EXPECTATIONS OF THE DEBTORS AND PROJECTIONS ABOUT FUTURE EVENTS AND FINANCIAL TRENDS AFFECTING THE FINANCIAL CONDITION OF THE DEBTORS' AND REORGANIZED DEBTORS' BUSINESSES. IN PARTICULAR, STATEMENTS USING WORDS SUCH AS "BELIEVE," "MAY," "ESTIMATE," "CONTINUE," "ANTICIPATE," "INTEND," "EXPECT" AND SIMILAR EXPRESSIONS IDENTIFY THESE FORWARD-LOOKING STATEMENTS. THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO A NUMBER OF RISKS, UNCERTAINTIES AND ASSUMPTIONS, INCLUDING THOSE DESCRIBED BELOW UNDER ARTICLE XII. IN LIGHT OF THESE RISKS AND UNCERTAINTIES, THE FORWARD-LOOKING EVENTS AND CIRCUMSTANCES DISCUSSED IN THIS DISCLOSURE STATEMENT MAY NOT OCCUR, AND ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE ANTICIPATED IN THE FORWARD-LOOKING STATEMENTS. CONSEQUENTLY, THE PROJECTED FINANCIAL INFORMATION AND OTHER FORWARD-LOOKING STATEMENTS CONTAINED HEREIN SHOULD NOT BE REGARDED AS REPRESENTATIONS BY ANY OF THE DEBTORS, THE REORGANIZED DEBTORS, THEIR ADVISORS, OR ANY OTHER PERSON THAT THE PROJECTED FINANCIAL CONDITIONS OR RESULTS OF OPERATIONS CAN OR WILL BE ACHIEVED. EXCEPT AS OTHERWISE REQUIRED BY LAW, NEITHER THE DEBTORS NOR REORGANIZED DEBTORS UNDERTAKE ANY OBLIGATION TO UPDATE OR REVISE PUBLICLY ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE FOLLOWING APPROVAL OF THIS DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT.

ALL CAPITALIZED TERMS IN THIS DISCLOSURE STATEMENT NOT OTHERWISE DEFINED HEREIN HAVE THE MEANINGS GIVEN TO THEM IN THE PLAN, ATTACHED TO THIS DISCLOSURE STATEMENT AS EXHIBIT 1.

THE DEBTORS SUPPORT CONFIRMATION OF THE PLAN. THE DEBTORS URGE ALL HOLDERS OF CLAIMS WHOSE VOTES ARE BEING SOLICITED TO ACCEPT THE PLAN.

THE CONSENTING LENDERS HOLDING IN EXCESS OF 51% OF THE DEBTORS' SECURED DEBT AND THE CONSENTING NOTEHOLDERS HOLDING IN EXCESS OF 66.66% OF THE DEBTORS' UNSECURED NOTES SUPPORT CONFIRMATION OF THE PLAN AND URGE ALL HOLDERS OF CLAIMS WHOSE VOTES ARE BEING SOLICITED TO ACCEPT THE PLAN.

AS SET FORTH IN THE LETTER FROM THE CREDITORS' COMMITTEE ACCOMPANYING THE DISCLOSURE STATEMENT, THE CREDITORS' COMMITTEE SUPPORTS THE PLAN AND URGES ALL HOLDERS OF OTHER UNSECURED CLAIMS WHOSE VOTES ARE BEING SOLICITED TO ACCEPT THE PLAN.

TABLE OF CONTENTS

		Page
ARTICLE I.	INTRODUCTION	1
1.1	General	1
1.2	The Confirmation Hearing	3
1.3	Classification of Claims and Interests	3
1.4	Voting; Holders of Claims Entitled to Vote	4
1.5	Important Matters	7
ARTICLE II.	SUMMARY OF PLAN AND CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS THEREUNDER	7
ARTICLE III.	BUSINESS DESCRIPTION AND CIRCUMSTANCES THAT LED TO THESE REORGANIZATION CASES	17
3.1	The Debtors' Businesses	17
3.2	Employees	18
3.3	Prepetition Funded Indebtedness and Capital Structure	18
ARTICLE IV.	EVENTS LEADING TO CHAPTER 11 FILING	19
4.1	Events Leading to the Formulation of the Plan	21
ARTICLE V.	REASONS FOR THE SOLICITATION; RECOMMENDATION	23
ARTICLE VI.	THE PLAN	24
6.1	Overview of Chapter 11	24
6.2	Comprehensive Settlement of Claims and Controversies	24
6.3	Substantive Consolidation of Debtors for Purposes of Voting, Confirmation and Distribution	25
6.4	No Plan Distributions to Equity Interests	26
6.5	Overview of the Plan	26
6.6	Summary of Capital Structure of Reorganized Debtors	35
6.7	Acceptance or Rejection of the Plan; Effect of Rejection by One or More Classes of Claims or Equity Interests	39
6.8	Means for Implementation	40
6.9	Distributions	49
6.10	Procedures for Resolving Claims	54
6.11	Executory Contracts and Unexpired Leases	57
6.12	Conditions Precedent to Confirmation and Consummation of the Plan	61
6.13	Effect of Confirmation	64
6.14	Releases	68
6.15	Retention of Jurisdiction	72
6.16	Administrative Provisions	74

ARTICLE VII. CONFIRMATION OF THE PLAN OF REORGANIZATION 80

7.1 Confirmation Hearing 80
7.2 Confirmation 81
7.3 Classification of Claims and Interests 86
7.4 Consummation 86

ARTICLE VIII. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN 86

8.1 Liquidation Under the Bankruptcy Code 86
8.2 Alternative Plan(s) of Reorganization 87
8.3 Dismissal of the Debtors' Reorganization Cases 88

ARTICLE IX. SUMMARY OF VOTING PROCEDURES 88

ARTICLE X. DESCRIPTION AND HISTORY OF REORGANIZATION CASES 89

10.1 General Case Background 89
10.2 Retention of Professionals 90
10.3 Employment Obligations 90
10.4 Continuing Customer Relations and Tax Obligations 91
10.5 Critical Vendors 91
10.6 Cash Management System 91
10.7 Utilities 91
10.8 Insurance Obligations 91
10.9 Postpetition Financing 92
10.10 Restructuring Support Agreement 92
10.11 Bar Date 93
10.12 Appointment of a Creditors Committee 93
10.13 Section 341 Meeting 93

ARTICLE XI. GOVERNANCE OF REORGANIZED DEBTORS 94

11.1 Board of Directors and Management 94
11.2 Indemnification of Directors and Officers 94
11.3 Registration Rights Agreement 94

ARTICLE XII. CERTAIN RISK FACTORS TO BE CONSIDERED 95

12.1 Certain Bankruptcy Considerations 95
12.2 Risks Relating to the Capital Structure of the Reorganized Debtors 98
12.3 Risks Relating to Tax and Accounting Consequences of the Plan 101
12.4 Risks Associated with the Business 102

ARTICLE XIII. SECURITIES LAW MATTERS 104

13.1 Issuance of New Securities 104

13.2 Subsequent Transfers of New Common Stock 105

ARTICLE XIV. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN 106

14.1 Introduction 106
14.2 Federal Income Tax Consequences to the Debtors 108
14.3 Federal Income Tax Consequences to Holders of Claims Entitled to Vote 111
14.4 Federal Income Tax Consequences to Exit Preferred Holders 119

ARTICLE XV. CONCLUSION 122

Annexed as Exhibits to this Disclosure Statement are copies of the following documents:

- Plan (Exhibit 1);
- Order, Pursuant to Sections 105(a) and 365(a) of the Bankruptcy Code, Authorizing the Assumption of Restructuring Support Agreement (Exhibit 2);
- Prepetition Organizational Chart (Exhibit 3);
- Liquidation Analysis (Exhibit 4);
- Reorganized Debtors' Projected Financial Information (Exhibit 5);
- Disclosure Statement Order (Exhibit 6); and
- Valuation Analysis (Exhibit 7).

ARTICLE I.

INTRODUCTION

1.1 *General.*

Rural/Metro Corporation ("**Rural/Metro**") and its affiliated debtors and debtors in possession (collectively, the "**Debtors**" or the "**Company**")[1] hereby transmit this disclosure statement (as may be amended, supplemented or otherwise modified from time to time, the "**Disclosure Statement**") pursuant to section 1125 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as amended (the "**Bankruptcy Code**"), in connection with the Debtors' solicitation of votes (the "**Solicitation**") to confirm the First Amended Joint Chapter 11 Plan of Reorganization for Rural/Metro Corporation and its Affiliated Debtors dated as of October 31, 2013, a copy of which is attached to this Disclosure Statement as Exhibit 1 (as may be amended, the "**Plan**").

The purpose of this Disclosure Statement is to set forth information: (i) regarding the history of the Debtors and their businesses; (ii) describing the Reorganization Cases; (iii) concerning the Plan and alternatives to the Plan; (iv) advising the holders of Claims and Interests of their rights under the Plan; and (v) assisting the holders of Claims entitled to vote on the Plan in making an informed judgment regarding whether they should vote to accept or reject the Plan.

On [_____ __], 2013, after notice and a hearing, the Bankruptcy Court entered an order: (i) approving this Disclosure Statement (the "**Disclosure Statement Order**") as containing "adequate information" to enable a hypothetical, reasonable investor typical of holders of Claims against or Interests in the Debtors to make an informed judgment as to whether to accept or reject the Plan; and (ii) authorizing the Debtors to use this Disclosure Statement in connection with the solicitation of votes to accept or reject the Plan. **The Disclosure Statement Order establishes December 9, 2013 at 5:00 p.m. (prevailing Eastern Time) as the deadline for the return of Ballots accepting or rejecting the Plan (the "Voting Deadline"). APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT, HOWEVER, CONSTITUTE A DETERMINATION BY THE BANKRUPTCY COURT AS TO THE FAIRNESS OR MERITS OF THE PLAN.**

The Disclosure Statement Order sets forth in detail the deadlines, procedures and instructions for voting to accept or reject the Plan, and for filing objections to confirmation of the Plan, the record date for voting purposes and the applicable standards for tabulating Ballots. In addition, detailed voting instructions accompany each Ballot. Each holder of a Claim entitled to vote on the Plan should read this Disclosure Statement and the Exhibits hereto, including the Plan and the Disclosure Statement Order, as well as the instructions accompanying the Ballot in their entirety before voting on the Plan. These documents contain important information

---

[1] A list of the Debtors in these chapter 11 cases and the last four digits of each Debtor's taxpayer identification number is attached as Schedule 1 to the Declaration of Stephen Farber in Support of Chapter 11 Petition and First Day Pleadings [Docket No. 2] and at www.donlinrecano.com/rmc. The Debtors' headquarters are located at 9221 E. Via de Ventura, Scottsdale, AZ 85258.

concerning the classification of Claims and Interests for voting purposes and the tabulation of votes. No solicitation of votes may be made except pursuant to this Disclosure Statement and section 1125 of the Bankruptcy Code. In voting on the Plan, holders of Claims entitled to vote should not rely on any information relating to the Debtors and their businesses other than the information contained in this Disclosure Statement, the Plan and all Exhibits hereto and thereto.

PURSUANT TO THE RESTRUCTURING SUPPORT AGREEMENT, THE CONSENTING LENDERS, REPRESENTING AT LEAST 51% IN AMOUNT OF CLASS 2 CLAIMS, AND THE CONSENTING NOTEHOLDERS REPRESENTING AT LEAST 66.66% IN AMOUNT OF CLASS 4 CLAIMS HAVE AGREED TO SUPPORT AND VOTE TO ACCEPT THE PLAN AFTER THE ENTRY OF AN ORDER APPROVING THIS DISCLOSURE STATEMENT AND THE SOLICITATION OF VOTES ON THE PLAN.

THE DEBTORS RECOMMEND THAT HOLDERS OF CLAIMS VOTE TO ACCEPT THE PLAN, AS THE PLAN PROVIDES FOR THE BEST AVAILABLE RECOVERY TO CREDITORS OF THAT CLASS.

THIS DISCLOSURE STATEMENT IS NOT INTENDED TO REPLACE A CAREFUL AND DETAILED REVIEW AND ANALYSIS OF THE PLAN. THIS DISCLOSURE STATEMENT IS INTENDED TO AID AND SUPPLEMENT THAT REVIEW. THE DESCRIPTION OF THE PLAN HEREIN IS ONLY A SUMMARY. HOLDERS OF CLAIMS AND INTERESTS AND OTHER PARTIES-IN-INTEREST ARE CAUTIONED TO REVIEW THE PLAN AND ANY RELATED EXHIBITS AND ATTACHMENTS FOR A FULL UNDERSTANDING OF THE PLAN'S PROVISIONS. THIS DISCLOSURE STATEMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN.

Additional copies of this Disclosure Statement (including the Exhibits hereto) are available upon request made to the office of the Debtors' counsel, Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, New York 10019, Attention: Andrew S. Mordkoff, Esq., (212) 728-8000 (phone) or (212) 728-8111 (facsimile). Additional copies of this Disclosure Statement (including the Exhibits hereto) can also be accessed free of charge from the following website: www.donlinrecano.com/rmc.

In addition, a Ballot for voting to accept or reject the Plan is enclosed with this Disclosure Statement for the holders of Claims that are entitled to vote to accept or reject the Plan. If you are a holder of a Claim entitled to vote on the Plan and did not receive a Ballot, received a damaged Ballot or lost your Ballot, or if you have any questions concerning the procedures for voting on the Plan, please contact the Claims Agent: Donlin, Recano & Company, Inc. at (212) 771-1128 or send your written inquiry to:

Donlin, Recano & Company, Inc.
419 Park Avenue South, Suite 1206
New York, NY 10016
Attn: Rural/Metro Corporation Ballot Processing

Each holder of a Claim entitled to vote on the Plan should read this Disclosure Statement, the Plan, the other Exhibits attached hereto and the instructions accompanying the Ballots in their entirety before voting on the Plan. These documents contain important information concerning the classification of Claims and Interests for voting purposes and the tabulation of votes.

1.2 *The Confirmation Hearing.*

In accordance with the Disclosure Statement Order and section 1128 of the Bankruptcy Code, a hearing will be held before the Honorable Kevin J. Carey, United States Bankruptcy Judge for the District of Delaware, United States Bankruptcy Court, 824 N. Market Street, 5th Floor, Courtroom No. 5, Wilmington, Delaware 19801 on **[_____], 2013, at [_____] [ ].m. (prevailing Eastern Time)**, to consider confirmation of the Plan. The Debtors will request confirmation of the Plan, as it may be modified from time to time, under section 1129 of the Bankruptcy Code, and they have reserved the right to modify the Plan with the consent of the Consenting Lenders and Consenting Noteholders (which consents shall not be unreasonably withheld or delayed) to the extent, if any, that confirmation pursuant to section 1129 of the Bankruptcy Code requires modification. Objections, if any, to confirmation of the Plan must be served and filed so that they are received on or before **[_____], 2013 at 4:00 p.m. (prevailing Eastern Time)**, in the manner set forth in the Disclosure Statement Order. The hearing on confirmation of the Plan, with the consent of the Consenting Lenders and Consenting Noteholders, may be adjourned from time to time without further notice except for the announcement of the adjourned date and time at the hearing on confirmation or any adjournment thereof.

1.3 *Classification of Claims and Interests.*

The following table designates the Classes of Claims against and Interests in the Debtors, and specifies which Classes are (a) impaired or unimpaired by the Plan, (b) entitled to vote to accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code, or (c) deemed to accept or reject the Plan.

Class 1	Priority Non-Tax Claims	No	No (Deemed to accept)
Class 2	Secured Lender Claims	Yes	Yes
Class 3	Other Secured Claims	No	No (Deemed to accept)
Class 4	Noteholder Claims	Yes	Yes
Class 5	Other Unsecured Claims	Yes	Yes
Class 6	Existing Securities Law Claims	Yes	No (Deemed to reject)
Class 7	Existing Common Stock Interests and Existing Securities Laws Claims on Account Thereof	Yes	No (Deemed to reject)

1.4 *Voting; Holders of Claims Entitled to Vote.*

Pursuant to the provisions of the Bankruptcy Code, only holders of allowed claims or equity interests in classes of claims or equity interests that are impaired and that are not deemed to have rejected a plan of reorganization are entitled to vote to accept or reject such proposed plan. Generally, a claim or interest is impaired under a plan if the holder's legal, equitable or contractual rights are altered under such plan. Classes of claims or equity interests under a chapter 11 plan in which the holders of claims or equity interests are unimpaired are deemed to have accepted such plan and are not entitled to vote to accept or reject the proposed plan. In addition, classes of claims or equity interests in which the holders of claims or equity interests will not receive or retain any property on account of their claims or equity interests are deemed to have rejected the plan and are not entitled to vote to accept or reject the plan.

In connection with the Plan:

- Claims in Classes 2, 4 and 5 are impaired and the holders of such Claims will receive distributions under the Plan. As a result, holders of Allowed Claims in such Classes, as of the Voting Record Date, are entitled to vote to accept or reject the Plan;

- Claims in Classes 1 and 3 are unimpaired. As a result, holders of Claims in those Classes are deemed to have accepted the Plan and are not entitled to vote to accept or reject the Plan;

- Claims and Interests in Classes 6 and 7 are impaired and the holders of such Claims and Interests will not receive any distribution on account of such Claims and Interests. As a result, the holders of Claims and Interests in those Classes are deemed to have rejected the Plan and are not entitled to vote to accept or reject the Plan.

The Bankruptcy Code defines "acceptance" of a plan by a class of claims as acceptance by creditors in that class that hold at least two-thirds in dollar amount and more than one-half in number of the claims that cast ballots for acceptance or rejection of the plan. **Your vote on the Plan is important.** The Bankruptcy Code requires as a condition to confirmation of a plan of reorganization that each class that is impaired and entitled to vote under a plan vote to accept such plan, unless the provisions of section 1129(b) of the Bankruptcy Code are met.

If a Class of Claims entitled to vote on the Plan rejects the Plan, the Debtors reserve the right to amend the Plan and/or to request confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code. Section 1129(b) of the Bankruptcy Code permits the confirmation of a plan of reorganization notwithstanding the non-acceptance of a plan by one or more impaired classes of claims or equity interests, so long as at least one impaired class of claims or interests votes to accept the plan. Under that section, a plan may be confirmed by a bankruptcy court if it does not "discriminate unfairly" and is "fair and equitable" with respect to each non-accepting class.

If you are entitled to vote to accept or reject the Plan, a Ballot is enclosed for the purpose of voting on the Plan. This Disclosure Statement, the Exhibits attached hereto, the Plan and the related documents, including the Plan Documents included in the Plan Supplement, are the only materials the Debtors are providing to creditors for their use in determining whether to vote to accept or reject the Plan, and such materials may not be relied upon or used for any purpose other than to vote to accept or reject the Plan.

Please complete, execute and return your Ballot(s) to the Debtors' claims and voting agent (the "**Voting Agent**") at the address below:

Donlin, Recano & Company, Inc.
419 Park Avenue South, Suite 1206
New York, NY 10016
Attn: Rural/Metro Corporation Ballot Processing

PLEASE REFER TO THE INSTRUCTIONS ATTACHED TO YOUR BALLOT. TO BE COUNTED, YOUR ORIGINAL BALLOT INDICATING ACCEPTANCE OR REJECTION OF THE PLAN MUST BE ACTUALLY RECEIVED BY THE VOTING AGENT NO LATER THAN **5:00 P.M., PREVAILING EASTERN TIME, ON DECEMBER 9, 2013,** UNLESS EXTENDED BY THE DEBTORS. YOUR BALLOT MAY BE SENT VIA MAIL, OVERNIGHT COURIER OR MESSENGER. ALL BALLOTS MUST BE SIGNED. IF YOU RECEIVED A RETURN ENVELOPE WITH YOUR BALLOT ADDRESSED TO YOUR NOMINEE, PLEASE ALLOW SUFFICIENT TIME FOR YOUR NOMINEE TO PROCESS YOUR VOTE ON A MASTER BALLOT AND RETURN THE MASTER BALLOT SO THAT IT IS ACTUALLY RECEIVED BY THE VOTING AGENT BEFORE THE VOTING DEADLINE.

The Ballots have been specifically designed for the purpose of soliciting votes on the Plan from the Class entitled to vote with respect thereto. Accordingly, in voting on the Plan, please use only the Ballots sent to you with this Disclosure Statement or provided by the Debtors' Voting Agent.

The Debtors have fixed the later of (i) the date the Disclosure Statement Order is entered, or (ii) November 5, 2013 at 5:00 p.m. (prevailing Eastern Time) (the "**Voting Record Date**"), as the time and date for the determination of Persons who are entitled to receive a copy of this Disclosure Statement and all of the related materials and to vote whether to accept or reject the Plan. Accordingly, only holders of record of Claims as of the Voting Record Date that are entitled to vote on the Plan will receive a Ballot and may vote on the Plan.

The Debtors will provide the following ballots to Holders of Claims and Interests in Classes 2, 4 and 5:

- "**Secured Lender Ballots**", the form of which is attached to the Disclosure Statement Order as Exhibit 2A, will be sent to the holders of Class 2 Secured Lender Claims as of the Voting Record Date.

- "**Beneficial Noteholder Ballot**", the form of which is attached to the Disclosure Statement Order as Exhibit 2B, will be sent to the beneficial holders of Class 4 Noteholder Claims as of the Voting Record Date.

- "**Master Noteholder Ballot**", the form of which is attached to the Disclosure Statement Order as Exhibit 2C, will be sent to the brokers, banks, commercial banks, transfer agents, trust companies, dealers, or other agents or nominees (each of the foregoing, a "**Nominee**") for the beneficial holders of Class 4 Noteholder Claims as of the Voting Record Date.

- "**Other Unsecured Claim Ballot**", the form of which is attached to the Disclosure Statement Order as Exhibit 2D, will be sent to the holders of Class 5 Other Unsecured Claims as of the Voting Record Date.

"**Ballots**" refer, individually and collectively, to the Secured Lender Ballots, the Beneficial Noteholder Ballots, the Master Noteholder Ballots, and the Other Unsecured Claim Ballots.

Under the Plan, holders of Claims in Classes 2, 4 and 5 are entitled to vote to accept or reject the Plan. Those holders may so vote by completing the applicable Ballot and returning it in accordance with the instructions contained therein, so that the applicable Ballot is received by the Voting Agent on or prior to the Voting Deadline. THERE ARE SPECIAL VOTING RULES/PROCEDURES, HOWEVER, FOR BENEFICIAL HOLDERS OF CLASS 4 NOTEHOLDER CLAIMS DESCRIBED IN THE BENEFICIAL NOTEHOLDER BALLOT, WHICH MUST BE RETURNED TO THE APPLICABLE NOMINEE WITH SUFFICIENT TIME FOR PROCESSING SUCH THAT THE NOMINEE CAN RETURN THE APPLICABLE MASTER NOTEHOLDER BALLOT TO THE VOTING AGENT ON OR PRIOR TO THE VOTING DEADLINE.

PLEASE REFER TO THE INSTRUCTIONS ATTACHED TO THE SECURED LENDER BALLOTS, BENEFICIAL NOTEHOLDER BALLOTS, MASTER NOTEHOLDER BALLOTS AND OTHER UNSECURED CLAIM BALLOTS THAT YOU HAVE RECEIVED FOR MORE DETAILED INFORMATION REGARDING THE VOTING REQUIREMENTS, RULES AND PROCEDURES APPLICABLE TO VOTING YOUR CLAIM.

To be counted as votes to accept or reject the Plan, all Ballots (all of which will clearly indicate the appropriate return address) must be properly executed, completed, dated and delivered by using the return envelope provided (a) by first class mail, (b) overnight courier, or (c) personal delivery, so that they are actually received on or prior to the Voting Deadline by the Voting Agent. BENEFICIAL HOLDERS OF CLASS 4 NOTEHOLDER CLAIMS MUST EXECUTE, COMPLETE AND RETURN THEIR BENEFICIAL NOTEHOLDER BALLOTS IN ACCORDANCE WITH THE DISTINCT RULES FOR VOTING THEIR CLASS 4 NOTEHOLDER CLAIMS SET FORTH IN THEIR APPLICABLE BENEFICIAL NOTEHOLDER BALLOTS. All properly completed Ballots received prior to the Voting Deadline will be counted for purposes of determining whether a voting Class of impaired Claims

has accepted the Plan. The Voting Agent will prepare and file with the Bankruptcy Court a certification of the results of the balloting with respect to the Class entitled to vote.

THE DEBTORS BELIEVE THAT CONFIRMATION OF THE PLAN IS IN THE BEST INTERESTS OF ALL HOLDERS OF CLAIMS AND RECOMMEND THAT ALL HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN VOTE TO ACCEPT THE PLAN.

1.5 *Important Matters.*

This Disclosure Statement contains projected financial information and certain other forward-looking statements, all of which are based on various estimates and assumptions and will not be updated to reflect events occurring after the date hereof. Such information and statements are subject to inherent uncertainties and to a wide variety of significant business, economic and competitive risks, including, among others, those described herein. Consequently, actual events, circumstances, effects and results may vary significantly from those included in or contemplated by such projected financial information and such other forward-looking statements. The projected financial information contained herein and in the Exhibits annexed hereto is, therefore, not necessarily indicative of the future financial condition or results of operations of the Debtors, which in each case may vary significantly from those set forth in such projected financial information. Consequently, the projected financial information and other forward-looking statements contained herein should not be regarded as representations by any of the Debtors, the Reorganized Debtors, their advisors, or any other Person that the projected financial conditions or results of operations can or will be achieved.

ARTICLE II.

SUMMARY OF PLAN AND CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS THEREUNDER

The overall purpose of the Plan is to provide for the restructuring of the Debtors' liabilities in a manner designed to maximize recovery to stakeholders and to enhance the financial viability of the Reorganized Debtors. Generally, the Plan provides for a consensual balance sheet restructuring that will reduce the Debtors' funded indebtedness by approximately 50% and cut interest payments nearly in half. Specifically, the restructuring transactions contemplated in the Plan will substantially de-lever debt obligations by (i) partially paying down the prepetition senior secured facility by $50,000,000 and (ii) converting Noteholder Claims and Other Unsecured Claims (to the extent holders of Other Unsecured Claims elect to receive New Common Stock in lieu of Cash) into 100% of the common stock of Reorganized RMC subject to dilution only by: (A) the options to purchase the common stock of Reorganized RMC that may be issued to the Reorganized Debtors' post-Effective Date directors, officers and employees pursuant to the Management Equity Plan and (B) the shares of common stock of Reorganized RMC issued pursuant to the Rights Offering (as defined herein) (including any New Common Stock issued pursuant to the Rights Offering Backstop Commitment Agreement). The Debtors' prepetition equity holders' interests will be cancelled, and upon emergence, all of Reorganized RMC's New Common Stock will be owned by the holders of Noteholder Claims (including those participating in the Rights Offering) and the holders of the Other Unsecured Claims (to the

extent such holders of Other Unsecured Claims elect to receive New Common Stock in lieu of Cash). Creditors holding Other Secured Claims will receive cash, their collateral, or retain their liens, as applicable, in satisfaction of their Claims.

As described more specifically in the Plan and Section 6.8 hereof, the Plan will be funded in material part by the Rights Offering. Each holder of a Noteholder Claim will receive Subscription Rights to subscribe for its Pro Rata Share of the Rights Offering Stock (representing New Common Stock (which shall comprise 70% of the fully diluted New Common Stock) and the New Preferred Stock) for an aggregate purchase price equal to the applicable Subscription Payment Amount. In accordance with the Rights Offering Backstop Commitment Agreement, the Rights Offering Backstop Investors will purchase all Remaining Rights Offering Stock.

Once consummated, the Rights Offering will provide $135 million in capital to the Reorganized Debtors, which shall be used to indefeasibly pay cash in full to all DIP Claims arising under the DIP Credit Agreement on the Effective Date, fund other payments required under the Plan, including the $50,000,000 Prepayment of Secured Lender Claims on the Effective Date, and for ordinary course operations and general corporate purposes of the Reorganized Debtors after the Effective Date. In addition, the Reorganized Debtors' post-Effective Date operations will be supported by the Exit LC Facility (as defined herein), a $41,350,000 letter of credit facility, backstopped by the Backstop Term Loan (as defined herein) under the Reorganized Debtors' Amended and Restated Secured Credit Agreement.

The Debtors believe that approval of the Plan is their best opportunity to emerge from the Reorganization Cases and enhance their financial viability. The debt structure of the Reorganized Debtors, after giving effect to the transactions contemplated by the Plan, will substantially de-lever the Debtors and provide additional liquidity needed to support the Debtors' future operations. The Debtors believe that the Plan provides for appropriate treatment of all Classes of Claims and Interests, taking into account the valuation of the newly issued securities implied by the debt and equity financing commitments being provided in connection with consummation of the Plan and the differing natures and priorities of the Claims and Interests.

The following table classifies the Claims against, and Interests in, the Debtors into separate Classes and summarizes the treatment of each Class under the Plan. The table also identifies which Classes are entitled to vote on the Plan based on provisions of the Bankruptcy Code. Finally, the table indicates the estimated recovery for each Class.

As described in Article XII below, the Debtors' businesses are subject to a number of risks. The uncertainties and risks related to the Reorganized Debtors make it difficult to determine a precise value for the Reorganized Debtors, the New Common Stock of Reorganized RMC and other distributions under the Plan. The recoveries and estimates described in the following tables represent the Debtors' best estimates given the information available on the date of this Disclosure Statement. All statements in this section relating to the amount of Claims and Interests are only estimates based on information known to the Debtors as of the date hereof, and the final amounts of Allowed Claims may vary significantly from these estimates.

In connection with preparing the estimation of recoveries set forth herein, the following assumptions were made:

- The ongoing enterprise value of the Reorganized Debtors for purposes of the Plan, based on the valuation prepared by Lazard Frères & Co., LLC, the Debtors' financial advisors, is approximately $378 million.

- The aggregate Allowed amount of Other Secured Claims will be approximately $2.3 million (which may be paid in the ordinary course of business).

- The aggregate Allowed amount of Administrative Expense Claims will be approximately $20.0 to $30.0 million.

- The aggregate Allowed amount of Fee Claims will be approximately $10.1 million.

- The aggregate Allowed amount of U.S. Trustee Fees will be approximately $0.1 million.

- The aggregate Allowed amount of unpaid Priority Tax Claims will not exceed approximately $ $1.2 million.

- The aggregate Allowed amount of Priority Non-Tax Claims will be approximately $1.2 million.[2]

- The aggregate Allowed amount of Noteholder Claims will be approximately $312.2 million.

- The aggregate Allowed amount of Other Unsecured Claims will be approximately $40.0 million.

The following table briefly summarizes the classification and treatment of Claims and Interests under the Plan. The summaries in this table are qualified in their entirety by the description of the treatment of such Claims in the Plan. In accordance with section 1123(a)(1) of the Bankruptcy Code, DIP Claims, Administrative Expense Claims, U.S. Trustee Fees, Fee Claims, Intercompany Claims, and Priority Tax Claims have not been classified. Except as specifically noted therein, the Plan does not provide for payment of postpetition interest with respect to Allowed Claims.

---

[2] The Debtors believe that as of the Effective Date there will be approximately $17.2 million in accrued postpetition employee wages and other benefits that will be satisfied in the ordinary course. The Debtors satisfied prepetition employee wages and benefits subject to priority pursuant to sections 507(a)(4) and (a)(5) of the Bankruptcy Code by order of Bankruptcy Court dated August 6, 2013 [Docket No. 55].

Class	***Description***	***Treatment***	***Entitled to Vote***	***Estimated Amount of Claims or Interests in Class***	***Estimated Recovery***
Unclassified	DIP Claims	Each holder of an Allowed DIP Claim shall be indefeasibly paid in full in Cash on the Effective Date.	No.	$75.2 million	100%
Unclassified	Administrative Expense Claims	Each holder of an Allowed Administrative Expense Claim shall receive, unless such holder agrees to different treatment, Cash in an amount equal to such Allowed Claim.	No.	$20 to $30 million	100%
Unclassified	Fee Claims	Each holder of an Allowed Fee Claim for which a Fee Application has been approved by the Bankruptcy Court shall receive Cash in an amount so approved.	No.	$10.1 million	100%
Unclassified	U.S. Trustee Fees	On the Effective Date or as soon as practicable thereafter, the Debtors shall pay all U.S. Trustee Fees that are due and owing on the Effective Date, including those statutory fees arising under 28 U.S.C. § 1930(a)(6) and accrued interest under 31 U.S.C. § 3717.	No	$0.1 million	100%
Unclassified	Priority Tax Claims	Unless such holder agrees to less favorable treatment, each holder of an Allowed Priority Tax Claim shall receive, at the Debtors' option, and with the consent of the Consenting Lenders, either (a) Cash in an amount equal to the amount of such Claim, or (b) deferred Cash payments following the Effective Date, over a period ending not later than five (5) years after the Commencement Date, in an aggregate amount equal to the Allowed amount of	No.	$1.2 million	100%

Class	***Description***	***Treatment***	***Entitled to Vote***	***Estimated Amount of Claims or Interests in Class***	***Estimated Recovery***
		such Priority Tax Claim (plus any interest due in accordance with section 511 of the Bankruptcy Code).			
Class 1	Priority Non-Tax Claims	Claims in this Class are not impaired. Except to the extent that a holder of an Allowed Priority Non-Tax Claim agrees to less favorable treatment, each holder of an Allowed Claim in Class 1 shall receive Cash in an amount equal to the amount of such Claim. For the avoidance of doubt, holders of an Allowed Claim entitled to administrative expense status pursuant to section 503(b)(9) of the Bankruptcy Code shall receive Cash in an amount equal to such Claim on the Effective Date in accordance with section 1129(a)(9)(A) of the Bankruptcy Code, except to the extent that such holder agrees to less favorable treatment.	No; Deemed to have accepted the Plan.	$1.2 million	100%
Class 2	Secured Lender Claims	The Plan Allows the Secured Lender Claims in the aggregate amount of $427,302,230. Claims in this Class are impaired. Except to the extent that a holder of an Allowed Secured Lender Claim agrees to different treatment, the following treatment shall constitute full and final satisfaction of each Allowed Secured Lender Claim: (i) payment in Cash, on the Effective Date, of its Pro Rata Share of the Secured Lender Fee Claims (which, as applicable, may be paid directly to the Secured Lenders' counsel	Yes.	$427,302,230	100%

Class	*Description*	*Treatment*	*Entitled to Vote*	*Estimated Amount of Claims or Interests in Class*	*Estimated Recovery*
		and advisors) to extent unpaid during the course of the Reorganization Cases; (ii) receipt of the Prepayment by the Secured Credit Agreement Administrative Agent on the Effective Date; (iii) the entry by the Reorganized Debtors into the Amended and Restated Secured Credit Agreement on the Effective Date; and (iv) in respect of Senior Secured Claims constituting (A) "Revolving Loans" under and as defined in the Secured Credit Agreement, the receipt of its Pro Rata Share of the Converted Term Loan Obligations and (B) "Term Loans" under and as defined in the Secured Credit Agreement, the receipt of its Pro Rata Share of the Existing Term Loan Obligations, in each case, on the Effective Date.			
Class 3	Other Secured Claims	Claims in this Class are not impaired. On the Effective Date, unless any holder of an Allowed Other Secured Claim agrees to less favorable treatment, each holder of an Allowed Class 3 Claim shall receive (i) Cash in an amount equal to such Claim; (ii) such other treatment such that will not render such Claim impaired pursuant to section 1124 of the Bankruptcy Code; or (iii) receive the collateral securing its Allowed Claim; provided, however, that Class 3 Claims incurred in the ordinary course of business may be paid in the ordinary course of business in	No; Deemed to have accepted the Plan.	$2.3 million	100%

Class	*Description*	*Treatment*	*Entitled to Vote*	*Estimated Amount of Claims or Interests in Class*	*Estimated Recovery*
		accordance with the terms and conditions of any agreements relating thereto in the discretion of the applicable Debtor or Reorganized Debtor, and with the consent of the Consenting Lenders and Consenting Noteholders.			
Class 4	Noteholder Claims	The Plan Allows (i) the Noteholder Claims on account of the Notes issued pursuant to the June 30 Indenture in the aggregate amount of $211,247,855, and (ii) the Noteholder Claims on account of the Notes issued pursuant to the February 3 Indenture in the aggregate amount of $100,970,539. Claims in this Class are impaired. Except to the extent that a holder of an Allowed Noteholder Claim agrees to different treatment, the following shall constitute full and final satisfaction of each Allowed Noteholder Claim: (i) receipt of its Pro Rata Share among all Allowed Noteholder Claims and all Allowed Other Unsecured Claims (for the avoidance of doubt including those whose holders elect to receive Other Unsecured Cash pursuant to Section 5.5(a)(ii) of the Plan) of 100% of the New Common Stock, subject to dilution only by: (A) the options to purchase the New Common Stock that may be issued to the Reorganized Debtors' post-Effective Date directors, officers and employees; and (B) the shares of New Common Stock issued pursuant to the	Yes.	$312,218,394	N/A

Class	*Description*	*Treatment*	*Entitled to Vote*	*Estimated Amount of Claims or Interests in Class*	*Estimated Recovery*
		Rights Offering (including any New Common Stock issued pursuant to the Rights Offering Backstop Commitment Agreement); (ii) Subscription Rights to subscribe for its Pro Rata Share of the Rights Offering Stock for an aggregate purchase price equal to the Subscription Payment Amount; (iii) Receipt of its Pro Rata Share among all Allowed Noteholder Claims and all Allowed Other Unsecured Claims of the Litigation Trust Interests; and (iv) net proceeds of Estate Accounting-Related Causes of Action shared on a pro rata basis among the Litigation Trust Beneficiaries.			
Class 5	Other Unsecured Claims	Claims in this Class are impaired. Except to the extent that a holder of an Allowed Other Unsecured Claim agrees to different treatment, each holder of an Allowed Other Unsecured Claim may elect either of the following alternative treatments in full and final satisfaction of each Allowed Other Unsecured Claim:	Yes.	$40 million	12.5%[3]

[3] First, the estimated recovery for Class 5 Other Unsecured Claims does not include any potential recovery from the Litigation Trust Interests and net proceeds of Estate Accounting-Related Causes of Action. Second, it also assumes that each holder of an Allowed Other Unsecured Claim will elect to receive its Pro Rata Share of the Other Unsecured Cash. Third, as further described in Section 12.1(g) of this Disclosure Statement, the actual amount of the Allowed Other Unsecured Claims may differ from the estimates provided herein. If those amounts are lesser or greater than the amount currently estimated by the Debtors, the recovery to holders of Other Unsecured Claims may be greater than or less than what is estimated in this Disclosure Statement.

Class	*Description*	*Treatment*	*Entitled to Vote*	*Estimated Amount of Claims or Interests in Class*	*Estimated Recovery*
		New Common Stock Option Receipt of (A) its Pro Rata Share among all Allowed Noteholder Claims and all Allowed Other Unsecured Claims (for the avoidance of doubt, including those whose holders elect to receive Other Unsecured Cash pursuant to Section 5.5(a)(ii) of the Plan) of 100% of the New Common Stock, subject to dilution only by: (I) the options to purchase the New Common Stock that may be issued to the Reorganized Debtors' post-Effective Date directors, officers and employees; and (II) the shares of New Common Stock issued pursuant to the Rights Offering (including any New Common Stock issued pursuant to the Rights Offering Backstop Commitment Agreement), (B) its Pro Rata Share among all Allowed Noteholder Claims and all Allowed Other Unsecured Claims of the Litigation Trust Interests, and (C) net proceeds of Estate Accounting-Related Causes of Action shared on a pro rata basis among the Litigation Trust Beneficiaries; or Other Unsecured Cash Option Receipt of (A) on a pro rata basis among all holders of Allowed Other Unsecured Claims that make this election, the Other Unsecured Cash, (B) its Pro Rata Share among all Allowed Noteholder Claims and			

Class	*Description*	*Treatment*	*Entitled to Vote*	*Estimated Amount of Claims or Interests in Class*	*Estimated Recovery*
		Allowed Other Unsecured Claims of the Litigation Trust Interests, and (C) net proceeds of Estate Accounting-Related Causes of Action shared on a pro rata basis among the Litigation Trust Beneficiaries. Any holder of an Other Unsecured Claim, that becomes an Allowed Other Unsecured Claim, that does not make an affirmative election with respect to its treatment shall be deemed to have irrevocably elected to receive the consideration set forth in clause (ii) above. For the avoidance of doubt, any New Common Stock that would have been issued to those holders of Allowed Other Unsecured Claims receiving Other Unsecured Cash if they instead elected to receive New Common Stock pursuant to Section 5.5(a)(i) of the Plan shall be distributed on a pro rata basis to holders of Allowed Noteholder Claims based on their Pro Rata Share among all Allowed Noteholder Claims.			
Class 6	Existing Securities Laws Claims	Claims in this Class are impaired. Persons holding Existing Securities Laws Claims shall not receive or retain any distribution under the Plan on account of such Existing Securities Laws Claims.	No; Deemed to have rejected the Plan.	N/A	0%
Class 7	Existing Common Stock Interests and Existing	Interests and Claims in this Class are impaired. Existing Common Stock shall be cancelled and holders of Existing Common Stock	No; Deemed to have rejected the Plan.	N/A	0%

Class	*Description*	*Treatment*	*Entitled to Vote*	*Estimated Amount of Claims or Interests in Class*	*Estimated Recovery*
	Securities Laws Claims on Account Thereof	Interests and Existing Securities Laws Claims on account thereof shall not be entitled to any distribution under the Plan.			

The recoveries set forth above are estimates that are contingent upon approval of the Plan as proposed.

ARTICLE III.

BUSINESS DESCRIPTION AND CIRCUMSTANCES THAT LED TO THESE REORGANIZATION CASES

3.1 *The Debtors' Businesses.*

(a) *The Debtors.*

The Company, a privately held corporation, is one of the largest providers of ambulance services in the United States, providing emergency and non-emergency medical transportation services, as well as a variety of fire protection services.

The Company was founded in 1948 as an Arizona private fire protection business providing services to residential and commercial property owners on a subscription fee basis. In 1983, the Company began its expansion into the ambulance services industry, which involved the acquisition of various ambulance service providers throughout the United States. The Company went public through an initial public offering on July 16, 1993.

On March 28, 2011, two affiliates of Warburg Pincus, LLC, WP Rocket Holdings LLC and WP Rocket Merger Sub, Inc. (the "**Sponsor**"), entered into an agreement to acquire 100 percent of the Company's equity for approximately $738 million. The purchase, which was consummated on June 30, 2011, was funded in part with the proceeds of approximately $525 million in new debt financing, with the remainder of the purchase price funded by the Sponsor.

(b) *Services and Customers.*

The Debtors, headquartered in Scottsdale, Arizona, maintain operations in a 21 states and nearly 700 communities. The Company provides two main services: (i) ambulance services, which consist of emergency and non-emergency response services, and (ii) fire protection services.

(i) Ambulance Services

The Company provides emergency response services primarily under exclusive contracts with counties, municipalities, fire districts and other governmental agencies, which govern the Company's right to provide emergency ambulance services. These contracts also typically set forth performance criteria, such as response times, staffing levels, service type, types of vehicles and equipment, quality assurance, indemnity and insurance coverage. The rates the Company charges for emergency ambulance services depend largely on the nature of services rendered and whether any applicable federal, state or county authority regulates rates.

The Company also provides non-emergency response services and critical care transfers to and between healthcare facilities, hospitals, nursing homes and other specialty care providers at the request of a patient. These services are typically managed by the facility discharge planners, nurses or physicians who are responsible for requesting ambulance services. Non-emergency medical transportation services are either scheduled in advance or provided on an as-needed basis.

(ii) Fire Protection Services

The Company also provides subscription fire protection services to residential and commercial property owners in emerging communities or unincorporated areas where neither a public sector nor volunteer fire department operates. The Company provides such services to industrial sites, airports and other self-contained facilities on a national basis. Such services comprise roughly ten percent (10%) of the Company's revenue.

(iii) Customers

The Company's customers include municipalities, fire districts, government agencies, hospitals, nursing homes, specialty healthcare facilities and, in certain instances, individual patients. The Company serves numerous communities in the following states: Alabama, Arizona, California, Colorado, Florida, Georgia, Indiana, Kentucky, Louisiana, Mississippi, Missouri, Nebraska, New Jersey, New York, North Dakota, Ohio, Oregon, South Dakota, Tennessee, Texas and Washington.

3.2 *Employees.*

The Company employs approximately 9,500 full-time and part-time permanent employees. Roughly half of all permanent employees are represented by various labor unions. The Company has entered into twenty three (23) collective bargaining agreements with such labor unions that require the Company to, among other things, contribute to various health and employee benefit plans.

3.3 *Prepetition Funded Indebtedness and Capital Structure.*

(a) *Senior Secured Credit Facility.*

Rural/Metro is a borrower under (a) a $110 million revolving credit facility, including a letter of credit sub-facility of $65 million (the "**Revolving Facility**") and (b) a $325

million term loan facility (the "**Term Loan Facility**"; and, together with the Revolving Facility, the "**Senior Secured Credit Facility**"), each pursuant to that certain Credit Agreement, dated as of June 30, 2011 (as amended, supplemented or otherwise modified from time to time), by and among Rural/Metro, as borrower, WP Rocket Holdings, Inc., as a guarantor ("**Holdings**"), the lenders party thereto from time to time, Credit Suisse AG, as administrative agent, Credit Suisse Securities (USA) LLC, as joint lead arranger and joint bookrunner, CitiGroup Global Markets Inc., as joint lead arranger, joint bookrunner and syndication agent, and Jefferies Finance LLC, as joint bookrunner and documentation agent (the "**Secured Credit Agreement**"). As of the Commencement Date, the aggregate outstanding obligations arising under the Senior Secured Credit Facility was approximately $427,302,230, consisting of $318.5 million in principal outstanding under the Term Loan Facility and approximately $109 million outstanding under the Revolving Facility, including issued and outstanding letters of credit.

Indebtedness under the Senior Secured Credit Facility is guaranteed by Holdings, the parent of Rural/Metro, and substantially all of Rural/Metro's subsidiaries, and is secured by a first priority security interest in substantially all of the assets of Rural/Metro and the guarantors.

(b) ***Senior Unsecured Notes.***

Rural/Metro has issued $308 million in aggregate principal amount of 10.125% unsecured senior notes due 2019 (the "**Notes**"). $200 million of the Notes were issued pursuant to that certain Indenture, dated as of June 30, 2011, among WP Rocket Merger Sub, Inc. (which was merged with and into Rural/Metro, with Rural/Metro as the survivor, "**Merger Sub**"), as issuer, Rural/Metro, which assumed the obligations of Merger Sub as issuer, certain of Rural/Metro's subsidiaries, as guarantors, and Wells Fargo Bank, National Association, as trustee (as amended, supplemented or otherwise modified from time to time, the "**First Notes Indenture**"). $108 million of the Notes were issued pursuant to that certain Indenture, dated as of February 3, 2012, among Rural/Metro, as issuer, certain of Rural/Metro's subsidiaries, as guarantors, and Wells Fargo Bank, National Association, as trustee (as amended, supplemented or otherwise modified from time to time, the "**Second Notes Indenture**"; and, together with the First Notes Indenture, the "**Indentures**"). The Notes are unsecured and mature on July 15, 2019. On July 15, 2013, Rural/Metro did not make its scheduled interest payment on the Notes in the amount of $15.6 million.

ARTICLE IV.

EVENTS LEADING TO CHAPTER 11 FILING

Leading up to the commencement of these chapter 11 cases, the Debtors faced significant accounting, financial and other challenges. The Debtors maintained a highly leveraged capital structure with significant interest payment obligations. The Debtors also had significant recurring capital expenditure and other cash obligations. Together, these essentially fixed obligations totaled approximately $70 million to $80 million annually. These obligations materially exceeded the Company's cash flow and available liquidity.

The Debtors experienced significant challenges and disruptions operating its billing and collection functions, which rely on various technologies and approximately 600

employees in several locations. Such disruptions resulted in reduced revenue and delayed cash collections. The Company also had great difficulty appropriately accounting for receipts, which resulted in negative adjustments to revenue.

The Company's difficulties with revenue relate, in part, to changes in the sources of payment for its services, both actual and estimated. The Debtors' actual cash receipts depend on whether patients are uninsured, hold commercial insurance or have medical expenses covered by Medicare or Medicaid – this is commonly referred to in the industry as the "payor mix." The Company is often not aware of a patient's insured status until after the transport is complete and a bill is issued and processed, but the Company records revenue following each transport. Historically, the Debtors had calculated anticipated revenue based on average receipts from transports in each geographic region in which the Debtors operate. This method is generally dependable in environments where payor mix is stable. However, many factors relating to the Debtors' payor mix, reimbursement levels, reimbursement timing and other elements have changed over time. The Company's accounting systems, which predicted anticipated receipts based on regional historical averages rather than the underlying payor mix, were ill equipped to account for such shifts. Compounding the problem, from time to time, the Company raised prices and factored these increases into its accounting estimates, but was not able, in many cases, to collect the additional amounts, which had the effect of increasing the difference between estimated accounting revenue and actual cash receipts.

In addition, in fiscal 2012, the Company made two large acquisitions, for which many estimates were made for revenue recognition purposes. These estimates proved to be inaccurate, with the net effect of further skewing the difference between accounting revenue and cash receipts. These acquisitions also significantly increased the volume of claims to be processed by the Company's billing and collection operation, which overwhelmed the system and resulted in significant operational issues that impacted the timing and level of cash collections.

As a result of the foregoing factors and various other challenges to the Company's level of revenue, cash flow and profitability, the Debtors realized that they had (a) materially lower cash receipts than what was predicted by their accounting practices, (b) an acute deficiency of cash receipts compared with cash expenditures and (c) nearly exhausted their liquidity.

To help address these issues, the Debtors hired FTI Consulting Inc. ("**FTI**") and Alvarez & Marsal Healthcare Industry Group, LLC ("**A&M**") in early March 2013.[4] Prior to this time, the Debtors calculated their trailing twelve months ("**TTM**") EBITDA, including various pro forma adjustments, to be approximately $90 million. After completing its analysis of the Company's revenue recognition system in April 2013, FTI adjusted the Debtors' revenue such that TTM EBITDA, as adjusted on a pro forma basis for various factors, was approximately $70 million. The Company has since further reviewed other elements of its accounting

[4] The Debtors have also hired FTI for various other projects on other occasions, as early as June 19, 2012.

statements and cash flow, and as further adjusted on a pro forma basis for various factors, the Debtors' annual cash EBITDA is now estimated to be between $50 million to $60 million. This is materially less than the $70 million to $80 million of fixed annual cash obligations described above.

In May 2013, Moody's Investors Service (**"Moody's**") and Standard & Poor's (**"S&P**"), citing the Company's liquidity crunch, highly leveraged capital structure and declining EBITDA, lowered their corporate credit ratings on Rural/Metro from B3 to Caa2, and from B to CCC, respectively. In July 2013, S&P further lowered its corporate credit rating from CCC to Selective Default, and Moody's issued a press release stating that Rural/Metro's failure to make the July 15, 2013 interest payment on the Notes could lead to a future downgrade on their corporate credit rating. On August 5, 2013, Moody's subsequently downgraded the Company's corporate credit rating to Ca.

The Debtors are parties to numerous customer contracts, many of which require significant periodic investment in equipment and other expenditures by the Company to comply with such contracts and to retain the business. Every market has its own compliance requirements including levels of patient care, mandatory vehicles and equipment, response times, and licensing and/or franchising fees. When the Company enters a new market, it incurs significant expenditures both immediately, to ensure the Company's services and fleet of vehicles are compliant, and during the term of the contract, to monitor performance adjustments as necessary and pay the associated periodic fees.

Certain of the customer contracts also require the Debtors to post surety bonds to guarantee their obligations under the contracts. Failure to maintain the surety bonds may result, in certain cases, in a material breach under those contracts, allowing the counterparties to terminate and exercise various rights and remedies at law or in equity under the contracts. In response to the Company's shrinking liquidity, prior to the Commencement Date and the imposition of the automatic stay, various sureties threatened cancellation and requested that surety bonds be cash collateralized. Similarly, certain vendors and suppliers, concerned about the downgrade of the corporate credit rating, began to request cash on delivery — further stretching the Debtors' available resources.

Finally, as detailed above, the Debtors' capital structure includes approximately $735 million in outstanding indebtedness, which amount includes approximately $40 million in issued and outstanding but unfunded letters of credit. The Debtors, following downward revisions to their TTM EBITDA and hampered by limited cash and liquidity, could not bear the cost of principal and interest payments associated with all of this debt going forward. The Debtors' capital structure did not allow the Debtors' sufficient flexibility to operate profitably given their revised cash position.

4.1 *Events Leading to the Formulation of the Plan.*

In the period leading up to the Commencement Date, the Company simultaneously pursued a consensual out-of-court restructuring and, in the event an out-of-court financing or other transaction could not be reached in time, debtor-in-possession financing to facilitate an in-court restructuring. The Debtors conducted arm's-length, good-faith negotiations

with various potential financing sources, including all levels of their capital structure and targeted third-parties that possess a recognized sophistication in the distressed financing community and could negotiate on an expedited basis.

On July 11, 2013, certain of the Consenting Lenders provided the Company with a term sheet for a debtor-in-possession term loan. As it had with the other potential lenders, the Company proceeded to engage in additional diligence and negotiations with the Consenting Lenders and their advisors. Around the same time, certain of the Consenting Noteholders approached the Company and agreed to enter into confidentiality agreements in connection with investigating an alternative financing transaction. The Consenting Lenders also received the restructuring term sheet from the Consenting Noteholders, and a three-party negotiation was initiated to determine if a consensual deal was possible.

From the time the Consenting Lenders and the Consenting Noteholders delivered their proposals to the Debtors until the Commencement Date, the Debtors and their advisors simultaneously negotiated three separate deals: (a) a standalone debtor-in-possession financing from the Consenting Lenders; (b) a consensual restructuring, either through an out-of-court restructuring or a pre-arranged bankruptcy plan; and (c) a standalone debtor-in-possession financing from the Consenting Noteholders. This process resulted in the execution of the Restructuring Support Agreement (attached hereto as Exhibit 2, which the Debtors have assumed pursuant to an order of the Bankruptcy Court), which served as the basis for the Plan. The consensual deal was made possible by the substantial financial commitments of the Consenting Lenders and the Consenting Noteholders, who, together, represent a majority of the Company's prepetition capital structure.

The financial restructuring, negotiated by and among the Company, the Consenting Lenders and the Consenting Noteholders, which will be effectuated through the Plan, includes, among other things:

- the Consenting Lenders' extension of the debtor-in-possession financing facility in an amount equal to $75 million;
- a paydown of the Secured Lender Claims by $50,000,000;
- the conversion into equity of the Noteholder Claims and Other Unsecured Claims whose holders elect to receive New Common Stock in lieu of Cash;
- the issuance to holders of Noteholder Claims comprising the Rights Offering Purchasers of New Common Stock of Reorganized RMC equal to 70% of the fully diluted New Common Stock of Reorganized RMC on the Effective Date, and the 15% redeemable New Preferred Stock of Reorganized RMC, with a liquidation preference of $1.00 per share, which will receive quarterly dividends paid in kind;
- the cancellation of the Existing Common Stock Interests.

The Restructuring Support Agreement also contains several milestones designed to expedite these cases while accommodating the Debtors' restructuring efforts. Pursuant to the Restructuring Support Agreement, the Debtors were required to file the Plan, along with this Disclosure Statement, on or prior to September 15, 2013. The Debtors are also required to obtain approval of this Disclosure Statement and confirmation of the Plan by November 8, 2013 and December 20, 2013, respectively.

Since commencing these cases, the Debtors have engaged the Consenting Lenders, the Consenting Noteholders and the Committee (once formed) in negotiating the terms of the Plan. The Debtors, the Consenting Lenders and Consenting Noteholders continue to negotiate with the Committee. The Plan is a product of good faith arms'-length negotiations. If consummated, the restructuring transactions contemplated in the Plan will substantially de-lever the Debtors by partially paying down the obligations under the Secured Credit Agreement and converting the Noteholder Claims, as well as the Other Unsecured Claims that elect to receive New Common Stock, into equity, while providing cost savings, operational efficiency and additional needed liquidity. The Debtors believe the Plan represents their best option to maximize value for the estates, exit chapter 11 as expeditiously as possible, and provide their reorganized enterprise with the capital needed to implement their post-reorganization business plan. A summary of the terms of the Plan is contained in Article VI of this Disclosure Statement, and the Plan is attached hereto as Exhibit 1.

ARTICLE V.

REASONS FOR THE SOLICITATION; RECOMMENDATION

Chapter 11 of the Bankruptcy Code provides that the Bankruptcy Court may confirm the Plan as a consensual plan if the holders of impaired Claims against the Debtors in each Class of impaired Claims accepts the Plan by the requisite majorities set forth in the Bankruptcy Code. An impaired Class of Claims shall have accepted the Plan if (a) the holders of at least two-thirds in amount of the Claims in such Class actually voting on the Plan have voted to accept it, and (b) more than one-half in number of the holders in such Class actually voting on the Plan have voted to accept it (such votes, the "**Requisite Acceptances**").

In light of the significant benefits to be attained by the Debtors and their creditors if the transactions contemplated by the Plan are consummated, the Debtors recommend that all holders of Claims entitled to do so, vote to accept the Plan. The boards of directors of each of the Debtors (collectively, the "**Company Boards**") and the Company's officers have reached the decision to pursue the Plan after considering available alternatives and their likely effect on the Debtors' business operations, creditors, and shareholders. These alternatives included liquidation of the Debtors under chapter 7 of the Bankruptcy Code or an alternative reorganization under chapter 11 of the Bankruptcy Code. The Debtors determined, after consulting with their legal and financial advisors, that the Plan, if consummated, will maximize the value of these estates for stakeholders, as a result of the compromises and settlements embodied therein, as compared to any other out-of-court refinancing scenario reasonably available, or any other chapter 11 reorganization strategy or a liquidation under chapter 7. For all of these reasons, the Debtors' officers and directors support the Plan and urge the holders of Claims entitled to vote on the Plan to accept and support it.

ARTICLE VI.

THE PLAN

6.1 *Overview of Chapter 11.*

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under chapter 11, a debtor is authorized to reorganize its business for the benefit of itself, its creditors and its equity interest holders.

The commencement of a chapter 11 case creates an estate that is comprised of all of the legal and equitable interests of the debtor as of the Commencement Date. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a "debtor in possession."

The consummation of a plan of reorganization is the principal objective of a chapter 11 reorganization case. A plan of reorganization sets forth the means for satisfying claims against and interests in a debtor. Confirmation of a plan of reorganization by the bankruptcy court makes the plan binding upon the debtor, any issuer of securities under the plan, any Person acquiring property under the plan and any creditor or equity interest holder of a debtor. Subject to certain limited exceptions, the order approving confirmation of a plan discharges a debtor from any debt that arose prior to the date of confirmation of the plan and substitutes therefor the obligations specified under the confirmed plan.

In general, a chapter 11 plan of reorganization (a) divides claims and equity interests into separate classes, (b) specifies the property, if any, that each class is to receive under the plan, and (c) contains other provisions necessary to the reorganization of the debtor and that are required or permitted by the Bankruptcy Code.

Pursuant to section 1125 of the Bankruptcy Code, acceptance or rejection of a plan may not be solicited after the commencement of the Reorganization Cases until such time as the court has approved the Disclosure Statement as containing adequate information. Pursuant to section 1125(a) of the Bankruptcy Code, "adequate information" is information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding the plan. To satisfy applicable disclosure requirements, the Debtors submit this Disclosure Statement to holders of Claims that are impaired and not deemed to have rejected the Plan.

6.2 *Comprehensive Settlement of Claims and Controversies.*

Pursuant to Bankruptcy Rule 9019, and in consideration for the classification, distribution and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims and controversies resolved pursuant to the Plan, including all claims arising prior to the Commencement Date, whether known or unknown, foreseen or unforeseen, asserted or unasserted, by or against any Released Party, or holders of Claims, arising out of, relating to or in connection with the business or affairs of or transactions with the Debtors. 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 Plan, 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, creditors and other parties in interest, and are fair, equitable and within the range of reasonableness. The provisions of the Plan, including its release, injunction, exculpation and compromise provisions, are mutually dependent and non-severable.

6.3 ***Substantive Consolidation of Debtors for Purposes of Voting, Confirmation and Distribution.***

The Plan provides for substantive consolidation of the Debtors' Estates, but solely for purposes of voting, confirmation, and making distributions to the holders of Allowed Claims under the Plan. On the Effective Date: (a) all guarantees of any Debtor of the payment, performance or collection of another Debtor with respect to Claims against such Debtor shall be eliminated and cancelled; and (b) any obligation of any Debtor and all guarantees by a Debtor with respect to Claims against one or more of the other Debtors shall be treated as a single obligation. On the Effective Date, and in accordance with the terms of the Plan and the consolidation of the assets and liabilities of the Debtors, all Claims based upon guarantees of collection, payment, or performance made by a Debtor as to the obligation of another Debtor shall be released and of no further force and effect. Except as set forth in Section 2.2 of the Plan, such substantive consolidation shall not affect (a) the legal and corporate structure of the Reorganized Debtors, or (b) any obligations under any leases or contracts assumed in the Plan or otherwise after the Commencement Date. The Debtors reserve the right to seek confirmation of the Plan without implementing substantive consolidation (including, without limitation, in the event the Court determines that substantive consolidation of the Debtors as provided for above is not appropriate), and to request that the Court approve the treatment of and distribution to the different Classes under the Plan on a Debtor-by-Debtor basis. In the event the Debtors seek confirmation of the Plan without implementing substantive consolidation of the Debtors as provided for above, any vote in favor of the Plan on a substantively consolidated basis, shall be deemed a vote in favor of the Plan of each of the applicable Debtors on an individual Debtor basis, provided that such substantive consolidation does not reduce the Other Unsecured Cash or the percentage recovery of those holders of Allowed Other Unsecured Claims who elect to receive Other Unsecured Cash pursuant to Section 5.5(a)(ii) of the Plan or otherwise materially decrease the consideration provided under the Plan with respect to the applicable Claim holder.

The Debtors believe that substantive consolidation is warranted here because, among other reasons, the Debtors historically operated on a consolidated basis. Further, accounts payable functions were performed via an integrated cash management system.

Given this integration, the expense of generating separate plans of reorganization for each of the Debtors and the fact that indebtedness under the Senior Secured Credit Facility is guaranteed by substantially all of Rural/Metro's subsidiaries, the Debtors believe that the overall effect of substantive consolidation will be more beneficial than harmful to creditors and will allow for greater efficiencies and simplification in processing Claims and making distributions to holders of Allowed Claims. Accordingly, the Debtors believe that substantive consolidation of the Debtors' estates under the terms of the Plan will not adversely impact the treatment of any of the Debtors' creditors, but rather will reduce administrative expenses by automatically eliminating duplicative claims asserted against more than one of the Debtors, decreasing the

administrative difficulties and costs related to the administration of sixty six (66) Debtor's estates separately, as well as eliminating the need to determine professional fees on a case-by-case basis and streamlining the process of making Plan Distributions.

For the reasons articulated above, the Debtors believe that substantive consolidation is justified in these cases.

Notwithstanding anything to the contrary in the Plan, on or after the Effective Date, any and all Intercompany Claims will be adjusted (including by contribution, distribution in exchange for new debt or equity, or otherwise), paid, continued, or discharged to the extent reasonably determined appropriate by the Reorganized Debtors. Any such transaction may be effected on or subsequent to the Effective Date without any further action by the Bankruptcy Court or by the stockholders of any of the Reorganized Debtors. For the avoidance of doubt, Intercompany Claims are not entitled to any Plan Distributions of any kind.

Notwithstanding the substantive consolidation of the Estates for the purposes set forth in Section 2.2(a) of the Plan, each Reorganized Debtor shall pay all U.S. Trustee Fee Claims on all disbursements, including Plan Distributions and disbursements in and outside of the ordinary course of business, until the entry of a final decree in its Reorganization Case, dismissal of its Reorganization Case, or conversion of its Reorganization Case to a case under chapter 7 of the Bankruptcy Code.

6.4 ***No Plan Distributions to Equity Interests.***

No Plan Distributions shall be made on account of any Interests in any Debtor regardless of whether such Interests are held by a Person which is not a Debtor; provided, however, that any Debtor that holds Intercompany Interests shall retain such Interests solely for the purpose of maintaining the existing corporate structure of the Debtors and the Reorganized Debtors.

6.5 ***Overview of the Plan.***

THE FOLLOWING IS A SUMMARY OF SOME OF THE SIGNIFICANT ELEMENTS OF THE PLAN. THIS DISCLOSURE STATEMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE MORE DETAILED INFORMATION SET FORTH IN THE PLAN AND THE EXHIBITS AND SCHEDULES THERETO.

The Plan classifies Claims and Interests separately in accordance with the Bankruptcy Code and provides different treatment for different Classes of Claims and Interests. Claims and Interests shall be included in a particular Class only to the extent such Claims or Interests qualify for inclusion within such Class. The Plan separates the various Claims (other than those that do not need to be classified) into six (6) separate Classes and classifies the Interests into one Class. These Classes take into account the differing nature and priority of Claims against, and Interests in, the Debtors. Unless otherwise indicated, the characteristics and amounts of the Claims or Interests in the following Classes are based on the books and records of the Debtors.

This section summarizes the treatment of each of the Classes of Claims and Interests under the Plan, describes the capital structure of the Reorganized Debtors, and describes other provisions of the Plan. Only holders of Allowed Claims — Claims that are not in dispute, contingent, or unliquidated in amount and are not subject to an objection or an estimation request — are entitled to receive distributions under the Plan. For a more detailed description of the definition of "Allowed," see Article I of the Plan. Until a Disputed Claim becomes Allowed, no distribution of Cash, securities and/or other instruments or property otherwise available to the holder of such Claim will be made.

The Plan is intended to enable the Debtors to continue present operations without the likelihood of a subsequent liquidation or the need for further financial reorganization. The Debtors believe that they will be able to perform their obligations under the Plan and meet their expenses after the Effective Date without further financial reorganization. Also, the Debtors believe that the Plan provides for fair and equitable recoveries, while permitting the successful reorganization of the Debtors.

The Confirmation Date will be the date that the Confirmation Order is entered by the Clerk of the Bankruptcy Court. The Effective Date will be the first Business Day on or after the Confirmation Date on which all of the conditions to the Effective Date specified in Section 11.2 of the Plan have been satisfied or waived and the parties have consummated the transactions contemplated by the Plan.

The Debtors anticipate that the Effective Date will occur on or before January 7, 2014. Resolution of any challenges to the Plan may take time and, therefore, the actual Effective Date cannot be predicted with certainty.

Other than as specifically provided in the Plan, the treatment under the Plan will constitute full satisfaction, settlement, release and discharge of each Claim and Interest. The Reorganized Debtors will make all payments and other distributions to be made under the Plan unless otherwise specified.

All Claims and Interests, except DIP Claims, Administrative Expense Claims, Fee Claims, U.S. Trustee Fees, Priority Tax Claims and Intercompany Claims, are placed in the Classes set forth in Article IV of the Plan. In accordance with section 1123(a)(1) of the Bankruptcy Code, DIP Claims, Administrative Expense Claims, Fee Claims, U.S. Trustee Fees, Intercompany Claims, and Priority Tax Claims of the Debtors have not been classified, and the holders thereof are not entitled to vote on the Plan. A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes.

(a) ***Unclassified Claims.***

(1) DIP Claims.

The DIP Claims shall be deemed to be Allowed Claims under the Plan. The DIP Claims shall be satisfied in full, on the Effective Date, by the termination of all commitments under the DIP Credit Agreement and indefeasible payment in full in Cash of all outstanding

obligations thereunder. Until so satisfied in full, the DIP Agent and DIP Lenders shall retain all rights, Claims and Liens available pursuant to the DIP Credit Agreement and the DIP Order.

(2) Administrative Expense Claims.

Time for Filing Administrative Expense Claims: The holder of an Administrative Expense Claim, other than the holder of:

a. a Fee Claim;

b. an Administrative Expense Claim arising under the DIP Order;

c. an Administrative Expense Claim that has been Allowed on or before the Effective Date;

d. a trade claim for an expense or liability incurred and payable in the ordinary course of business by a Debtor after the Commencement Date;

e. an Administrative Expense Claim on account of fees and expenses incurred on or after the Commencement Date by ordinary course professionals retained by the Debtors pursuant to an order of the Bankruptcy Court;

f. an Administrative Expense Claim held by a current officer, director or employee of the Debtors for indemnification, contribution, or advancement of expenses pursuant to (A) any Debtor's certificate of incorporation, by-laws, or similar organizational document or (B) any indemnification or contribution agreement approved by the Bankruptcy Court; provided, however, that nothing set forth herein shall be deemed to elevate any indemnification claims for prepetition acts or omissions to Administrative Claim status;

g. an Administrative Expense Claim arising, in the ordinary course of business, out of the employment by one or more Debtors of an individual from and after the Commencement Date, but only to the extent that such Administrative Expense Claim is solely for outstanding wages, commissions, accrued benefits, or reimbursement of business expenses;

h. a Notes Trustee Fee Claim;

i. a Committee Member Expense Claim; and

j. a claim for U.S. Trustee Fees,

must file with the Bankruptcy Court and serve on the Debtors, or the Reorganized Debtors, as applicable, the Claims Agent, the Creditors' Committee or the Creditor Representative, as applicable, and the Office of the United States Trustee, proof of such Administrative Expense Claim **within thirty (30) days after the Effective Date** (the "**Administrative Bar Date**"). Such proof of Administrative Expense Claim must include at a minimum (i) the name of each Debtor that is purported to be liable for the Administrative Expense Claim, (ii) the name of the holder of the Administrative Expense Claim, (iii) the amount of the Administrative Expense Claim, (iv) the basis of the Administrative Expense Claim, and (v) supporting documentation for the Administrative Expense Claim. **FAILURE TO FILE AND SERVE SUCH PROOF OF ADMINISTRATIVE EXPENSE CLAIM TIMELY AND PROPERLY SHALL RESULT IN THE ADMINISTRATIVE EXPENSE CLAIM BEING FOREVER BARRED AND DISCHARGED IN THESE REORGANIZATION CASES.**

Treatment of Administrative Expense Claims: Except to the extent that a holder of an Allowed Administrative Expense Claim agrees to a different treatment, on, or as soon thereafter as is reasonably practicable, the later of the Effective Date and the first Business Day after the date that is thirty (30) days after the date an Administrative Expense Claim becomes an Allowed Claim, the holder of such Allowed Administrative Expense Claim shall receive Cash in an amount equal to such Allowed Claim; provided, however, that Allowed Administrative Expense Claims representing liabilities incurred in the ordinary course of business by the Debtors, as debtors in possession, shall be paid by the Debtors or the Reorganized Debtors, as applicable, in the ordinary course of business, consistent with past practice and in accordance with the terms and subject to the conditions of any orders or agreements governing, instruments evidencing, or other documents relating to, such transactions.

(3) Fee Claims.

Time for Filing and Allowance of Fee Claims: Any Professional Person seeking allowance by the Bankruptcy Court of a Fee Claim shall file and serve its respective final application for allowance of compensation for services rendered and reimbursement of expenses incurred prior to the Effective Date no later than thirty (30) days after the Effective Date. **FAILURE TO FILE AND SERVE SUCH FEE APPLICATION TIMELY AND PROPERLY SHALL RESULT IN THE FEE CLAIM BEING FOREVER BARRED AND DISCHARGED.**

Objections to Fee Claims, if any, must be filed and served pursuant to the procedures set forth in the Confirmation Order no later than fifty-one (51) days after the Effective Date or such other date as established by the Bankruptcy Court.

A Fee Claim shall be Allowed to the extent provided by a Final Order of the Bankruptcy Court.

Treatment of Fee Claims: A Fee Claim in respect of which a final fee application has been properly filed and served pursuant to Section 3.3(a) of the Plan shall be payable in Cash from the funds held in the Fee Claim Reserve Account by the Reorganized Debtors to the extent approved by a Final Order of the Bankruptcy Court and the holder of such Allowed Fee Claim shall receive such payment on or before the second Business Day after such Fee Claim becomes

an Allowed Fee Claim. On or prior to the Effective Date, each holder of a Fee Claim shall submit to the Debtors, the Consenting Lenders, the Consenting Noteholders and the Creditors' Committee reasonable estimates of any Fee Claims that may accrue prior to the Effective Date that have not been included in a monthly fee statement or interim fee application submitted by such Professional Person. If a holder of a Fee Claim does not provide a reasonable estimate, the Debtors may estimate the Fee Claims of such Professional Person that may accrue prior to the Effective Date that have not been included in a monthly fee statement or interim fee application. The aggregate amount of Fee Claims of Professional Persons (i) incurred but unpaid through the Effective Date that have been included in a prior monthly fee statement or interim fee application and (ii) that may accrue prior to the Effective Date that have not been included in a monthly fee statement or interim fee application as estimated in accordance with Section 3.3 of the Plan, shall comprise the Fee Claim Reserve Amount. On the Effective Date, the Debtors shall establish and fund the Fee Claim Reserve Account with Cash equal to the aggregate Fee Claim Reserve Amount. For the avoidance of doubt, the Fee Claim Reserve Account shall be a segregated account, for the benefit of holders of Allowed Fee Claims, and shall be free and clear of all Claims and Interests including any and all liens, claims, pledges, charges, or encumbrances, including any liens securing the exit facilities, and not subject in any way to attachment seizure or setoff. To the extent and at such time as all Allowed Fee Claims have been paid in full, any funds remaining in the Fee Claim Reserve Account shall become the sole and exclusive property of the Reorganized Debtors.

Notwithstanding anything herein to the contrary, the Fee Auditor shall continue to perform the duties set forth in the Fee Auditor Order until all final fee applications have been approved or denied by the Bankruptcy Court. Following the Effective Date, the Reorganized Debtors shall pay in cash, within thirty (30) days of receipt of an invoice from the Fee Auditor, all actual, reasonable fees and expenses of the Fee Auditor that are incurred after the Effective Date, without the need for any further authorization from the Bankruptcy Court. In the event that the Reorganized Debtors object to payment of such invoice from the Fee Auditor for post-Effective Date fees and expenses, in whole or in part, and the parties cannot resolve such objection after good faith negotiation, the Bankruptcy Court shall retain jurisdiction to make a determination as to the extent to which the invoice shall be paid by the Reorganized Debtors.

(4) U.S. Trustee Fees.

On the Effective Date or as soon as reasonably practicable thereafter, the Debtors or Reorganized Debtors shall pay all U.S. Trustee Fees.

(5) Priority Tax Claims.

Except to the extent that a holder of an Allowed Priority Tax Claim agrees to less favorable treatment, each holder of an Allowed Priority Tax Claim shall receive, in the Reorganized Debtors' discretion, either (a) on, or as soon thereafter as is reasonably practicable, the later of the Effective Date and the first Business Day after the date that is thirty (30) days after the date a Priority Tax Claim becomes an Allowed Claim, Cash in an amount equal to such Claim, or (b) deferred Cash payments following the Effective Date, over a period ending not later than five (5) years after the Commencement Date, in an aggregate amount equal to the Allowed amount of such Priority Tax Claim (with any interest to which the holder of such

Priority Tax Claim may be entitled to be calculated in accordance with section 511 of the Bankruptcy Code); provided, however, that all Allowed Priority Tax Claims that are not due and payable on or before the Effective Date shall be paid in the ordinary course of business as they become due.

(b) ***Classification of Claims and Interests.***

(1) Priority Non-Tax Claims (Class 1).

Treatment: The legal, equitable and contractual rights of the holders of Class 1 Claims are unaltered by the Plan. Except to the extent that a holder of an Allowed Priority Non-Tax Claim agrees to less favorable treatment, on, or as soon thereafter as is reasonably practicable, the later of the Effective Date and the first Monthly Distribution Date after the date a Priority Non-Tax Claim becomes an Allowed Claim, the holder of such Allowed Priority Non-Tax Claim shall receive Cash in an amount equal to such Claim. For the avoidance of doubt, holders of an Allowed Claim entitled to administrative expense status pursuant to section 503(b)(9) of the Bankruptcy Code shall receive Cash in an amount equal to such Claim on the Effective Date in accordance with section 1129(a)(9)(A) of the Bankruptcy Code, except to the extent that such holder agrees to less favorable treatment.

Voting: In accordance with section 1126(f) of the Bankruptcy Code, the holders of Allowed Priority Non-Tax Claims are conclusively presumed to accept the Plan and the votes of such holders will not be solicited with respect to such Allowed Priority Non-Tax Claims.

(2) Secured Lender Claims (Class 2).

Allowance: On the Effective Date, the Secured Lender Claims shall be deemed Allowed in the aggregate amount of $427,302,230.

Treatment: Except to the extent that a holder of an Allowed Secured Lender Claim agrees to different treatment, the following treatment shall constitute full and final satisfaction of each Allowed Secured Lender Claim:

(a) payment in Cash on the Effective Date of its Pro Rata Share of the Secured Lender Fee Claims (which, as applicable, may be paid directly to the Secured Lenders' counsel and advisors) to extent unpaid during the course of the Reorganization Cases;

(b) receipt of the Prepayment by the Secured Credit Agreement Administrative Agent on the Effective Date;

(c) the entry by the Reorganized Debtors into the Amended and Restated Secured Credit Agreement on the Effective Date; and

(d) in respect of Senior Secured Claims constituting (A) "Revolving Loans" under and as defined in the Secured Credit Agreement, the receipt of its Pro Rata Share of the Converted Term Loan Obligations and (B) "Term Loans" under and as defined in the

Secured Credit Agreement, the receipt of its Pro Rata Share of the Existing Term Loan Obligations, in each case, on the Effective Date.

Voting: The Secured Lender Claims are impaired Claims, and holders of such Claims are entitled to vote to accept or reject the Plan.

(3) Other Secured Claims (Class 3).

Treatment: The legal, equitable and contractual rights of the holders of Class 3 Claims are unaltered by the Plan. Except to the extent that a holder of an Allowed Other Secured Claim agrees to less favorable treatment, on, or as soon thereafter as is reasonably practicable, the later of the Effective Date and the first Monthly Distribution Date after the date an Other Secured Claim becomes an Allowed Claim, each holder of such Allowed Other Secured Claim shall receive, at the election of the Reorganized Debtors: (i) Cash in an amount equal to such Allowed Claim; (ii) such other treatment that will render the Allowed Other Secured Claim unimpaired pursuant to section 1124 of the Bankruptcy Code; or (iii) receive the collateral securing its Allowed Claim; provided, however, that Class 3 Claims incurred by a Debtor in the ordinary course of business may be paid in the ordinary course of business in accordance with the terms and conditions of any agreements relating thereto, in the discretion of the applicable Debtor or Reorganized Debtor, without further notice to or order of the Bankruptcy Court. Each holder of an Allowed Other Secured Claim shall retain the Liens securing its Allowed Other Secured Claim as of the Effective Date until full and final payment of such Allowed Other Secured Claim is made as provided herein. On the full payment or other satisfaction of such Allowed Claims in accordance with the Plan, the Liens securing such Allowed Other Secured Claim shall be deemed released, terminated and extinguished, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order or rule or the vote, consent, authorization or approval of any Person.

Voting: In accordance with section 1126(f) of the Bankruptcy Code, the holders of Allowed Other Secured Claims are conclusively presumed to accept the Plan and are not entitled to vote to accept or reject the Plan.

(4) Noteholder Claims (Class 4).

Allowance: On the Effective Date, the Noteholder Claims shall be deemed Allowed in the following aggregate amounts, including accrued and unpaid interest owing as of the Commencement Date: (i) Noteholder Claims on account of Notes issued pursuant to the June 30 Indenture, $211,247,855.00; and (ii) Noteholder Claims on account of Notes issued pursuant to the February 3 Indenture, $100,970,539.00.

Treatment: Except to the extent that a holder of an Allowed Noteholder Claim agrees to different treatment, the following shall constitute full and final satisfaction of each Allowed Noteholder Claim:

(i) receipt of its Pro Rata Share among all Allowed Noteholder Claims and all Allowed Other Unsecured Claims (for the avoidance of doubt, including those whose holders elect to

receive Other Unsecured Cash pursuant to Section 5.5(a)(ii) of the Plan) of 100% of the New Common Stock, subject to dilution only by: (A) the options to purchase the New Common Stock that may be issued to the Reorganized Debtors' post-Effective Date directors, officers and employees; and (B) the shares of New Common Stock issued pursuant to the Rights Offering (including any New Common Stock issued pursuant to the Rights Offering Backstop Commitment Agreement);

(ii) Subscription Rights to subscribe for its Pro Rata Share of the Rights Offering Stock for an aggregate purchase price equal to the Subscription Payment Amount;

(iii) Receipt of its Pro Rata Share among all Allowed Noteholder Claims and all Allowed Other Unsecured Claims of the Litigation Trust Interests; and

(iv) Net proceeds of Estate Accounting-Related Causes of Action shared on a pro rata basis among the Litigation Trust Beneficiaries.

For the avoidance of doubt, any New Common Stock that would have been issued to those holders of Allowed Other Unsecured Claims receiving Other Unsecured Cash if they instead elected to receive New Common Stock pursuant to Section 5.5(a)(i) of the Plan shall be distributed on a pro rata basis to holders of Allowed Noteholder Claims based on their Pro Rata Share among all Allowed Noteholder Claims.

Voting: The Noteholder Claims are impaired Claims, and holders of such Claims are entitled to vote to accept or reject the Plan.

(5) Other Unsecured Claims (Class 5).

Treatment: Except to the extent that a holder of an Allowed Other Unsecured Claim agrees to different treatment, each holder of an Allowed Other Unsecured Claim may elect either of the following alternative treatments in full and final satisfaction of each Allowed Other Unsecured Claim:

(i) receipt of (A) its Pro Rata Share among all Allowed Noteholder Claims and all Allowed Other Unsecured Claims (for the avoidance of doubt including those whose holders elect to receive Other Unsecured Cash pursuant to Section 5.5(a)(ii) of the Plan) of 100% of the New Common Stock, subject to dilution only by: (I) the options to purchase the New Common Stock that may be issued to the Reorganized Debtors' post-Effective Date directors,

officers and employees; and (II) the shares of New Common Stock issued pursuant to the Rights Offering (including any New Common Stock issued pursuant to the Rights Offering Backstop Commitment Agreement), (B) its Pro Rata Share among all Allowed Noteholder Claims and all Allowed Other Unsecured Claims of the Litigation Trust Interests, and (C) net proceeds of Estate Accounting-Related Causes of Action shared on a pro rata basis among the Litigation Trust Beneficiaries; or

(ii) receipt of (A) on a pro rata basis among all holders of Allowed Other Unsecured Claims that make this election, the Other Unsecured Cash, (B) its Pro Rata Share among all Allowed Noteholder Claims and all Allowed Other Unsecured Claims of the Litigation Trust Interests, and (C) net proceeds of Estate Accounting-Related Causes of Action shared on a pro rata basis among the Litigation Trust Beneficiaries.

Any holder of an Other Unsecured Claim, that becomes an Allowed Other Unsecured Claim, that does not make an affirmative election with respect to its treatment shall be deemed to have irrevocably elected to receive the consideration set forth in clause (ii) above. For the avoidance of doubt, any New Common Stock that would have been issued to those holders of Allowed Other Unsecured Claims receiving Other Unsecured Cash if they instead elected to receive New Common Stock pursuant to Section 5.5(a)(i) of the Plan shall be distributed on a pro rata basis to holders of Allowed Noteholder Claims based on their Pro Rata Share among all Allowed Noteholder Claims.

Voting: The Other Unsecured Claims are impaired Claims, and holders of such Claims are entitled to vote to accept or reject the Plan.

(6) Existing Securities Laws Claims (Class 6).

Treatment: Persons holding Existing Securities Laws Claims shall not receive or retain any distribution under the Plan on account of such Existing Securities Laws Claims.

Voting: In accordance with section 1126(g) of the Bankruptcy Code, Persons holding Existing Securities Laws Claims are conclusively presumed to reject the Plan on account of such Existing Securities Laws Claims and are not entitled to vote to accept or reject the Plan.

(7) Existing Common Stock Interests and Existing Securities Laws Claims on Account Thereof (Class 7).

Treatment: Existing Common Stock shall be cancelled and holders of Existing Common Stock Interests and Existing Securities Laws Claims on account thereof shall not be entitled to any distribution under the Plan.

Voting: In accordance with section 1126(g) of the Bankruptcy Code, the holders of Existing Common Stock Interests and Existing Securities Laws Claims on account thereof are conclusively presumed to reject the Plan and are not entitled to vote to accept or reject the Plan.

6.6 ***Summary of Capital Structure of Reorganized Debtors.***

(a) ***Post-Emergence Capital Structure.***

The following table summarizes the capital structure of the Reorganized Debtors, including the post-Effective Date financing arrangements the Reorganized Debtors expect to enter into to fund their obligations under the Plan and provide for their post-Effective Date working capital needs. The anticipated principal terms of the following instruments are described in more detail below. The summary of the Reorganized Debtors' capital structure is qualified in its entirety by reference to the Plan and the applicable Plan Documents.

Instrument	**Description**
Amended and Restated Secured Credit Agreement	On the Effective Date, Reorganized RMC and each of the other Reorganized Debtors shall enter into the Amended and Restated Secured Credit Agreement. All obligations under the Secured Credit Agreement (the "Secured Obligations") will remain outstanding after the Effective Date, provided that (i) the Revolving Loans (as defined in the Secured Credit Agreement) prepaid or repaid after the Effective Date shall not be available to be re-borrowed, (ii) all maturity dates under the Secured Credit Agreement shall remain unchanged, and (iii) all events of default arising under the Secured Credit Agreement prior to the Effective Date will be waived. Following the Effective Date, the Secured Obligations shall be secured with perfected first priority security interests on substantially all of the assets of the Reorganized Debtors, including motor vehicles (subject to certain exclusions set forth therein). Pursuant to the Amended and Restated Secured Credit Agreement, the Secured Credit Agreement will be amended on the Effective Date. Such amendments will include, among other things, the following: I. The Applicable Rate (as defined in the Secured

Instrument	**Description**
	Credit Agreement) will be amended to (a) 6.50% per annum in the case of Eurocurrency Loans, with a LIBOR floor of 1.50%, and (b) 5.50% per annum in the case of ABR Loans, payable in cash, plus, in each case, 1.00% payable in kind, provided that after the 24-month anniversary of the Effective Date, such 1.00% amount shall convert from paid in kind to cash pay**.** II. All financial covenants shall (a) benefit all of the lenders holding Converted Term Loans and Existing Term Loans thereunder, (b) be reset based on management's forecasts with a variance of 20%, and (c) be suspended for the six (6) fiscal quarters following the fiscal quarter ended September 30, 2013. III. No later than eight (8) quarters after the Effective Date, the Reorganized Debtors shall be required to make a $25,000,000 amortization payment in respect of the Existing Term Loans and the Converted Term Loans (as defined in the Amended and Restated Secured Credit Agreement) to be paid on a pro rata basis based on the outstandings as of the Effective Date. No amortization payments shall be required prior to the Amortization Payment. IV. The definition of Change of Control will be amended to permit ownership and control of the Company by the holders of the New Common Stock pursuant to the Plan. V. In connection with all of the terms of the Amended and Restated Secured Credit Agreement, the Company shall pay a fee to the Secured Lenders equal to 0.5% of the Secured Obligations on the Effective Date.
Exit LC Facility	On the Effective Date, the Reorganized Debtors shall enter into a letter of credit facility (the "**Exit LC Facility**"), which facility shall issue replacement letters of credit to permit the replacement and cancellation of the prepetition letters of credit issued under the Secured Credit Agreement or DIP Facility letters of credit upon their expiry, and one other prepetition letter of credit, in an aggregate amount not to exceed $41,350,000. The Exit LC Facility shall be cash

Instrument	**Description**
	collateralized at 102.5% by the proceeds of the Backstop Term Loan.
Backstop Term Loan	On the Effective Date, the Backstop Term Loan under the Amended and Restated Secured Credit Agreement shall be provided by certain of the Secured Lenders (the "**Backstop Term Loan Lenders**") solely for the purpose of collateralizing letters of credit issued under the Exit LC Facility and/or reimbursing draws made on outstanding prepetition letters of credit made following the Commencement Date. The Backstop Term Loan shall have payment priority over the Secured Obligations, and shall be secured by liens in and security interests on all prepetition and postpetition assets of the Reorganized Debtors on a first priority basis and senior to liens securing the Secured Obligations. The Backstop Term Loan shall bear interest at a rate of LIBOR plus 6.50% per annum, payable in cash in arrears, plus 1.00% payable in kind, with a LIBOR floor of 1.50%. The maturity date for the Backstop Term Loan shall be June 30, 2018. On the Effective Date, the Reorganized Debtors shall pay an upfront fee equal to 2.0% of the Backstop Term Loan commitments, payable to the Backstop Term Loan Lenders (described above).
Rights Offering	On the Effective Date, Reorganized RMC shall be authorized to consummate the transactions contemplated by the rights offering of $135,000,000 of New Preferred Stock and New Common Stock (which shall comprise 70% of the fully diluted New Common Stock) (the "**Rights Offering**"). Each holder of a Noteholder Claim as of the Voting Record Date (or such other date as designated in an order of the Bankruptcy Court in accordance with the Plan)(the "**Rights Offering Record Date**") will receive Subscription Rights to subscribe for its Pro Rata Share of the Rights Offering Stock for an aggregate purchase price equal to the applicable Subscription Payment Amount.
Rights Offering Backstop Commitment Agreement	On the Effective Date, Reorganized RMC shall be authorized to consummate the transactions contemplated by the Rights Offering Backstop Commitment Agreement, which will include the Rights Offering Backstop Investors' commitment to purchase all Remaining Rights Offering Stock and the issuance of 1,450,000 shares of New

Instrument	Description
	Preferred Stock in connection with payment of the Exit Issuance Backstop Fee and the Exit Issuance Deposit Fee pursuant to the terms of the Rights Offering Backstop Commitment Agreement.
New Preferred Stock Certificate of Designations	On the Effective Date, 500,000,000 authorized, and 136,450,000 initially issued shares of 15% redeemable preferred stock of Reorganized RMC, with a liquidation preference of $1.00 per share, shall be issued and distributed to the applicable Disbursing Agent for distribution in accordance with the terms of the Plan.

(b) ***Description of New Common Stock.***

(1) Issuance.

The New Common Stock will be issued by Reorganized RMC in connection with the implementation of, and as authorized, by the Plan. One hundred percent (100%) of the New Common Stock will be issued by Reorganized RMC to the holders of Allowed Class 4 Noteholder Claims and to the holders of Allowed Class 5 Other Unsecured Claims, who elect to receive their Pro Rata Share of the New Common Stock, subject to dilution only by: (A) the options to purchase the New Common Stock that may be issued to the Reorganized Debtors' post-Effective Date directors, officers and employees; and (B) the shares of New Common Stock issued pursuant to the Rights Offering (including any New Common Stock issued pursuant to the Rights Offering Backstop Commitment Agreement). Seventy percent (70%) of the fully diluted New Common Stock will be issued to those holders of Allowed Class 4 Noteholder Claims who exercise their Subscription Rights to subscribe for its Pro Rata Share of the Rights Offering Stock.

(2) Organizational Documents.

On the Effective Date, the Amended By-laws and Amended Certificate, both in the forms attached to the Plan as Exhibits C and D, respectively, and filed with the Plan Supplement, will be automatically authorized, approved and adopted by the Reorganized Debtors.

(3) Restrictions on Transfer.

In order to avoid the expense and administrative burden of complying with the reporting obligations under the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), the Amended Certificate will contain restrictions on transfer of the New Common Stock, designed to ensure that there will be less than 2,000 holders of New Common Stock or 500 holders of New Common Stock who are not accredited investors (determined pursuant to the Exchange Act). These transfer restrictions will remain in place until (a) the Board of Directors of Reorganized Debtors determines otherwise, or (b) the Amended Certificate

is amended to provide otherwise. As such, the Amended Certificate will require notice of any proposed transfer of New Common Stock and will restrict such transfer on certain grounds to be provided therein.

6.7 ***Acceptance or Rejection of the Plan; Effect of Rejection by One or More Classes of Claims or Equity Interests.***

(a) ***Class Acceptance Requirement.***

As is required by section 1126 of the Bankruptcy Code, a Class of Claims shall have accepted the Plan if it is accepted by at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Allowed Claims in such Class that have voted on the Plan.

(b) ***Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code or "Cramdown".***

Because certain Classes are deemed to have rejected the Plan, the Debtors will request confirmation of the Plan under section 1129(b) of the Bankruptcy Code. The Debtors reserve the right, with the consent of the Required Consenting Lenders, the Required Consenting Noteholders and (solely with respect to the Committee Plan Issues) the Creditors' Committee (which consents shall not be unreasonably withheld or delayed), to alter, amend, modify, revoke or withdraw the Plan or any Plan Document in order to satisfy the requirements of section 1129(b) of the Bankruptcy Code, if necessary. For the avoidance of doubt, nothing in this provision shall alter any requirement in Section 1.122 of the Plan that a Plan Document must be in form and substance reasonably satisfactory to the Required Consenting Lenders, the Required Consenting Noteholders, or the Creditors' Committee, as applicable and to the extent set forth therein.

(c) ***Elimination of Vacant Classes.***

Any Class of Claims or Interests that does not have a holder of an Allowed Claim or Allowed Interest or a Claim or Interest temporarily Allowed by the Bankruptcy Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

(d) ***Voting Classes.***

If a Class contains Claims or Interests eligible to vote and no holders of Claims or Interests eligible to vote in such Class vote to accept or reject the Plan, the Debtors may request a ruling at the Confirmation Hearing that the Plan shall be deemed accepted by the holders of such Claims or Interests in such Class.

(e) ***Confirmation of All Cases.***

Except as otherwise specified in the Plan, the Plan shall not be deemed to have been confirmed unless and until the Plan has been confirmed as to each of the Debtors; provided, however, that the Debtors, in their sole discretion and with the consent of the Required

Consenting Lenders, the Required Consenting Noteholders and (solely with respect to the Committee Plan Issues) the Creditors' Committee (which consents shall not be unreasonably withheld or delayed), may at any time waive Section 6.5 of the Plan.

6.8 ***Means for Implementation.***

(a) ***Restructuring Transaction.***

On or as of the Effective Date, the Plan Distributions shall be effectuated pursuant to the following transactions (collectively, the "**Restructuring Transaction**"):

(1) pursuant to sections 1141(b) and (c) of the Bankruptcy Code, and except as otherwise provided in the Plan, the property of each Estate shall vest in the applicable Reorganized Debtor, free and clear of all Claims and Interests, including any and all claims, liens, encumbrances, charges, and other interests, except as provided in the Plan, the Amended and Restated Secured Credit Agreement, the Exit LC Facility, the other Plan Documents or the Confirmation Order. The Reorganized Debtors may operate their businesses and may use, acquire, and dispose of property free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules and in all respects as if there were no pending case under any chapter or provision of the Bankruptcy Code, except as provided herein;

(2) all Existing Common Stock Interests shall be deemed cancelled as of the Effective Date. Reorganized RMC shall issue the New Common Stock pursuant to the terms of the Plan and, in the event the Debtors and the Required Consenting Noteholders determine that a Stockholders Agreement and/or Registration Rights Agreement will be executed and delivered in connection with the Plan, enter into the Stockholders Agreement and/or the Registration Rights Agreement;

(3) Reorganized RMC and certain of the Reorganized Debtors shall enter into the Amended and Restated Secured Credit Agreement, the Exit LC Facility and the Backstop Term Loan;

(4) Reorganized RMC shall issue the Rights Offering Stock to the Rights Offering Purchasers;

(5) the Debtors shall consummate the Plan by (i) making distributions of the New Common Stock and Cash, (ii) entering into the Stockholders Agreement (if applicable), the Registration Rights Agreement (if applicable), the Amended and Restated Secured Credit Agreement, the Exit LC Facility, and the Backstop Term Loan, and (iii) issuing the Rights Offering Stock; and

(6) the releases and exculpation set forth in Sections 12.8 and 12.9 of the Plan, which are an essential element of the Restructuring Transaction, shall become effective.

(b) ***Rights Offering.***

Each holder of a Noteholder Claim as of the Rights Offering Record Date will receive a Subscription Form to subscribe for its Pro Rata Share of the Rights Offering Stock for an aggregate purchase price equal to the applicable Subscription Payment Amount. In accordance with the Rights Offering Backstop Commitment Agreement, the Rights Offering Backstop Investors have committed to purchase all Remaining Rights Offering Stock. The Rights Offering Stock, including the Remaining Rights Offering Stock, will be issued to the Rights Offering Purchasers and/or the Rights Offering Backstop Investors, as applicable, for an aggregate purchase price equal to the Rights Offering Amount. On the Effective Date, Reorganized RMC shall be authorized to consummate the transactions contemplated by the Rights Offering and the Rights Offering Backstop Commitment Agreement, including any agreement or document entered into in connection therewith, and all such agreements and documents shall become effective and binding in accordance with their respective terms (to the extent not effective and binding prior to the Effective Date) and conditions upon the parties thereto, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization or approval of any Person.

The Rights Offering shall commence on the Subscription Commencement Date and shall expire on the Subscription Deadline. Each holder of a Noteholder Claim as of the Rights Offering Record Date (or a subsequent holder of a Noteholder Claim if transferred in accordance with Section 7.2(d)) that intends or desires to participate in the Rights Offering must affirmatively elect to exercise its Subscription Rights by (i) completing and returning its Subscription Form to the entities specified in the applicable Subscription Form (and causing its Nominee to complete and return any required Subscription Form to the entities specified in the applicable Nominee's Subscription Form), and (ii) causing its Nominee to tender its Subscription Payment Amount by wire transfer of immediately available funds such that the Subscription Form(s) of the holder of a Noteholder Claim and its Nominee and the Subscription Payment Amount are actually received by the Subscription Agent on or prior to the Subscription Deadline in accordance with the terms of the Plan and the Subscription Form(s). After the Subscription Deadline, all Remaining Rights Offering Stock shall be allocated to and purchased by the Rights Offering Backstop Investors, in accordance with the terms and conditions of the Backstop Commitment Agreement.

On the Subscription Commencement Date, the Subscription Agent will mail the Subscription Form to each holder of a Noteholder Claim and their applicable Nominees known as of the Rights Offering Record Date, together with appropriate instructions for the proper completion, due execution, and timely delivery of the Subscription Form, as well as instructions for the payment of the Subscription Payment Amount for that portion of the Subscription Rights sought to be exercised by such Person. The Debtors may adopt such additional detailed procedures consistent with the provisions of the Plan to more efficiently administer the exercise of the Subscription Rights. In order to exercise the Subscription Rights, each holder of a Noteholder Claim as of the Rights Offering Record Date must (i) return a duly completed Subscription Form (making a binding and irrevocable commitment to participate in the Rights Offering) to the entities specified in the applicable Subscription Form (and causing its Nominee to complete and return any required Subscription Form to the entities specified in the applicable

Nominee's Subscription Form), and (ii) cause its applicable Nominee to tender its Subscription Payment Amount by wire transfer of immediately available funds to the Subscription Agent, such that the Subscription Form(s) of the holder of a Noteholder Claim and its Nominee and the Subscription Payment Amount are actually received by the Subscription Agent on or before the Subscription Deadline. All payments for the exercise of Subscription Rights received shall be held in trust in a separate account free and clear of all liens, claims and encumbrances until the Effective Date. In the event the conditions to the Effective Date are not met or waived (and to the extent not waived, cured within ten (10) Business Days), such payments shall be promptly returned, without accrual or payment of any interest thereon, to the applicable Rights Offering Purchaser, without reduction, offset or counter-claim. If the Subscription Agent for any reason does not receive from a given holder of Subscription Rights a duly completed Subscription Form (and a duly completed Subscription Form of such holder's Nominee) and the applicable Subscription Payment Amount on or prior to the Subscription Deadline, then such holder shall be deemed to have forever and irrevocably relinquished and waived its right to participate in the Rights Offering and such rights shall be allocated to the Rights Offering Backstop Investors. On the Rights Offering Backstop Notification Date, the Subscription Agent will notify each Rights Offering Backstop Investor of its portion of the Remaining Rights Offering Stock that such Rights Offering Backstop Investor is obligated to purchase pursuant to the Rights Offering Backstop Commitment Agreement and the purchase price therefor. Each Rights Offering Backstop Investor must tender its Subscription Payment Amount for its portion of the Remaining Rights Offering Stock to the Debtors so that it is actually received on or prior to the Rights Offering Backstop Payment Date.

The Subscription Rights are not transferable or detachable, except for (a) transfers by a holder of Noteholder Claims to one or more of its affiliates or another holder of Noteholder Claims, or (b) with the consent of the Required Backstop Parties and the Debtors, to a third party; provided, that for clauses (a) and (b): (i) the Subscription Rights are issued in connection with each holder's Noteholder Claims as of the Rights Offering Record Date; (ii) no transfer, assignment or other disposition of the Subscription Rights may be made except in connection with the transfer, assignment or disposition of the corresponding Notes; (iii) upon any valid exercise of Subscription Rights and payment of the applicable Subscription Payment Amount by any Rights Offering Purchaser, such Rights Offering Purchaser shall not thereafter transfer, assign or otherwise dispose of any corresponding Notes on or prior to the Effective Date or the right to receive Rights Offering Stock prior to the distribution of such Rights Offering Stock to the applicable Rights Offering Purchaser; (iv) no transfer, assignment or other disposition of the Subscription Rights of any Rights Offering Backstop Investor may be made unless such Rights Offering Backstop Investor's transferee agrees to an assignment or transfer of such Rights Offering Backstop Investor's commitment, as set forth in the Rights Offering Backstop Commitment Agreement, to subscribe for the Rights Offering Stock in connection with such transferred Subscription Rights and (v) no assignment or transfer of a Rights Offering Backstop Investor's commitment, as set forth in the Rights Offering Backstop Commitment Agreement, may be made without the prior written consent of the Debtors unless such Rights Offering Backstop Investor's transferee is an affiliate of such Rights Offering Backstop Investor or is another Rights Offering Backstop Investor. Any transfer or detachment, or attempted transfer or detachment, in violation of this restriction will be null and void and the Debtors will not treat any purported transferee of the Subscription Rights separate from the Noteholder Claims as the holder of any Subscription Rights. Once a holder of a Noteholder Claim has exercised any of its

Subscription Rights by properly executing and delivering a Subscription Form and causing the tender of the corresponding Subscription Payment Amount to the Subscription Agent, such exercise may only be revoked, rescinded or annulled in the sole discretion of the Debtors or Reorganized Debtors.

On, or as soon as reasonably practicable after, the Effective Date, Reorganized RMC or another applicable Disbursing Agent shall distribute the Rights Offering Stock purchased by such Rights Offering Purchaser set forth in the Subscription Form or Rights Offering Backstop Investor to such Rights Offering Purchaser set forth in the Subscription Form or Rights Offering Backstop Investor. In the event the Debtors and the Required Consenting Noteholders determine that a Stockholders Agreement and/or Registration Rights Agreement will be executed and delivered in connection with the Plan, upon receipt of its Rights Offering Stock, each Rights Offering Purchaser that receives New Common Stock shall be deemed to have executed, as of the Effective Date, the Stockholders Agreement and/or Registration Rights Agreement, as applicable.

All questions concerning the timeliness, validity, form, and eligibility of any exercise, or purported exercise, of Subscription Rights shall be determined by the Debtors or Reorganized Debtors. The Debtors or Reorganized Debtors, in their reasonable discretion exercised in good faith, may waive any defect or irregularity, or permit a defect or irregularity to be corrected within such times as they may determine, or reject the purported exercise of any Subscription Rights. A Subscription Form shall be deemed not to have been received or accepted until all irregularities have been waived or cured within such time as the Debtors or Reorganized Debtors determine in their discretion reasonably exercised in good faith. The Debtors or Reorganized Debtors will use commercially reasonable efforts to give written notice to any Rights Offering Purchaser regarding any defect or irregularity in connection with any purported exercise of Subscription Rights by such Person and may permit such defect or irregularity to be cured within such time as they may determine in good faith to be appropriate; provided, however, that neither the Debtors and Reorganized Debtors nor any of their Related Persons shall incur any liability for giving, or failing to give, such notification and opportunity to cure.

The proceeds of the Rights Offering will provide $135 million in capital to the Reorganized Debtors, which shall be used to indefeasibly pay in cash in full all DIP Claims arising under the DIP Credit Agreement on the Effective Date, fund other payments required under the Plan including the Prepayment on the Effective Date, and for ordinary course operations and general corporate purposes of the Reorganized Debtors after the Effective Date.

On the Effective Date, the DIP Agent and RM Funding Escrow LLC shall execute and deliver joint written instructions to The PrivateBank and Trust Company to release the Exit Issuance Deposit to RM Funding Escrow LLC for distribution by RM Funding Escrow LLC to the Consenting Noteholders that are members of RM Funding Escrow LLC.

In consideration for the Exit Issuance Deposit, on the Effective Date, Reorganized RMC shall issue to the Consenting Noteholders that are members of RM Funding Escrow LLC their respective shares of the Exit Issuance Deposit Fee based on the amount of the total Exit Issuance Deposit they funded.

On the Effective Date, Reorganized RMC shall issue to the Consenting Noteholders that are parties to the Rights Offering Backstop Commitment Agreement their respective shares of the Exit Issuance Backstop Fee pursuant to the terms of the Rights Offering Commitment Agreement.

(c) ***Corporate Action.***

The Debtors shall continue to exist as the Reorganized Debtors on and after the Effective Date, with all of the powers of corporations, limited liability companies or limited partnerships, as the case may be, under applicable law. The certificates of incorporation or operating agreements, as applicable, of each Reorganized Debtor shall, *inter alia*, prohibit the issuance of nonvoting stock to the extent required by section 1123(a)(6) of the Bankruptcy Code. The adoption of any new or amended and restated operating agreements, certificates of incorporation and by-laws of each Reorganized Debtor and the other matters provided for under the Plan involving the corporate or entity structure of the Debtors or the Reorganized Debtors, as the case may be, or limited liability company or corporate action to be taken by or required of the Debtors or the Reorganized Debtors, as the case may be, shall be deemed to have occurred and be effective as provided herein and shall be authorized and approved in all respects, without any requirement of further action by members, stockholders or directors of the Debtors or the Reorganized Debtors, as the case may be, and shall not constitute a change of control of any Debtor for any purpose. Without limiting the foregoing, the Reorganized Debtors shall be authorized, without any further act or action required, to issue all New Common Stock and New Preferred Stock, and any instruments required to be issued hereunder, to undertake, consummate and execute and deliver any documents relating to the Restructuring Transaction and to undertake any action or execute and deliver any document contemplated under the Plan. The Confirmation Order shall provide that it establishes conclusive corporate or other authority, and evidence of such corporate or other authority, required for each of the Debtors and the Reorganized Debtors to undertake any and all acts and actions required to implement or contemplated by the Plan, including the specific acts or actions or documents or instruments identified in this Article VII, and no board, member or shareholder vote shall be required with respect thereto. Without limiting the foregoing, the Reorganized Debtors may pay the charges that they incur on or after the Effective Date for professionals' fees, disbursements, expenses or related support services without application to the Bankruptcy Court.

(d) ***Effectuating Documents and Further Transactions.***

The Debtors and the Reorganized Debtors shall be authorized to execute, deliver, file, or record such documents, contracts, instruments, and other agreements and take such other action as may be necessary to effectuate and further evidence the terms and conditions of the Plan, so long as such documents, contracts, instruments and other agreements are consistent with the Plan.

(e) ***Cancellation of Existing Securities and Agreements.***

Except for the purpose of evidencing a right to distribution under the Plan, and except as otherwise set forth therein, including in Section 12.3 of the Plan, on the Effective Date all agreements, instruments, and other documents evidencing any Claim or any Existing

Common Stock Interest, other than Intercompany Interests, and any rights of any holder in respect thereof, shall be deemed cancelled, discharged and of no force or effect.

(f) ***Intercompany Interests.***

No Intercompany Interests shall be cancelled pursuant to the Plan, and all Intercompany Interests shall continue in place following the Effective Date, solely for the purpose of maintaining the existing corporate structure of the Debtors and the Reorganized Debtors.

(g) ***Cancellation of Certain Existing Security Interests.***

Upon the full payment or other satisfaction of an Allowed Other Secured Claim, or promptly thereafter, the holder of such Allowed Other Secured Claim shall deliver to the Debtors or Reorganized Debtors (as applicable) any termination statements, instruments of satisfactions, or releases of all security interests with respect to its Allowed Other Secured Claim that may be reasonably required in order to terminate any related financing statements, mortgages, mechanic's liens, or *lis pendens*.

(h) ***Officers and Boards of Directors.***

The existing boards of directors of the Debtors shall be deemed to have resigned on and as of the Effective Date. On the Effective Date, the boards of directors of the Reorganized Debtors shall consist of those individuals that will be identified on Exhibit K to the Plan and filed as part of the Plan Supplement. The members of the board of directors of each Debtor prior to the Effective Date, in their capacities as such, shall have no continuing obligations to the Reorganized Debtors on or after the Effective Date. Following the occurrence of the Effective Date, the board of directors of each Reorganized Debtor may be replaced by such individuals as are selected in accordance with the organizational documents of such Reorganized Debtor.

On the Effective Date, the officers of the Reorganized Debtors shall consist of those individuals identified on Exhibit L to the Plan and filed as part of the Plan Supplement.

(i) ***Management Agreements and Management Equity Plan.***

As soon as reasonably practicable after the Effective Date, Reorganized RMC and certain of the Reorganized Debtors shall execute the Management Agreements.

As soon as reasonably practicable after the Effective Date, the board of directors of Reorganized RMC shall adopt the Management Equity Plan.

(j) ***Authorization, Issuance and Delivery of New Common Stock and New Preferred Stock.***

On the Effective Date, Reorganized RMC is authorized to issue or cause to be issued the New Common Stock and New Preferred Stock in accordance with the terms of the

Plan and the Amended Certificate, without the need for any further corporate or shareholder action.

On the Effective Date, Reorganized RMC shall issue and cause to be delivered the New Common Stock and New Preferred Stock at the direction of the applicable Disbursing Agent for distribution in accordance with the terms of the Plan.

In the event the Debtors and the Required Consenting Noteholders determine that a Stockholders Agreement and/or Registration Rights Agreement will be executed and delivered in connection with the Plan, upon receipt of its Pro Rata Share of the New Common Stock under the Plan, each holder of an Allowed Unsecured Claim that receives New Common Stock shall be deemed to have executed, as of the Effective Date, the Stockholders Agreement and/or Registration Rights Agreement.

In the event the Debtors and the Required Consenting Noteholders determine that a Stockholders Agreement and/or Registration Rights Agreement will be executed and delivered in connection with the Plan, upon receipt of its portion of the New Common Stock issued pursuant to the Rights Offering (including any New Common Stock issued pursuant to the Rights Offering Backstop Commitment Agreement), each Rights Offering Purchaser shall be deemed to have executed, as of the Effective Date, the Stockholders Agreement and/or Registration Rights Agreement.

(k) ***Exemption from Securities Laws.***

The issuance of New Common Stock, and New Preferred Stock pursuant to the Plan (including the Rights Offering Stock and the New Common Stock issued under the Management Equity Plan) shall be exempt from any securities laws registration requirements to the fullest extent permitted by section 1145 of the Bankruptcy Code.

(l) ***Amended and Restated Secured Credit Agreement and Exit LC Facility.***

On the Effective Date, without any requirement of further action by security holders or directors of the Debtors, each of the Reorganized Debtors shall be authorized to enter into the Amended and Restated Secured Credit Agreement and the Exit LC Facility, as well as any notes, documents or agreements required thereunder, including any documents required in connection with the creation or perfection of the liens on collateral securing the obligations arising under the Amended and Restated Secured Credit Agreement and the Exit LC Facility.

(m) ***Exemption from Certain Transfer Taxes.***

To the fullest extent permitted by applicable law, all sale transactions consummated by the Debtors and approved by the Bankruptcy Court on and after the Confirmation Date through and including the Effective Date, including the transfers effectuated under the Plan, the sale by the Debtors of any owned property pursuant to section 363(b) or 1123(b)(4) of the Bankruptcy Code, any assumption, assignment, and/or sale by the Debtors of their interests in unexpired leases of non-residential real property or executory contracts pursuant to section 365(a) of the Bankruptcy Code, and the creation, modification, consolidation or recording of any mortgage pursuant to the terms of the Plan, the Amended and Restated Secured

Credit Agreement or ancillary documents, shall constitute a "transfer under a plan" within the purview of section 1146 of the Bankruptcy Code, and shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax.

(n) ***Insurance Preservation and Proceeds.***

Nothing in the Plan, including any releases, shall diminish or impair the enforceability of any policies of insurance that may cover claims against the Debtors, the Reorganized Debtors or any other Person, and all such policies shall vest in the Reorganized Debtors as of and subject to the occurrence of the Effective Date. For the avoidance of doubt, to the extent such policies of insurance are executory contracts subject to assumption pursuant to section 365 of the Bankruptcy Code, such policies of insurance shall not be deemed assumed by the Reorganized Debtors except as set forth in Section 10.6 of the Plan, and the self-insured portion of Claims arising under any insurance policies held by the Debtors prior to the Commencement Date shall (i) as to the Debtors, be treated as Other Unsecured Claims and (ii) neither the Debtors nor the Reorganized Debtors shall be obligated to pay any deductibles or self-insured retentions or take other actions with respect thereto. The Reorganized Debtors shall continue to perform under their insurance policies in the ordinary course of business with respect to any Claims arising following the Commencement Date.

(o) ***Solicitation of Debtors.***

Notwithstanding anything to the contrary herein, each Debtor that would otherwise be entitled to vote to accept or reject the Plan as a holder of a Claim against or Interest in another Debtor shall not be solicited for voting purposes, and such Debtor will be deemed to have voted to accept the Plan.

(p) ***The Litigation Trust.***

On the Effective Date, the Debtors, the Reorganized Debtors, and/or Reorganized RMC, as the case may be, on their own behalf and on behalf of the Litigation Trust Beneficiaries shall execute the Litigation Trust Agreement and shall take all other steps necessary to establish the Litigation Trust in accordance with and pursuant to the terms of the Litigation Trust Agreement, including, without limitation, entry into and execution of the Cooperation Agreement. The Litigation Trustee shall serve in accordance with the Litigation Trust Agreement without bond or similar instrument. The Debtors, the Reorganized Debtors, and/or Reorganized RMC, as the case may be, shall transfer the Litigation Trust Assets to the Litigation Trust. Such transfer shall be exempt from any stamp, real estate transfer, mortgage reporting, sales, use or other similar tax. The Debtors, the Reorganized Debtors and Reorganized RMC shall have no liability with respect to the distribution of any proceeds of the Litigation Trust Claims to the Litigation Trust Beneficiaries, except as expressly set forth in Section 8.16 of the Plan with respect to an Employment Claim. Any recoveries on account of the Litigation Trust Claims shall be distributed to holders of the Litigation Trust Interests in accordance with the Plan and the Litigation Trust Agreement.

In connection with the transfer of the Litigation Trust Claims, any attorney-client privilege, work-product privilege or other privilege or immunity attaching to any documents or

communications (whether written or oral) shall be transferred to the Litigation Trust and shall vest in the Litigation Trustee and its representatives. The Debtors, the Reorganized Debtors and/or Reorganized RMC, as the case may be, and the Litigation Trustee are authorized to take all necessary actions to effectuate the transfer of such privileges. The Confirmation Order shall provide that the Litigation Trustee's receipt of transferred privileges shall be without waiver in recognition of the joint and/or successorship interest in prosecuting claims on behalf of the Debtors' Estates.

The transfer of the Litigation Trust Assets to the Litigation Trust shall be made, as provided herein, for the benefit of the Litigation Trust Beneficiaries. Upon the transfer of the Litigation Trust Assets, the Debtors, the Reorganized Debtors and/or Reorganized RMC, as the case may be, shall have no interest in or with respect to the Litigation Trust Assets or the Litigation Trust. To the extent that any Litigation Trust Assets cannot be transferred to the Litigation Trust because of a restriction on transferability under applicable non-bankruptcy law that is not superseded or preempted by section 1123 of the Bankruptcy Code or any other provision of the Bankruptcy Code, such Litigation Trust Assets shall be deemed to have been retained by Reorganized RMC and the Litigation Trustee shall be deemed to have been designated as a representative of Reorganized RMC pursuant to section 1123(b)(3)(B) of the Bankruptcy Code to enforce and pursue such Litigation Trust Assets on behalf of Reorganized RMC. Notwithstanding the foregoing, all net proceeds of such Litigation Trust Assets shall be transferred to the Litigation Trust to be distributed to the Litigation Trust Beneficiaries consistent with the terms of the Plan and the Litigation Trust Agreement. For the avoidance of doubt, net proceeds of Estate Accounting-Related Causes of Action shall be shared on a pro-rata basis among the Litigation Trust Beneficiaries.

The Litigation Trust shall be established for the sole purpose of liquidating the Litigation Trust Assets, in accordance with Treasury Regulation Section 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business.

The Litigation Trustee may establish a reserve on account of Claims that are Disputed. The Litigation Trustee may, for U.S. federal income tax purposes (and, to the extent permitted by law, for state and local income tax purposes), (i) make an election pursuant to Treasury Regulation section 1.468B-9 to treat such reserve as a "disputed ownership fund" within the meaning of that section, (ii) allocate taxable income or loss to such reserve, with respect to any given taxable year (but only for the portion of the taxable year with respect to which such Claims are Disputed), and (iii) distribute assets from the reserve as, when, and to the extent, such Claims that are Disputed cease to be Disputed, whether by virtue of becoming Allowed or otherwise resolved. The Litigation Trust Beneficiaries shall be bound by such election, if made by the Litigation Trustee, and as such shall, for U.S. federal income tax purposes (and, to the extent permitted by law, for state and local income tax purposes), report consistently therewith.

The Litigation Trust shall be dissolved no later than five (5) years from the Effective Date, unless the Bankruptcy Court, upon motion made within the six (6) month period prior to such fifth (5th) anniversary (and, in the event of further extension, at least six (6) months prior to the end of the preceding extension), determines that a fixed period extension (not to exceed three (3) years, together with any prior extensions, without a favorable letter ruling from

the IRS that any further extension would not adversely affect the status of the Litigation Trust as a liquidating trust for federal income tax purposes) is necessary to facilitate or complete the recovery on and liquidation of the Litigation Trust Assets.

To the extent the interests in the Litigation Trust are deemed to be "securities," the issuance of such interests under the Plan are exempt, pursuant to section 1145 of the Bankruptcy Code, from registration under the Securities Act of 1933, as amended, and any applicable state and local laws requiring registration of securities.

(q) ***The Creditor Representative Fund.***

On the Effective Date, the Debtors, the Reorganized Debtors, and/or Reorganized RMC, as the case may be, shall transfer the Creditor Representative Assets to the Creditor Representative Fund, which shall be a fund administered by the Creditor Representative for purposes of (i) participating in the Claims resolution process and (ii) liquidating the Litigation Trust Assets, including, without limitation, funding the administrative and professional costs incurred by the Litigation Trust. Such transfer shall be exempt from any stamp, real estate transfer, mortgage reporting, sales, use or other similar tax. The Debtors, the Reorganized Debtors and Reorganized RMC shall have no liability with respect to the distribution of any proceeds from the Creditor Representative Fund. The Creditor Representative and the Creditor Representative Fund shall be governed by the terms of this Plan and the Creditor Representative Plan Supplement.

(r) ***No Consent to Change of Control Required.***

Notwithstanding anything to the contrary herein or in the Plan, none of (a) the facts or circumstances giving rise to the commencement of, or occurring in connection with, the Reorganization Cases, (b) the issuance of the New Common Stock or New Preferred Stock pursuant to the Plan, or (c) implementation or consummation of any other transaction pursuant to the Plan shall constitute a "change in ownership" or "change of control" (or a change in working control) of, or in connection with, any Debtor or Reorganized Debtor requiring the consent of any Person other than the Debtors or the Bankruptcy Court, including in connection with any local municipal licensing arrangement or under any executory contract or other agreement (whether entered into before or after the Commencement Date) between any Debtor and any third party, or any law (including the common law), statute, rule or any other regulation otherwise applicable to any Debtor.

6.9 ***Distributions.***

(a) ***Distributions.***

The Disbursing Agent shall make all Plan Distributions to the appropriate holders of Allowed Claims, free and clear of all liens, claims and encumbrances; provided, however, that (i) all Plan Consideration distributable to the Secured Lenders on account of the Allowed Secured Lender Claims shall be made to the Secured Credit Agreement Administrative Agent for further distribution to the Secured Lenders; and (ii) any distributions of Plan Consideration in respect of which the Notes Trustee is the Disbursing Agent which consist of physical certificates and/or is distributable to holders of Allowed Noteholder Claims other than Depository Trust

Company Participants, shall be made by the Reorganized Debtors in accordance with information provided by the Disbursing Agent.

(b) ***Delivery of Distributions on Account of DIP Claims.***

Distributions on account of DIP Claims (to the extent not previously paid) shall be made on the Effective Date by the Reorganized Debtors or the Debtors, as applicable, to the DIP Agent. The DIP Agent shall act as the Disbursing Agent and distribute the relevant Plan Distributions to holders of Allowed DIP Claims, pursuant to the terms of the Plan.

(c) ***Distributions on Account of Allowed Claims Only.***

Notwithstanding anything herein to the contrary, no Plan Distribution shall be made on account of a Claim until such Claim becomes an Allowed Claim. Further notwithstanding anything to the contrary, no Plan Distribution shall be made on account of a Claim, even if such Claim becomes an Allowed Claim, to the extent a Litigation Trust Claim, Estate Accounting-Related Cause of Action, or Business Cause of Action is being pursued against the holder of such Claim or Allowed Claim and has not been finally disposed.

(d) ***No Postpetition Interest on Claims.***

Unless otherwise specifically provided for in the Confirmation Order or the DIP Order, or required by applicable bankruptcy law, postpetition interest shall not accrue or be paid on any Claims, and no holder of a Claim shall be entitled to interest accruing on such Claim on or after the Commencement Date.

(e) ***Date of Distributions.***

Unless otherwise provided herein, any distributions and deliveries to be made under the Plan shall be made on the later of (i) the Effective Date and (ii) the first Business Day after the date a Claim becomes an Allowed Claim, or as soon thereafter as is reasonably practicable (but no later than thirty (30) days after the date such Claim becomes an Allowed Claim). In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on or as soon as reasonably practicable after the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

(f) ***Distribution Record Date.***

As of the close of business on the applicable Distribution Record Date, the various lists of holders of Claims in each of the Classes, as maintained by the Debtors, the Administrative Agents, the Notes Trustee or their respective agents, shall be deemed closed and there shall be no further changes in the record holders of any of the Claims. The Debtors shall have no obligation to recognize any transfer of Claims occurring after the close of business on the applicable Distribution Record Date. Additionally, with respect to payment of any Cure Amounts or any Cure Disputes in connection with the assumption and/or assignment of the Debtors' executory contracts and unexpired leases, the Debtors shall have no obligation to recognize or deal with any party other than the non-Debtor party to the underlying executory

contract or unexpired lease, even if such non-Debtor party has sold, assigned or otherwise transferred its Claim for a Cure Amount.

(g) ***No Recourse.***

No holder of any Claim shall have recourse to the Reorganized Debtors (or any property thereof), other than with regard to Plan Distributions and the enforcement of rights under the Plan.

(h) ***Method of Cash Distributions.***

Any Cash payment to be made pursuant to the Plan will be in U.S. dollars and may be made by draft, check, or wire transfer, in the sole discretion of the Debtors or the Reorganized Debtors, or as otherwise required or provided in any relevant agreement or applicable law.

(i) ***Fractional Shares.***

No fractional shares of New Common Stock shall be distributed. When any distribution would otherwise result in the issuance of a number of shares of New Common Stock that is not a whole number, the shares of the New Common Stock subject to such distribution will be rounded to the next higher or lower whole number as follows: (a) fractions equal to or greater than ½ will be rounded to the next higher whole number; and (b) fractions less than ½ will be rounded to the next lower whole number. The total number of shares of New Common Stock to be distributed on account of Allowed Claims will be adjusted as necessary to account for the rounding provided for in the Plan. No consideration will be provided in lieu of fractional shares that are rounded down.

(j) ***No Distribution in Excess of Allowed Amount of Claim.***

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

(k) ***Disputed Payments.***

If any dispute arises as to the proper disbursement of Plan Consideration, including the identity of a holder of an Allowed Claim who is to receive any Plan Distribution, the Reorganized Debtors may, in lieu of making such Plan Distribution, make such Plan Distribution into a segregated account until the disposition thereof shall be determined by Bankruptcy Court order or by written agreement among the interested parties.

(l) ***Setoffs and Recoupments.***

Each Reorganized Debtor, or such entity's designee as instructed by such Reorganized Debtor, after consultation with the Creditor Representative, may, pursuant to section 553 of the Bankruptcy Code or applicable non-bankruptcy law, set off and/or recoup against any Allowed Claim, and the Plan Distributions to be made pursuant to the Plan on

account of such Allowed Claim, any and all claims, rights and causes of action that a Reorganized Debtor or its successors may hold against and have been asserted in writing against the holder of such Allowed Claim after the Effective Date, provided that any setoff or recoupment against Plan Distributions must be asserted in writing by the Reorganized Debtors prior to the date such Plan Distributions become payable pursuant to the terms of the Plan. In the absence of a written objection by such holder of an Allowed Claim within fifteen (15) days of the delivery of such a writing from a Reorganized Debtor or its successors, it shall be conclusively presumed that the requirements for disallowance of a Claim under section 502(d) of the Bankruptcy Code or setoff or recoupment under applicable law have been satisfied. If the holder of such Allowed Claim timely responds to the Reorganized Debtors' written assertion that setoff or recoupment against such holder is not appropriate, the party asserting such right must seek an order of the Bankruptcy Court allowing such setoff or recoupment; provided, however, that neither the failure to effect a setoff or recoupment nor the allowance of any Claim hereunder will constitute a waiver or release by a Reorganized Debtor or its successor of any and all claims, rights, defenses and causes of action that a Reorganized Debtor or its successor may possess against such holder.

(m) ***Delivery of Distributions.***

Unless otherwise provided for under the Plan (including Section 8.1(b) therein), on, or as promptly as reasonably practicable after, the Effective Date, the Disbursing Agent will issue, or cause to be issued, and authenticate, as applicable, the applicable Plan Consideration, and, except as otherwise provided in this Article VIII (including Section 8.1(b) therein), make all distributions or payments to any holder of an Allowed Claim to the relevant Distribution Address.

(n) ***Unclaimed Property.***

The Reorganized Debtors or applicable Disbursing Agent shall hold all Unclaimed Property (and all interest, dividends, and other distributions thereon), for the benefit of the holders of Claims entitled thereto under the terms of the Plan; provided, however, that any Unclaimed Property consisting of New Common Stock in respect of which the Notes Trustee is the Disbursing Agent shall be held by the Reorganized Debtors. If a holder of an Allowed Claim notifies the Reorganized Debtors or applicable Disbursing Agent, in accordance with Section 13.17 of the Plan, of such holder's then-current address, such holder shall be entitled to all Plan Distributions owed to such holder of an Allowed Claim (and all interest, dividends, and other distribution thereon accrued during the time such Plan Consideration was Unclaimed Property). At the end of one (1) year following the later of (a) the Effective Date, and (b) the date a Claim is first Allowed, the holders of Allowed Claims theretofore entitled to Unclaimed Property held pursuant to this section shall be deemed to have forfeited such property, whereupon all right, title and interest in and to such property shall immediately and irrevocably revest in the Reorganized Debtors, such holders shall cease to be entitled thereto and: (a) any such Unclaimed Property that is Cash (including Cash interest, maturities, dividends and the like) shall be property of the Reorganized Debtors free of any restrictions thereon; and (b) any New Common Stock or New Preferred Stock that is Unclaimed Property shall be cancelled. The Reorganized Debtors or the applicable Disbursing Agent shall have no obligation to attempt to locate any holder of an Allowed Claim other than by reviewing the Debtors' books and records, proofs of Claim filed

against the Debtors, or relevant registers maintained for such Claims; rather, such Unclaimed Property shall be reallocated to other creditors holding Allowed Other Unsecured Claims that do not elect to receive New Common Stock pursuant to Section 5.5(a)(i) of the Plan.

(o) ***Distribution Minimum.***

Neither the Reorganized Debtors, nor any applicable Disbursing Agent, shall have any obligation to make a distribution that is less than one (1) share of New Common Stock, one (1) share of New Preferred Stock, or $20.00 in Cash, as may be applicable. For the avoidance of doubt, if the distributions payable or that become payable to a holder of an Allowed Claim are, in the aggregate, $20.00 or more in Cash, the Reorganized Debtors or the applicable Disbursing Agent shall be obligated to make the distribution to such holder on the first Monthly Distribution Date after such holder becomes entitled to the aggregate distribution of $20.00 or more in Cash.

(p) ***Withholding Taxes.***

Any federal or state withholding taxes or other amounts required to be withheld under any applicable law shall be deducted and withheld from any Plan Distributions. All Persons holding Claims shall be required to provide any information necessary to effect the withholding of such taxes. Notwithstanding any other provision of the Plan, except as set forth in Section 8.16 of the Plan, (a) each holder of an Allowed Claim that is to receive a distribution under the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding and other tax obligations on account of such distribution, and (b) no Plan Distributions shall be required to be made to or on behalf of such holder pursuant to the Plan unless and until such holder has made arrangements satisfactory to the Reorganized Debtors for the payment and satisfaction of such tax obligations or has, to the Reorganized Debtors' satisfaction, established an exemption therefrom. Notwithstanding the foregoing, the Reorganized Debtors shall be solely responsible for the employer portion of all taxes and like obligations (including, without limitation, social security, Medicare, unemployment, and disability) payable to a governmental authority that are required to be paid with respect to the holder of an Allowed Claim to the extent such Allowed Claim arises from wages or other remuneration in connection with the performance of services as an employee of the Debtors for any period prior to the Effective Date (an "**Employment Claim**"); for the avoidance of doubt, the obligations of the Reorganized Debtors hereunder shall apply equally to all payments made in respect of an Employment Claim, whether made in Cash or in property under the Plan, and including a payment in respect of an Employment Claim made from the Litigation Trust. The Reorganized Debtors and the Litigation Trustee further agree to cooperate, each at their own expense, with all reasonable requests for assistance and information, including the mechanics of remitting and reporting on a timely basis, with respect to each Employment Claim.

(q) ***Rights and Powers of Disbursing Agent.***

(a) Powers of the Disbursing Agent. The Disbursing Agent shall be empowered to (i) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan, (ii) make all Plan Distributions or payments contemplated hereby, (iii) employ professionals to represent it with respect to its responsibilities,

and (iv) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court (including any order issued after the Effective Date), pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions hereof.

(b) Expenses Incurred On or After the Effective Date. Except as otherwise ordered by the Bankruptcy Court, and subject to the written agreement of the Reorganized Debtors, the amount of any reasonable fees and expenses incurred by the Disbursing Agent on or after the Effective Date (including taxes) and any reasonable compensation and expense reimbursement claims (including reasonable attorney and other professional fees and expenses) made by the Disbursing Agent shall be paid in Cash by the Reorganized Debtors.

6.10 ***Procedures for Resolving Claims.***

(a) ***Objections to and Resolution of Claims.***

The Reorganized Debtors, in consultation with the Creditor Representative as set forth herein, shall be entitled to make and to file objections to, otherwise contest the allowance of, or otherwise settle or compromise Claims (other than Allowed Claims). Any objections to, or other proceedings concerning the allowance of, Claims (other than Rejection Damages Claims, Fee Claims and Administrative Expense Claims) that have been filed on or before the Confirmation Date, shall be filed and served upon the holders of the Claims as to which the objection is made, or otherwise commenced, as the case may be, as soon as reasonably practicable, but in no event later than the Claims Objection Deadline (as may be extended by the Bankruptcy Court upon a motion of the Reorganized Debtors). Objections to, or other proceedings contesting the allowance of, Claims (other than Fee Claims) may be litigated to judgment, settled or withdrawn by the Reorganized Debtors, in consultation with the Creditor Representative. The Reorganized Debtors, in consultation with the Creditor Representative, may settle any such objections or proceedings or otherwise settle or compromise Claims without Bankruptcy Court approval or may seek Bankruptcy Court approval without notice to any Person, except as set forth herein.

Any Claims filed after the Bar Date or Administrative Bar Date, as applicable, shall be deemed Disallowed and expunged in their entirety without further order of the Bankruptcy Court or any action being required on the part of the Debtors or the Reorganized Debtors, unless the Person or entity wishing to file such untimely Claim has received prior Bankruptcy Court authorization to do so. In the event any proof of such untimely Claim is so permitted by the Bankruptcy Court, the Reorganized Debtors, in consultation with the Creditor Representative, shall have until the later of thirty (30) days from the date of such Bankruptcy Court authorization or the Claims Objection Deadline (as may be extended by the Bankruptcy Court upon a motion of the Reorganized Debtors) to object to such Claim.

An objection to a Claim shall be deemed properly served on the claimant if the objecting party effects service in any of the following manners: (a) in accordance with Rule 4 of the Federal Rules of Civil Procedure, as modified and made applicable by Bankruptcy Rule 7004; (b) by first class mail, postage prepaid, on the signatory on the proof of claim as well as all

other representatives identified in the proof of claim or any attachment thereto; or (c) by first class mail, postage prepaid, on any counsel that has appeared on the claimant's behalf in the Reorganization Cases (so long as such appearance has not been subsequently withdrawn).

The Reorganized Debtors shall be responsible for (and shall bear the sole expense of) identifying and objecting to Other Unsecured Claims that are inconsistent with the Debtors' books and records or otherwise objectionable, and shall carry out this role in good faith and in a manner consistent with its obligations to their Estates and creditors of the Estates. The Creditor Representative shall have oversight, consultation, and objection rights in connection with the Claims resolution process. If the Creditor Representative objects to a proposed compromise, settlement, resolution or withdrawal of an objection by the Reorganized Debtors with respect to an Other Unsecured Claim, it may give notice of such objection and a hearing shall be scheduled before the Bankruptcy Court to resolve the objection. Notwithstanding the foregoing, solely with respect to any asserted indemnity claims of professionals or advisors that may be asserted against the Debtors related to the acquisition of the Debtors in June, 2011 by affiliates of Warburg Pincus, LLC, any asserted severance-related claims of Michael P. DiMino or Christopher E. Kevane, any asserted claims relating to the certified class action entitled Bowers Companies Wage and Hour Case, and any other asserted claims that the Reorganized Debtors may seek to resolve in a manner that would give the claimant an Allowed Other Unsecured Claim in an amount of $1,750,000 or greater, the Reorganized Debtors shall not seek to resolve such claims without the affirmative written consent of the Creditor Representative, which consent shall not be unreasonably withheld.

(b) ***Disputed Claims***

(a) No Distributions or Payments Pending Allowance.

Except as provided in Section 9.2 of the Plan, Disputed Claims shall not be entitled to any Plan Distributions, unless and until such Claims become Allowed Claims.

(b) Establishment of Disputed Claims Reserve.

On the Effective Date or as soon thereafter as is reasonably practicable, the Reorganized Debtors shall set aside and reserve, for the benefit of each holder of a Disputed Claim, Cash or New Common Stock in an amount equal to the Plan Distribution to which the holder of such Disputed Claim would be entitled if such Disputed Claim were an Allowed Claim in an amount equal to (i) the amount of such Claim as estimated by the Bankruptcy Court pursuant to an Estimation Order, (ii) if no Estimation Order has been entered with respect to such Claim, the amount in which such Disputed Claim is proposed to be allowed in any pending Claims objection, or (iii) if no Estimation Order has been entered with respect to such Claim, and no objection to such Claim is pending on the Effective Date, (A) the amount listed in the Debtors' schedules of assets and liabilities filed in the Reorganization Cases or (B) if a timely filed proof of claim or application for payment has been filed with the Bankruptcy Court or Claims Agent, as applicable, the amount set forth in such timely filed proof of claim or application for payment. In addition, the Reorganized Debtors shall set aside and reserve, for the benefit of each holder of a Rejection Damages Claim for which the deadline to file and serve a proof of claim evidencing such Rejection Damages Claim (pursuant to Section 10.2 of the Plan)

occurs after the Effective Date, an amount equal to the Debtors' good faith estimate of the Plan Distribution to which the holder of such Rejection Damages Claim would be entitled if such Rejection Damages Claim were to become an Allowed Claim. Such reserved amounts, collectively, shall constitute the "Disputed Claims Reserve." For the avoidance of doubt, the Debtors or the Reorganized Debtors, as applicable, shall not be required to reserve any Cash or other consideration on account of any Disputed Claim the Debtors or the Reorganized Debtors, as applicable, reasonably believe is covered by insurance. Notwithstanding anything in Section 9.2 to the Plan to the contrary, with respect to holders of Disputed Claims that may be entitled to a distribution of Other Unsecured Cash, on the Effective Date, the Reorganized Debtors shall set aside the maximum potential amount of the Other Unsecured Cash (i.e., $5 million) in a segregated account held in trust for the benefit of Allowed Other Unsecured Claims that elect to receive Other Unsecured Cash, which shall be free and clear of any and all liens, claims, pledges, charges, or encumbrances, including any liens securing the exit facilities, and not subject in any way to attachment, seizure or setoff; provided, however, to the extent and at such time as Allowed Other Unsecured Claims that elected to receive Other Unsecured Cash, plus non-contingent and liquidated Disputed Other Unsecured Claims that elected to receive Other Unsecured Cash, is less than $40 million, then, at such time (which time shall be no earlier than 185 days after the Commencement Date), any amount in the segregated account reserved to make payments on account of Allowed Other Unsecured Claims in excess of Other Unsecured Cash shall become the sole and exclusive property of the Reorganized Debtors.

(c) Plan Distributions to Holders of Subsequently Allowed Claims.

On the first Business Day after the date a Disputed Claim becomes an Allowed Claim, or as soon thereafter as is reasonably practicable (but no later than thirty (30) days after the date such Disputed Claim becomes an Allowed Claim), subject to Section 9.2 of the Plan, the Disbursing Agent will make distributions or payments on account of any such Disputed Claim that has become an Allowed Claim. The Disbursing Agent shall distribute in respect of such newly Allowed Claims the Plan Consideration as to which such Claims would have been entitled under the Plan if such newly Allowed Claims were fully or partially Allowed, as the case may be, on the Effective Date, plus any dividends distributed thereon between the Effective Date and the date such Disputed Claim became an Allowed Claim, less direct and actual expenses, fees or other direct costs incurred by the Debtors, the Reorganized Debtors or the Creditor Representative resolving such Disputed Claims.

(d) Distribution of the Disputed Claims Reserve Upon Disallowance.

To the extent any Disputed Claim has become Disallowed in full or in part (in accordance with the procedures set forth in the Plan), any Plan Consideration held by the Reorganized Debtors on account of, or to pay, such Disputed Claim shall become the sole and exclusive property of the Reorganized Debtors. Notwithstanding the foregoing, if Other Unsecured Cash equals either (i) Cash in the amount of $4.0 million (if the ultimate aggregate amount of Allowed Other Unsecured Claims that elect to receive Other Unsecured Cash is less than $32 million), or (ii) Cash in the amount of $5.0 million (if the ultimate aggregate amount of Allowed Other Unsecured Claims that elect to receive Other Unsecured Cash is greater than $40 million), Other Unsecured Cash that is Plan Consideration held by the Reorganized Debtors, in accordance with the provisions in the Plan, on account of, or to pay, a Disputed Claim that has

become Disallowed, shall not become the property of the Reorganized Debtors; rather, such Other Unsecured Cash shall be reallocated to other creditors holding Allowed Other Unsecured Claims that do not elect to receive New Common Stock pursuant to section 5.5(a)(i) of the Plan; provided, however, to the extent and at such time as Allowed Other Unsecured Claims that elected to receive Other Unsecured Cash, plus non-contingent and liquidated Disputed Other Unsecured Claims that elected to receive Other Unsecured Cash, is less than $40 million, then, at such time, any amount in the segregated account reserved to make payments on account of Allowed Other Unsecured Claims in excess of Other Unsecured Cash shall become the sole and exclusive property of the Reorganized Debtors.

(c) ***Estimation of Claims.***

Any Debtor, Reorganized Debtor, in consultation with the Creditor Representative, or holder of a Claim may request that the Bankruptcy Court estimate Claims pursuant to section 502(c) of the Bankruptcy Code for purposes of determining the Allowed amount of such Claim regardless of whether any Person has previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate Claims for purposes of determining the Allowed amount of such Claims at any time. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim for allowance purposes, that estimated amount will constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Debtors or the Reorganized Debtors, in consultation with the Creditor Representative, may elect to pursue any supplemental proceedings to object to any ultimate payment on such Claim. All of the objection, estimation, settlement, and resolution procedures set forth in the Plan are cumulative and not exclusive of one another.

(d) ***Expenses Incurred On or After the Effective Date.***

Except as otherwise ordered by the Bankruptcy Court, and subject to the written agreement of the Reorganized Debtors, the amount of any reasonable, actual fees and expenses incurred by any Professional Person or the Claims Agent in connection with implementation of the Plan after the Effective Date, including reconciliation of, objection to, and settlement of Claims, shall be paid in Cash by the Reorganized Debtors.

6.11 ***Executory Contracts and Unexpired Leases.***

(a) ***General Treatment.***

As of and subject to the occurrence of the Effective Date and the payment of the applicable Cure Amount, all executory contracts and unexpired leases to which any Debtor is a party shall be deemed assumed, except for any executory contracts or unexpired leases that: (a) previously have been assumed or rejected pursuant to a Final Order of the Bankruptcy Court; (b) are designated specifically as an executory contract or unexpired lease to be rejected on the Schedule of Rejected Contracts and Leases, if any; or (c) are the subject of a separate motion to assume or reject under section 365 of the Bankruptcy Code pending on the Effective Date. As of and subject to the occurrence of the Effective Date, all contracts identified on the Schedule of

Rejected Contracts and Leases shall be deemed rejected. Subject to the occurrence of the Effective Date, entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such assumptions and rejections pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Each executory contract and unexpired lease assumed pursuant to Section 10.1 of the Plan shall revest in and be fully enforceable by the applicable Reorganized Debtor in accordance with its terms, except as modified by the provisions of the Plan, or any order of the Bankruptcy Court authorizing and providing for its assumption or applicable federal law.

For avoidance of doubt, insurance policies of the Debtors shall not be deemed executory contracts and, except as expressly provided in Section 10.6 of the Plan, such policies of insurance shall not be deemed assumed by the Reorganized Debtors.

(b) ***Claims Based on Rejection of Executory Contracts or Unexpired Leases.***

All Rejection Damages Claims, if any, will be treated as Other Unsecured Claims. Upon receipt of the Plan Distribution provided in Section 5.5 of the Plan, all Rejection Damages Claims shall be discharged as of the Effective Date, and shall not be enforceable against the Debtors, the Reorganized Debtors or their respective properties or interests in property. In the event that the rejection of an executory contract or unexpired lease by any of the Debtors pursuant to the Plan results in damages to the other party or parties to such contract or lease, any Rejection Damages Claim on account of such damages, if not evidenced by a timely filed proof of claim, shall be forever barred and shall not be enforceable against the Debtors or the Reorganized Debtors, or their respective properties or interests in property as agents, successors or assigns, unless a proof of claim is filed with the Bankruptcy Court and served upon counsel for the Debtors, the Reorganized Debtors, and the Creditor Representative, respectively, on or before the date that is thirty (30) days after the effective date of such rejection (which may be the Effective Date or the date on which the Debtors reject the applicable contract or lease pursuant to an order of the Bankruptcy Court).

Section 9.1 of the Plan shall govern the objection to, other contest of the allowance of, or other settlement or compromise of Rejection Damages Claims, provided, however, that the Claims Objection Deadline for Rejection Damages Claims shall be (i) if the effective date of such rejection is the Effective Date, the first Business Day that is ninety (90) days after the Effective Date; (ii) if the effective date of such rejection is another date, the First Business Day that is ninety (90) days after the effective date of such rejection or as otherwise provided by the order of the Bankruptcy Court rejecting the applicable contract or lease.

(c) ***Cure of Defaults for Assumed Executory Contracts and Unexpired Leases.***

The Debtors shall cause the *Notice of (I) Possible Assumption of Contracts and Leases, (II) Fixing of Cure Amounts, and (III) Deadline to Object Thereto* (the "**Cure Notice**"), in a form substantially similar to the form attached to the Disclosure Statement Order, to be served on the non-Debtor parties to all executory contracts and unexpired leases to be assumed as part of the Plan no later than twenty (20) days prior to the commencement of the Confirmation Hearing. Among other things, the Cure Notice shall set forth the amount that the Debtors believe must be paid in order to cure all monetary defaults under each of the executory contracts and unexpired leases to be assumed as part of the Plan.

The non-Debtor parties to the Assumed Executory Contracts and Unexpired Leases shall have until 5:00 p.m. (prevailing Eastern Time) on the date established by the Disclosure Statement Order (the "**Cure Objection Deadline**"), which deadline may be extended in the sole discretion of the Debtors, to object (a "**Cure Objection**") to the (i) Cure Amounts listed by the Debtors and to propose alternative Cure Amounts, and/or (ii) proposed assumption of the Assumed Executory Contracts and Unexpired Leases under the Plan; provided, however, that if the Debtors amend the Cure Notice or any related pleading that lists the executory contracts and unexpired leases to add a contract or lease or to reduce the Cure Amount thereof, except where such reduction was based upon the mutual agreement of the parties, the non-Debtor party thereto shall have at least seven (7) days after service of such amendment to object thereto or to propose an alternative Cure Amount.

If a Cure Objection is timely filed and the parties are unable to settle such Cure Objection (each, a "**Cure Dispute**"), the Bankruptcy Court shall determine the amount of any disputed Cure Amount(s) or objection to assumption at a hearing to be held at the time of the Confirmation Hearing or such other hearing date to which the parties may mutually agree or as ordered by the Bankruptcy Court. The Debtors may, in their sole discretion, extend the Cure Objection Deadline without further notice, but are not obligated to do so.

In the event that no Cure Objection is timely filed with respect to an Assumed Executory Contract or Unexpired Lease to be assumed under the Plan, the counterparty to such Assumed Executory Contract or Unexpired Lease shall be deemed to have consented to the assumption of such executory contract or unexpired lease and the Cure Amount proposed by the Debtors and shall be forever enjoined and barred from seeking any additional amount(s) on account of the Debtors' cure obligations under section 365 of the Bankruptcy Code or otherwise from the Debtors, their Estates or the Reorganized Debtors; provided, however, that the counterparty to such executory contract or unexpired lease may seek additional amount(s) on account of any defaults occurring between the filing of the Cure Notice and the occurrence of the Effective Date of the Plan.

The inclusion of an executory contract or unexpired lease in the Cure Notice is without prejudice to the Debtors' right to modify their election to assume or to reject such executory contract or unexpired lease prior to the entry of a Final Order (which Final Order may be the Confirmation Order) approving the assumption of any such executory contract or unexpired lease, and inclusion in the Cure Notice is not a final determination that any executory contract or unexpired lease will, in fact, be assumed.

(d) ***Surety Agreements.***

As of and subject to the occurrence of the Effective Date, the Reorganized Debtors shall assume the Surety Agreements to the extent they are executory contracts, and if any Surety Agreement is not subject to assumption pursuant to section 365 of the Bankruptcy Code, such Surety Agreement shall vest in the Reorganized Debtors on the Effective Date. For the avoidance of doubt, upon the Effective Date or within thirty (30) days thereafter, upon request from a surety that has provided surety bonds to the Debtors prior to or during the Reorganization Cases, the Reorganized Debtors shall reaffirm all of the Debtors' obligations and duties under the pre-petition surety indemnity agreements. Further, any Claims arising from or

relating to the Surety Agreements entered into prior the Commencement Date shall be deemed to be unimpaired by the Plan.

(e) ***Pension Plan.***

For the avoidance of doubt, the Pension Plan shall not be modified or affected by any provision of the Plan and shall be continued after the Effective Date in accordance with its terms. The Debtors or the Reorganized Debtors shall satisfy the minimum funding standards pursuant to 26 U.S.C. §§ 412, 430, and 29 U.S.C. § 1082, 1083 and be liable for the payment of PBGC premiums in accordance with 29 U.S.C. §§ 1306 and 1307 subject to any and all applicable rights and defenses of the Debtors or the Reorganized Debtors, and administer the Pension Plan in accordance with the provisions of ERISA and the Internal Revenue Code. In the event that the Pension Plan terminates after the Effective Date, the Reorganized Debtors and each of its controlled group members will be responsible for the liabilities imposed by Title IV of ERISA, to the extent provided for therein.

Notwithstanding any provision in the Plan, Disclosure Statement or the Confirmation Order, neither the Plan, the Disclosure Statement, or the Confirmation Order will (1) release, discharge or exculpate any party with respect to "controlled group liability" owed to the Pension Plan or PBGC under ERISA or the Internal Revenue Code; (2) release, discharge or exculpate any party for fiduciary breach related to the Pension Plan; or (3) enjoin or prevent the Pension Plan and the PBGC from collecting such liability from a liable party or any controlled members.

(f) ***ACE Insurance Program.***

Notwithstanding anything to the contrary in the Disclosure Statement, the Plan, the Plan Documents, Plan Supplement, or the Confirmation Order (including, without limitation, any other provision that purports to be preemptory or supervening or grants an injunction or release): (a) on the Effective Date, the Reorganized Debtors shall assume the ACE Insurance Program in its entirety under 11 U.S.C. §§ 105 and 365 to the extent the underlying agreements are executory contracts, and if any insurance policies, agreements, documents or instruments relating thereto are not subject to assumption pursuant to section 365 of the Bankruptcy Code, such instruments shall vest in the Reorganized Debtors on the Effective Date; (b) nothing in the Disclosure Statement, the Plan, the Plan Documents, Plan Supplement, or the Confirmation Order alters, modifies or otherwise amends the terms and conditions of (or the coverage provided by) the ACE Insurance Program, except that as of the Effective Date, the Reorganized Debtors shall become and remain liable for all of the Debtors' obligations and liabilities under the ACE Insurance Program, whether now existing or hereafter arising, including, without limitation, the duty to continue to provide collateral and security, pay deductibles and/or SIRs as applicable and as required by the ACE Insurance Program; (c) nothing in the Disclosure Statement, the Plan, the Plan Documents, Plan Supplement, the Confirmation Order, any prepetition or administrative claim bar date order (or notice) or claim objection order alters or modifies the duty, if any, that the ACE Companies have to pay claims covered by the ACE Insurance Program and seek payment or reimbursement from the Debtors (or after the Effective Date, the Reorganized Debtors) or draw on the collateral or security therefor; (d) the claims of the ACE Companies arising (whether before or after the Effective Date) under the ACE Insurance Program (i) shall be

paid in full by the Debtors (or after the Effective Date, by the Reorganized Debtors) in the ordinary course of business in accordance with the ACE Insurance Program, and (ii) shall not be discharged or released by the Plan or the Confirmation Order; (e) the ACE Companies shall not need to or be required to file or serve a Cure Dispute or a request, application, claim, proof or motion for payment and shall not be subject to the any bar date or similar deadline governing Cure Amounts or Claims; and (f) the automatic stay of Bankruptcy Code section 362(a) and the injunctions set forth in Article XII of the Plan, if and to the extent applicable, shall be deemed lifted without further order of this Court, solely to permit: (A) claimants with valid workers' compensation claims covered by the workers' compensation policies to proceed with their claims; (B) the ACE Companies to administer, handle, defend, settle, and/or pay, in the ordinary course of business and without further order of this Court, (i) all valid workers' compensation claims arising under the workers' compensation policies issued by any of the ACE Companies, (ii) all claims where a claimant asserts a direct claim against the ACE Companies under applicable law, the claimant has been awarded a judgment and the applicable policy contains an MCS-90 endorsement, or an order has been entered by this Court granting a claimant relief from the automatic stay to proceed with its claim and (iii) all costs in relation to each of the foregoing; (C) the ACE Companies to draw against any or all of the collateral or security provided by or on behalf of the Debtors (or the Reorganized Debtors, as applicable) at any time and to hold the proceeds thereof as security for the obligations of the Debtors (and the Reorganized Debtors, as applicable) to the ACE Companies and/or apply such proceeds to the obligations of the Debtors (and the Reorganized Debtors, as applicable) under the ACE Insurance Program, in such order as the ACE Companies may determine; and (D) the ACE Companies to (i) cancel any policies under the ACE Insurance Program, and (ii) take other actions relating thereto, to the extent permissible under applicable non-bankruptcy law, each in accordance with the terms of the ACE Insurance Program.

6.12 ***Conditions Precedent to Confirmation and Consummation of the Plan.***

(a) ***Conditions Precedent to Confirmation.***

Confirmation of the Plan is subject to:

1. this Disclosure Statement having been approved by the Bankruptcy Court as having adequate information in accordance with section 1125 of the Bankruptcy Code;

2. entry of the Confirmation Order in form and substance reasonably satisfactory to the Debtors, the Required Consenting Lenders, the Required Consenting Noteholders and (solely with respect to the Committee Plan Issues) the Creditors' Committee;

3. the Plan Documents in form and substance reasonably satisfactory to the Debtors, the Required Consenting Lenders, the Required Consenting Noteholders and the Creditors' Committee (in each case, to the extent set forth in Section 1.122 of the Plan) having been filed in substantially final form prior to the Confirmation Hearing, and all conditions to Plan confirmation contained therein shall have been satisfied; and

4. the Restructuring Support Agreement remaining in full force and effect, and not having been terminated.

(b) ***Conditions Precedent to the Effective Date.***

The occurrence of the Effective Date is subject to:

1. the Confirmation Order in form and substance reasonably satisfactory to the Debtors, the Required Consenting Lenders, the Required Consenting Noteholders and (solely with respect to the Committee Plan Issues) the Creditors' Committee having been entered;

2. the Confirmation Order in form and substance reasonably satisfactory to the Debtors, the Required Consenting Lenders, the Required Consenting Noteholders and (solely with respect to the Committee Plan Issues) the Creditors' Committee having become a Final Order;

3. the Plan Documents in form and substance reasonably satisfactory to the Debtors, the Required Consenting Lenders, the Required Consenting Noteholders and the Creditors' Committee (in each case, to the extent set forth in Section 1.122 of the Plan) having been executed and delivered, and any conditions (other than the occurrence of the Effective Date or certification by the Debtors that the Effective Date has occurred) contained therein having been satisfied or waived in accordance therewith;

4. all material governmental, regulatory and third party approvals, waivers and/or consents in connection with the Plan, if any, having been obtained and remaining in full force and effect, and there existing no claim, action, suit, investigation, litigation or proceeding, pending or threatened in any court or before any arbitrator or governmental instrumentality, which would prohibit the consummation of the Plan;

5. (i) the Amended and Restated Secured Credit Agreement, Backstop Term Loan, Exit LC Facility, and all other Plan Documents having been executed and/or consummated, and being in full force and effect, and (ii) the extension of credit under the Amended and Restated Secured Credit Agreement, the Backstop Term Loan and the Exit LC Facility being available upon (and subject to) the Effective Date;

6. the Debtors having cash on hand as of the Effective Date of at least $20 million;

7. all actions, agreements, certificates, instruments and other documents necessary to implement the terms or provisions of the Plan, including, without limitation, issuance of the New Common Stock certificates and the Rights Offering Stock certificates, shall have been effected or executed and delivered, as applicable, in form and substance reasonably satisfactory to the Debtors; and

8. the Restructuring Support Agreement remaining in full force and effect, and not having been terminated.

(c) ***Waiver of Conditions Precedent and Bankruptcy Rule 3020(e) Automatic Stay.***

Other than the requirement that the Confirmation Order must be entered, which cannot be waived, the requirement that a particular condition be satisfied may be waived in whole or part by the Debtors, with the consent of the Required Consenting Lenders, the Required Consenting Noteholders and (solely with respect to the Committee Plan Issues) the Creditors' Committee (which consents shall not be unreasonably withheld or delayed), without notice and a hearing, and the Debtors' benefits under the "mootness doctrine" shall be unaffected by any provision of the Plan. The failure of the Debtors to assert the non-satisfaction of any such conditions shall not be deemed a waiver of any other rights under the Plan, and each such right shall be deemed an ongoing right that may be asserted or waived (as set forth herein) at any time or from time to time.

(d) ***Effect of Failure of Conditions.***

If each of the conditions to confirmation and consummation of the Plan and the occurrence of the Effective Date has not been satisfied or duly waived on or before December 31, 2013 if the condition that the Confirmation Order become a Final Order is waived, or January 7, 2014 if such condition is not waived, or by such later date as is proposed by the Debtors and is approved by the Required Consenting Lenders, the Required Consenting Noteholders and (solely with respect to the Committee Plan Issues) the Creditors' Committee and, after notice and a hearing, by the Bankruptcy Court, upon motion by any party in interest made before the time that each of the conditions has been satisfied or duly waived, the Confirmation Order may be vacated by the Bankruptcy Court; provided, however, that notwithstanding the filing of such a motion, the Confirmation Order shall not be vacated if each of the conditions to consummation is either satisfied or duly waived before the Bankruptcy Court enters an order granting the relief requested in such motion. If the Confirmation Order is vacated pursuant to this section, the Plan shall be null and void in all respects, and nothing contained in the Plan shall: (a) constitute a waiver or release of any Claims against or Interests in the Debtors; or (b) prejudice in any manner the rights of the Debtors, including the right to seek a further extension of the exclusive periods to file and solicit votes with respect to a plan under section 1121(d) of the Bankruptcy Code.

(e) ***Withdrawal of the Plan.***

Subject to the reasonable consent of the Required Consenting Lenders, the Required Consenting Noteholders and (solely with respect to the Committee Plan Issues) the Creditors' Committee (which consents shall not be unreasonably withheld or delayed), and subject to section 1127 of the Bankruptcy Code, the Debtors reserve the right to modify or revoke and withdraw the Plan at any time before the Confirmation Date or, if the Debtors are for any reason unable to consummate the Plan after the Confirmation Date, at any time up to the Effective Date. If the Debtors revoke and withdraw the Plan: (a) nothing contained herein shall be deemed to constitute a waiver or release of any claims by or against the Debtors or to prejudice in any manner the rights of the Debtors or any Persons in any further proceeding involving the Debtors; and (b) the result shall be the same as if the Confirmation Order were not entered, the Plan was not filed and no actions were taken to effectuate it.

6.13 ***Effect of Confirmation.***

(a) ***Binding Effect.***

The Plan shall be binding and inure to the benefit of the Debtors, all holders of Claims and Interests, and their respective successors and assigns.

(b) ***Vesting of Assets and Retention of Causes of Action.***

Except as otherwise provided in the Plan (including, but not limited to, Sections 7.16 and 12.8 of the Plan), on the Effective Date all property comprising the Estates (including, subject to any release provided for herein, any claim, right or cause of action which may be asserted by or on behalf of the Debtors, including the Estate Accounting-Related Causes of Action (except as provided below) and Business Causes of Action) shall be vested in the Reorganized Debtors free and clear of all Claims and Interests including any and all claims, liens, charges, encumbrances and interests of creditors, equity security holders, or other Persons, except for the rights to Plan Distributions under the Plan. After the Effective Date, the Reorganized Debtors shall have no liability to holders of claims, liens, charges, encumbrances and interests of creditors, equity security holders, or other Persons, except as expressly provided for in the Plan. As of the Effective Date, the Reorganized Debtors may operate each of their respective businesses and use, acquire and settle and compromise claims or interests without supervision of the Bankruptcy Court, free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan and Confirmation Order.

Notwithstanding anything to the contrary herein, net proceeds of Estate Accounting-Related Causes of Action shall be shared on a pro rata basis among the Litigation Trust Beneficiaries. At the option of the Required Consenting Noteholders, the Estate Accounting-Related Causes of Action will either vest with the Reorganized Debtors, a litigation trustee or other party designated by the Consenting Noteholders, and the decision whether to prosecute such claims (and the prosecution of such claims) shall be at the sole discretion of the Reorganized Debtors, such litigation trustee or such other designated party. To the extent the Estate Accounting-Related Causes of Action vest with a litigation trustee or other party designated by the Consenting Noteholders, the Creditor Representative shall have the right to review any governing document(s) or agreement(s) related to the vesting of the Estate Accounting-Related Causes of Action.

(c) ***Discharge of Claims Against and Interests in the Debtors.***

Except as otherwise provided in the Plan or Confirmation Order, in accordance with section 1141(d)(1) of the Bankruptcy Code, entry of the Confirmation Order acts as a discharge, effective as of the Effective Date, of all debts of, Claims against, liens on, and Interests in the Debtors, their assets or properties, which debts, Claims, liens, and Interests arose at any time before the entry of the Confirmation Order. The discharge of the Debtors shall be effective as to each Claim, regardless of whether a proof of claim therefor was filed, whether the Claim is an Allowed Claim or whether the holder thereof votes to accept the Plan. On the Effective Date, as to every discharged Claim and Interest, any holder of such Claim or Interest

shall be precluded from asserting against the Debtors, the Reorganized Debtors or the assets or properties of any of them, any other or further Claim or Interest based upon any document, instrument, act, omission, transaction or other activity of any kind or nature that occurred before the Confirmation Date.

In accordance with section 524 of the Bankruptcy Code, the discharge provided by section 12.3 of the Plan and section 1141 of the Bankruptcy Code, inter alia, acts as an injunction against the commencement or continuation of any action, employment of process or act to collect, offset or recover the Claims, liens and Interests discharged hereby.

Except with respect to Class 2 Claims (i) each holder of a Secured Claim or a Claim that is purportedly secured (including an Other Secured Claim) shall, on or immediately before the Effective Date and as a condition to receiving any Plan Distribution hereunder: (A) turn over and release to the Debtors, or the Reorganized Debtors, as applicable, any and all property of the Debtors or the Estates that secures or purportedly secures such Claim; and (B) execute such documents and instruments as the Debtors or the Reorganized Debtors require to evidence such claimant's release of such property; and (ii) on the Effective Date (or such other date described in this subsection), all claims, right, title and interest in such property shall revert to the Reorganized Debtors free and clear of all Claims and Interests, including any and all liens, charges, pledges, encumbrances and/or security interests of any kind. All liens of the holders of such Claims or Interests in property of the Debtors, the Estates, and/or the Reorganized Debtors shall be deemed to be canceled and released as of the Effective Date (or such other date described in this subsection). Notwithstanding the immediately preceding sentence, any such holder of a Disputed Claim shall not be required to execute and deliver such release of liens until ten (10) days after such Claim becomes an Allowed Claim or is Disallowed. To the extent any holder of a Claim described in the first sentence of this subsection fails to release the relevant liens as described above, the Reorganized Debtors may act as attorney-in-fact, on behalf of the holders of such liens, to provide any releases as may be required by any lender under the Amended and Restated Secured Credit Agreement or for any other purpose.

The Existing Common Stock Interests, the DIP Credit Agreement, the Secured Credit Agreement, the Indentures and the Notes (each including any related credit agreement, indenture, security and guaranty agreements, interest rate agreements and commodity hedging agreements) and any other note, bond, indenture or other instrument or document evidencing or creating any indebtedness or obligation of the Debtors are not required to be surrendered and shall be deemed cancelled on the Effective Date provided, however, that notwithstanding the foregoing and anything else contained in the Plan, the Indentures and the Notes shall continue in effect solely for the purposes of (i) allowing the Notes Trustee to make the Plan Distributions to be made on account of the Notes under the Plan and for the Notes Trustee to perform such other necessary functions with respect thereto and to have the benefit of all of the protections and other provisions of the Indentures, including, but not limited to, its right to compensation, reimbursement of fees and expenses (including the fees and expenses of its counsel, agents, and advisors), and indemnification, in doing so, (ii) preserving any rights of the Notes Trustee to indemnification or contribution from the Noteholders pursuant and subject to terms of the Indentures as in effect immediately prior to the Effective Date, and (iii) permitting the Notes Trustee to maintain or assert any right or charging lien it may have against distributions pursuant to the terms of the Plan to recover unpaid fees and expenses (including the fees and expenses of

its counsel, agents, and advisors) of the Notes Trustee, provided further that the Secured Credit Agreement shall continue in effect for purposes of allowing the Secured Credit Agreement Administrative Agent to receive the Prepayment and apply it to the Secured Lender Claims, and shall be amended and restated pursuant to the Amended and Restated Secured Credit Agreement. For the avoidance of doubt, on and after the Effective Date, all duties and responsibilities of the Notes Trustee under the Indentures shall be discharged except to the extent required in order to effectuate the Plan.

(d) ***Survival of Certain Indemnification Obligations.***

The obligations of the Debtors to indemnify individuals who serve or served on or after the Commencement Date as their respective directors, officers, agents, employees, representatives, and Professional Persons retained by the Debtors pursuant to the Debtors' operating agreements, certificates of incorporation, by-laws, applicable statutes, pre-confirmation agreements and, to the extent required pursuant to section 327 of the Bankruptcy Code, by order of the Bankruptcy Court in respect of all present and future actions, suits and proceedings against any of such officers, directors, agents, employees, representatives, and Professional Persons, based upon any act or omission related to service with, for, or on behalf of the Debtors from the Commencement Date through and including the Effective Date, as such obligations were in effect at the time of any such act or omission, shall not be expanded, discharged or impaired by confirmation or consummation of the Plan but shall survive unaffected by the reorganization contemplated by the Plan and shall be performed and honored by the Reorganized Debtors regardless of such confirmation, consummation and reorganization, and regardless of whether the underlying claims for which indemnification is sought are released pursuant to the Plan. For the avoidance of doubt any claim, right or cause of action which may be asserted by or on behalf of the Debtors for indemnification or otherwise under that certain Stock Purchase and Sale Agreement dated September 27, 2011 by and among Debtor Rural/Metro of Northern California, Inc. and the Security Holders of Pacific Ambulance, Inc. and Bowers Companies, Inc. and Brian H. Cates and Raymond S. Iskander shall be vested in the Reorganized Debtors free and clear of all Claims and Interests including any and all claims, liens, charges, encumbrances and interests of creditors, equity security holders, or other Persons in accordance with Section 12.2 of the Plan.

For the further avoidance of doubt and notwithstanding anything to the contrary, with respect to any Allowed Other Unsecured Claim that elected to receive Other Unsecured Cash pursuant to Section 5.5(a)(ii) of the Plan as to which one or more of the Debtors or their Estates has a claim, right or cause of action of indemnification (a "**Debtor Indemnification Claim**") against any third party, including any such Debtor Indemnification Claim secured by an escrow or other collateral or credit support, the Creditor Representative may request that the Reorganized Debtors assert a Debtor Indemnification Claim such that the amount of such Allowed Other Unsecured Claim would otherwise be entitled to from Other Unsecured Cash is satisfied through the Debtor Indemnification Claim. Provided that a Debtor Indemnification Claim is secured by an escrow or other collateral or credit support, the Reorganized Debtors shall be obligated to assert such Debtor Indemnification Claim provided that the request made by the Creditor Representative is reasonable and made in good faith. In the event that the Reorganized Debtors decline or otherwise do not assert a Debtor Indemnification Claim so requested by the Creditor Representative in accordance with Section 12.4 of the Plan, the Creditor Representative

may assert such Debtor Indemnification Claim on behalf of the Debtors or their Estates, and the Reorganized Debtors shall reimburse and pay the Creditor Representative for all costs (including fees and expenses of counsel) of pursuing such Debtor Indemnification Claim. Notwithstanding anything to the contrary, the Creditor Representative shall only have rights to any escrow or other collateral or credit support for any such Debtor Indemnification Claim if the Reorganized Debtors do not need, will not use or otherwise cannot or have no right to use such escrow or other collateral or credit support for any Debtor Indemnification Claim. Any Allowed Other Unsecured Claim satisfied through a Debtor Indemnification Claim shall not be entitled to any Plan Distributions under this Plan and shall not be considered an Allowed Other Unsecured Claim or in Class 5 – Other Unsecured Claims for any purposes under this Plan.

(e) ***Term of Pre-Confirmation Injunctions or Stays.***

Unless otherwise provided in the Plan, all injunctions or stays arising prior to the Confirmation Date in accordance with 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.

(f) ***Injunction Against Interference With Plan.***

Upon the entry of the Confirmation Order, all holders of Claims and Interests and other parties in interest, along with their respective present or former affiliates, employees, agents, officers, directors, or principals, shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan.

(g) ***Injunction.***

Except as otherwise provided in the Plan or the Confirmation Order, as of the Confirmation Date, but subject to the occurrence of the Effective Date, all Persons who have held, hold or may hold Claims against or Interests in the Debtors or the Estates are, with respect to any such Claims or Interests, permanently enjoined after the Confirmation Date from: (i) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind (including any proceeding in a judicial, arbitral, administrative or other forum) against or affecting the Debtors, the Reorganized Debtors, the Estates or any of their property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Persons or any property of any such transferee or successor; (ii) enforcing, levying, attaching (including any pre-judgment attachment), collecting or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree or order against the Debtors, the Reorganized Debtors, or the Estates or any of their property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Persons, or any property of any such transferee or successor; (iii) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Debtors, the Reorganized Debtors, or the Estates or any of their property, or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing Persons, or any property of such transferee or successor; (iv) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan to the full extent permitted by applicable law; (v)

asserting any right of setoff (except to the extent timely asserted prior to the Petition Date), or subrogation of any kind against any obligation due from the Debtors, the Reorganized Debtors, the Estates or any of their property, or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing Persons, or any property of such transferee or successor; (vi) 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 Plan; provided, further, that the Releasing Parties are, with respect to Claims or Interests held by such parties, permanently enjoined after the Confirmation Date from taking any actions referred to in clauses (i) through (vi) above against the Released Parties or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the Released Parties or any property of any such transferee or successor; provided, however, that nothing contained herein shall preclude any Person from exercising its rights, or obtaining benefits, directly and expressly provided to such entity pursuant to and consistent with the terms of the Plan, the Plan Supplement and the contracts, instruments, releases, agreements and documents delivered in connection with the Plan.

All Persons releasing claims pursuant to Section 12.8 of the Plan shall be permanently enjoined, from and after the Confirmation Date, from taking any actions referred to in clauses (i) through (vi) of the immediately preceding paragraph against any party with respect to any claim released pursuant to Section 12.8 of the Plan.

6.14 ***Releases.***

(a) ***Releases by the Debtors.***

Except as otherwise expressly set forth in the Plan or the Confirmation Order, as of the Effective Date, for the good and valuable consideration provided by each of the Released Parties, the adequacy of which is hereby confirmed, including the good faith settlement and compromise of the claims released herein and the services of the Debtors' current officers, directors, managers and advisors in facilitation of the expeditious implementation of the transactions contemplated hereby, each Debtor and debtor in possession, and any Person seeking to exercise the rights of the Debtors' Estates, including the Reorganized Debtors, any successor to the Debtors, or any representative of the Debtors' estates appointed or selected pursuant to sections 1103, 1104, or 1123(b)(3) of the Bankruptcy Code or under chapter 7 of the Bankruptcy Code, shall be deemed to conclusively, absolutely, unconditionally, irrevocably and forever release, waive and discharge and shall be deemed to have provided a full discharge and release to each Released Party and their respective property (and each such Released Party so released shall be deemed fully released and discharged by each Debtor, debtor in possession, and any person seeking to exercise the rights of the Debtors' estates, including the Reorganized Debtors, any successor to the Debtors, or any representative of the Debtors' estates appointed or selected pursuant to sections 1103, 1104, or 1123(b)(3) of the Bankruptcy Code or under chapter 7 of the Bankruptcy Code) from all Claims, obligations, debts, suits, judgments, damages, demands, rights, causes of action, remedies and liabilities whatsoever, (other than all rights, remedies and privileges to enforce the Plan, the Plan Supplement and the contracts, instruments, releases, indentures and other agreements or documents (including the Plan Documents) delivered under or in connection with the Plan) whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, existing or

hereafter arising, in law, equity or otherwise that are based on, related to, or in any manner arising from, in whole or in part, any act, omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims or Interests prior to or in the Reorganization Cases, the Reorganization Cases, the Plan or the Disclosure Statement, or any related contracts, instruments, releases, agreements and documents, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date , and that could have been asserted by or on behalf of the Debtors, the debtors in possession or their Estates, or any of their affiliates, whether directly, indirectly, derivatively or in any representative or any other capacity, individually or collectively, in their own right or on behalf of the holder of any Claim or Interest or other entity, against any Released Party and its respective property; provided, however, that in no event shall anything in Section 12.8(a) of the Plan be construed as a release of any (i) Intercompany Claim or (ii) a Person's fraud, gross negligence, or willful misconduct, as determined by a Final Order, for matters with respect to the Debtors.

(b) *Releases by Holders of Claims and Interests.*

Except as expressly set forth in the Plan or the Confirmation Order, on the Effective Date, to the fullest extent permissible under applicable law, as such law may be extended or interpreted subsequent to the Effective Date, each Releasing Party (regardless of whether such Releasing Party is a Released Party), in consideration for the obligations of the Debtors and the other Released Parties under the Plan, the Plan Distributions, and the contracts, instruments, releases, agreements or documents executed and delivered in connection with the Plan and the Restructuring Transaction, will be deemed to have consented to the Plan for all purposes and the restructuring embodied herein and deemed to conclusively, absolutely, unconditionally, irrevocably and forever release, waive and discharge (and each entity so released shall be deemed released and discharged by the Releasing Parties) all Claims, obligations, debts, suits, judgments, damages, demands, rights, causes of action, remedies or liabilities whatsoever, including all derivative claims asserted or which could be asserted on behalf of a Debtor (other than all rights, remedies and privileges of any party under the Plan, the Plan Supplement and the contracts, instruments, releases, and other agreements or documents (including the Plan Documents) delivered under or in connection with the Plan), including any claims for any such loss such holder may suffer, have suffered or be alleged to suffer as a result of the Debtors commencing the Reorganization Cases or as a result of the Plan being consummated, 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 on, related to, or in any manner arising from, in whole or in part, any act or omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the Reorganized Debtors, the Reorganization Cases, the purchase or sale or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Releasing Party, the restructuring of Claims or Interests prior to or in the Reorganization Cases, the Plan or the Disclosure Statement or any

related contracts, instruments, releases, agreements and documents, or upon any other act or omission, transaction, agreement, event or other occurrence with respect to the Debtors or the Debtors' property taking place on or before the Effective Date, against any Released Party and its respective property; provided, however, that in no event shall anything in Section 12.8(b) of the Plan be construed as a release of any (i) Intercompany Claim or (ii) a Person's fraud, gross negligence, or willful misconduct, as determined by a Final Order, for matters with respect to the Debtors.

Notwithstanding anything to the contrary contained herein, with respect to a Released Party that is a non-Debtor, nothing in the Plan or the Confirmation Order shall effect a release of any claim by the United States government or any of its agencies whatsoever, including any claim arising under the Internal Revenue Code, the environmental laws or any criminal laws of the United States against such Released Party, nor shall anything in the Confirmation Order or the Plan enjoin the United States from bringing any claim, suit, action or other proceeding against such Released Party for any liability whatever, including any claim, suit or action arising under the Internal Revenue Code, the environmental laws or any criminal laws of the United States, nor shall anything in the Confirmation Order or the Plan exculpate any non-Debtor party from any liability to the United States Government or any of its agencies, including any liabilities arising under the Internal Revenue Code, the environmental laws or any criminal laws of the United States against such Released Party.

Notwithstanding anything to the contrary contained herein, except to the extent permissible under applicable law, as such law may be extended or interpreted subsequent to the Effective Date, except with respect to a Released Party that is a Debtor, nothing in the Confirmation Order or the Plan shall effect a release of any claim by any state or local authority whatsoever, including any claim arising under the environmental laws or any criminal laws of any state or local authority against any Released Party that is a non-Debtor, nor shall anything in the Confirmation Order or the Plan enjoin any state or local authority from bringing any claim, suit, action or other proceeding against any Released Party that is a non-Debtor for any liability whatever, including any claim, suit or action arising under the environmental laws or any criminal laws of any state or local authority, nor shall anything in the Confirmation Order or the Plan exculpate any party from any liability to any state or local authority whatsoever, including any liabilities arising under the environmental laws or any criminal laws of any state or local authority against any Released Party that is a non-Debtor. As to any state or local authority, nothing in the Plan or Confirmation Order shall discharge, release, or otherwise preclude any valid right of setoff or recoupment.

As to the United States, its agencies, departments or agents, nothing in the Plan or Confirmation Order shall discharge, release, or otherwise preclude: (i) any liability of the Debtors or Reorganized Debtors arising on or after the Effective Date; or (ii) any valid right of setoff or recoupment. Furthermore, nothing in the Plan or the Confirmation Order: (i) discharges, releases, or precludes any environmental liability that is not a Claim, or any environmental Claim of a governmental unit that arises on or after the Effective Date; (ii) releases the Debtors or the Reorganized Debtors from any non-dischargeable liability under environmental law as the owner or operator of property that such persons own or operate after the Effective Date; (iii) releases or precludes any environmental liability to a governmental unit on the part of any Persons other than the Debtors and Reorganized Debtors; or (D) enjoins a

governmental unit from asserting or enforcing outside this Court any liability described in this paragraph.

(c) *Exculpation and Limitation of Liability.*

No Exculpated Party shall have or incur any liability to any holder of any Claim or Interest for any prepetition or postpetition act or omission in connection with the negotiation and execution of the Restructuring Support Agreement, the Plan, the Plan Documents, the Reorganization Cases, the Disclosure Statement, the dissemination of the Plan, the solicitation of votes for and the pursuit of the Plan, the consummation of the Plan, or the administration of the Plan or the property (including the New Common Stock and any other security offered, issued or distributed in connection with the Plan) to be distributed under the Plan, including all documents ancillary thereto, all decisions, actions, inactions and alleged negligence or misconduct relating thereto and all prepetition or postpetition activities taken or omission in connection with the Plan, Restructuring Support Agreement or the Reorganization Cases of the Debtors except fraud, gross negligence or willful misconduct, each as determined by a Final Order. The Exculpated Parties shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan; provided, however, solely to the extent that it would contravene Rule 1.8(h)(1) of the Delaware Lawyers' Rules of Professional Conduct, Rule 1.8(h)(1) of the New York Rules of Professional Conduct or any similar ethical rule of another jurisdiction, if binding on an attorney of any Exculpated Party, no attorney of any Exculpated Party shall be released by the Debtors or the Reorganized Debtors.

(d) *Injunction Related to Releases and Exculpation.*

The Confirmation Order shall permanently enjoin the commencement or prosecution by any Person or entity, whether directly, derivatively or otherwise, of any Claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action or liabilities released pursuant to the *Plan.*

(e) *Protection Against Discriminatory Treatment*

Consistent with section 525 of the Bankruptcy Code and the Supremacy Clause of the U.S. Constitution, all Persons shall not discriminate against the Reorganized Debtors or deny, revoke, suspend or refuse to renew a license, permit, charter, franchise or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Debtors or another Person with whom such Reorganized Debtors have been associated, solely because one of the Debtors has been a debtor under chapter 11, has been insolvent before the commencement of the Reorganization Cases (or during the Reorganization Cases but before the Debtors are granted or denied a discharge) or has not paid a debt that is dischargeable in the Reorganization Cases.

(f) *Exclusive Jurisdiction.*

The Bankruptcy Court (and the United States District Court for the District of Delaware) shall retain exclusive jurisdiction to adjudicate any and all claims or causes of action released pursuant to Sections 12.8 or 12.9 of the Plan (i) against any Released Party, (ii) relating to the Debtors, the Plan, the Plan Distributions, the New Common Stock, the Reorganization

Cases, the Restructuring Transaction, or any contract, instrument, release, agreement or document executed and delivered in connection with the Plan and the Restructuring Transaction (including, without limitation, the Plan Documents), and (iii) brought by the Debtors (or any successor thereto), any Estate, creditor or litigation trust representative, or any holder of a Claim or Interest. Section 12.12 of the Plan shall not provide any jurisdiction of the Bankruptcy Court with respect to claims or causes of action that are not released pursuant to Sections 12.8 or 12.9 of the Plan; the Bankruptcy Court's jurisdiction over any such claims or causes of action shall be governed by Section 13.1 of the Plan (if applicable).

6.15 ***Retention of Jurisdiction.***

Notwithstanding confirmation of the Plan or occurrence of the Effective Date, the Bankruptcy Court shall retain such jurisdiction as is legally permissible, including for the following purposes:

(a) to determine the allowability, classification, or priority of Claims upon objection by the Reorganized Debtors or any other party in interest entitled hereunder to file an objection (including the resolution of disputes regarding any Disputed Claims, claims for disputed Plan Distributions and Rejection Damages Claims), and the validity, extent, priority and nonavoidability of consensual and nonconsensual liens and other encumbrances;

(b) to issue injunctions or take such other actions or make such other orders as may be necessary or appropriate to restrain interference with the Plan or its execution or implementation by any Person, to construe and to take any other action to enforce and execute the Plan, the Confirmation Order, or any other order of the Bankruptcy Court, to issue such orders as may be necessary for the implementation, execution, performance and consummation of the Plan and all matters referred to therein, including any release or injunction provisions set forth therein, and to determine all matters that may be pending before the Bankruptcy Court in the Reorganization Cases on or before the Effective Date with respect to any Person;

(c) to protect the property of the Estates from claims against, or interference with, such property, including actions to quiet or otherwise clear title to such property or to resolve any dispute concerning liens, security interest or encumbrances on any property of the Estate wherever located;

(d) to determine any and all applications for allowance of Fee Claims;

(e) to determine any Priority Tax Claims, Priority Non-Tax Claims, Administrative Expense Claims or any other request for payment of claims or expenses entitled to priority under section 507(a) of the Bankruptcy Code;

(f) to resolve any dispute arising under or related to the implementation, execution, consummation or interpretation of the Plan (including any release or injunction provisions set forth therein) and the making of Plan Distributions thereunder;

(g) to determine any and all motions related to the rejection, assumption or assignment of executory contracts or unexpired leases, to determine any motion to reject an executory contract or unexpired lease pursuant to Section 10.3 of the Plan or to resolve any disputes relating to the appropriate Cure Amount or other issues related to the assumption of executory contracts or unexpired leases in the Reorganization Cases;

(h) to determine all applications, motions, adversary proceedings, contested matters, actions, and any other litigated matters instituted in and prior to the closing of the Reorganization Cases, including any remands;

(i) to enter a final decree closing each of the Reorganization Cases;

(j) to modify the Plan under section 1127 of the Bankruptcy Code, remedy any defect, cure any omission, or reconcile any inconsistency in the Plan or the Confirmation Order so as to carry out its intent and purposes;

(k) to issue such orders in aid of consummation of the Plan and the Confirmation Order notwithstanding any otherwise applicable non-bankruptcy law, with respect to any Person, to the full extent authorized by the Bankruptcy Code;

(l) to enable the Reorganized Debtors to prosecute any and all proceedings to set aside liens or encumbrances and to recover any transfers, assets, properties or damages to which the Debtors may be entitled under applicable provisions of the Bankruptcy Code or any other federal, state or local laws except as may be waived pursuant to the Plan;

(m) to hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

(n) 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;

(o) to resolve any disputes concerning whether a Person had sufficient notice of the Reorganization Cases, any applicable Bar Date, the hearing to consider approval of the Disclosure Statement or the Confirmation Hearing or for any other purpose;

(p) to resolve any dispute or matter arising under or in connection with any order of the Bankruptcy Court entered in the Reorganization Cases;

(q) to hear and resolve any causes of action involving the Debtors, the Reorganized Debtors or the Estates that arose prior to the Confirmation Date or in connection with the implementation of the Plan, including actions to avoid or recover preferential transfers or fraudulent conveyances;

(r) to resolve any disputes concerning any release of a non-Debtor hereunder or the injunction against acts, employment of process or actions against such non-Debtor arising hereunder;

(s) to approve any Plan Distributions, or objections thereto, under the Plan;

(t) to hear and resolve any disputes arising from or relating to (i) any orders of the Bankruptcy Court granting relief under Bankruptcy Rule 2004, or (ii) any protective orders entered by the Bankruptcy Court in connection with the foregoing;

(u) to resolve disputes concerning any reserves with respect to Disputed Claims or the administration thereof;

(v) to approve any Claims settlement entered into or offset exercised by the Debtors or Reorganized Debtors; and

(w) to determine such other matters, and for such other purposes, as may be provided in the Confirmation Order, or as may be authorized under provisions of the Bankruptcy Code;

(x) provided, however, notwithstanding anything to the contrary in the Plan or the Confirmation Order, after the Effective Date, the Bankruptcy Court's retention of jurisdiction shall not govern the enforcement of any Plan Document or any of the documentation related thereto that has a choice of venue provision, which provision shall govern exclusively.

(y) If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under, or related to the Reorganization Cases, then Section 13.1(a) of the Plan shall have no effect upon and shall not control, prohibit, or limit the exercise of jurisdiction by any other court having jurisdiction with respect to such matter.

6.16 ***Administrative Provisions.***

(a) ***Retiree Benefits.***

On and after the Effective Date, pursuant to section 1129(a)(13) of the Bankruptcy Code, the Reorganized Debtors shall continue to pay all retiree benefits (within the meaning of, and subject to the limitations of, section 1114 of the Bankruptcy Code), if any, at the level established in accordance with section 1114 of the Bankruptcy Code, at any time prior to

the Confirmation Date, for the duration of the period for which the Debtors had obligated themselves to provide such benefits. Nothing herein shall: (a) restrict the Debtors' or the Reorganized Debtors' right to modify the terms and conditions of the retiree benefits, if any, as otherwise permitted pursuant to the terms of the applicable plans, non-bankruptcy law, or section 1114(m) of the Bankruptcy Code; or (b) be construed as an admission that any such retiree benefits are owed by the Debtors.

(b) ***Creditors' Committee.***

The Creditors' Committee shall continue in existence until the Effective Date to exercise those powers and perform those duties specified in section 1103 of the Bankruptcy Code. On the Effective Date, the Creditors' Committee shall be dissolved automatically and its members shall be deemed released of all of their duties, responsibilities and obligations in connection with the Reorganization Cases or the Plan and its implementation, and the retention or employment of the Creditors' Committee's Professional Persons and agents shall terminate as of the Effective Date; provided, however, the Creditors' Committee shall survive solely in order for its Professionals Persons to pursue their Fee Claims and represent the Creditors' Committee in connection with the review of and right to be heard in connection with all Fee Claims and the claims for fees and expenses of the professionals of the Consenting Noteholders and Consenting Lenders, respectively, as provided in the DIP Order and the Restructuring Support Agreement, and shall be compensated therefor in connection with the foregoing.

(c) ***Committee Member Expense Claims & Notes Trustee Fee Claims.***

Subject to the below proviso, the Debtors or the Reorganized Debtors shall pay the reasonable, actual Committee Member Expense Claims on the Effective Date in respect of outstanding invoices submitted to the Debtors, counsel for the Consenting Noteholders and counsel for the Consenting Lenders on or prior to the tenth day immediately preceding the Effective Date (which invoices may include a reasonable estimate of fees and expenses that may be incurred from the date of the last invoice through the Effective Date), provided that none of the Debtors the Consenting Noteholders or the Consenting Lenders object to the reasonableness of the Committee Member Expense Claims. To the extent that the Debtors, the Consenting Noteholders or the Consenting Lenders object to the reasonableness of any portion of the Committee Member Expense Claims, the Debtors or Reorganized Debtors, as applicable, shall not pay such disputed portion until either such objection is resolved or a further order of the Bankruptcy Court is entered providing for payment of such disputed portion.

As soon as practicable following the Effective Date, each holder of a Committee Member Expense Claim shall submit an invoice (detailing reasonable, actual fees and expenses) covering any unbilled period through the Effective Date and return any excess amounts paid on account of such previously submitted estimate. Provided, however, that to receive payment pursuant to this Section 13.4(a), each holder of a Committee Member Expense Claim shall provide reasonable and customary detail (such invoices shall not be required to comply with the U.S. Trustee fee guidelines but shall be sufficiently detailed to enable a determination as to the reasonableness of such fees and expenses (without limiting the right of the various professionals or parties to redact privileged, confidential or sensitive information)) along with or as part of all invoices submitted in support of its respective Committee Member Expense Claim to the

Debtors, counsel to the Consenting Noteholders and counsel to the Consenting Lenders. In the event that no Committee Member Expense Claims are paid pursuant to the Plan because Section 13.4(a) of the Plan is not operative, Creditors' Committee members (other than the Notes Trustee) shall have the right to file a substantial contribution application on account of such unpaid reasonable, actual fees (provided, with respect to any such substantial contribution application filed by Henry Schein, Inc., that the Claims for reasonable, actual attorneys' fees and expenses incurred by Henry Schein, Inc.'s outside counsel (in connection with the Reorganization Cases) from the Commence Date through the Effective Date do not exceed the $100,000 cap), which application the Consenting Noteholders and the Debtors or Reorganized Debtors, as applicable, shall support.

The Debtors or the Reorganized Debtors, on the Effective Date to the extent invoiced, or as soon as reasonably practicable following receipt of invoices post-Effective Date (which invoices shall not be required to comply with the U.S. Trustee fee guidelines but shall be sufficiently detailed to enable a determination as to the reasonableness of such fees and expenses (without limiting the right of the various professionals or parties to redact privileged, confidential or sensitive information)) (and which invoices shall also be provided to the Consenting Lenders), shall pay the Notes Trustee Fee Claims incurred through the Effective Date; provided, however, if the Debtors, the Reorganized Debtors, or the Consenting Lenders, as applicable, and the Notes Trustee cannot agree with respect to the reasonableness of the fees and expenses to be paid, the Debtors or the Reorganized Debtors, as applicable, shall (i) pay the undisputed portion of any invoices submitted with respect to Notes Trustee Fee Claims, (ii) place the disputed amounts of any such invoices in escrow, and (iii) notify the Notes Trustee of any dispute within ten (10) days after the presentation of such invoices. Upon such notification, the Notes Trustee may assert its charging lien pursuant to the terms of the Indentures to pay the disputed and unpaid portion of the Notes Trustee Fee Claims, and/or after the parties have attempted in good faith to resolve any such dispute for at least fifteen (15) days after the notification of the dispute, may submit such dispute for resolution to the Bankruptcy Court; provided, however, that the Bankruptcy Court's review shall be limited to a determination under the reasonableness standard in accordance with the Indentures. Nothing herein (including, without limitation, any release, discharge or injunction provided under the Plan) shall impair, waive, discharge or negatively affect any charging lien for any fees, costs and expenses not paid pursuant to the Plan and otherwise claimed by the Notes Trustee in accordance with the Indentures.

(d) ***Amendments.***

(1) Preconfirmation Amendment.

The Debtors may modify the Plan, subject to the reasonable consent of the Required Consenting Lenders, the Required Consenting Noteholders and (solely with respect to the Committee Plan Issues) the Creditors' Committee (which consents shall not be unreasonably withheld or delayed), and subject to section 1127 of the Bankruptcy Code, at any time prior to the entry of the Confirmation Order provided that the Plan, as modified, and the disclosure statement pertaining thereto meet applicable Bankruptcy Code requirements.

(2) Postconfirmation Amendment Not Requiring Resolicitation.

After the entry of the Confirmation Order, the Debtors may modify the Plan, subject to the reasonable consent of the Required Consenting Lenders, the Required Consenting Noteholders and (solely with respect to the Committee Plan Issues) the Creditors' Committee (which consents shall not be unreasonably withheld or delayed), and subject to section 1127 of the Bankruptcy Code, to remedy any defect or omission or to reconcile any inconsistencies in the Plan or in the Confirmation Order, as may be necessary to carry out the purposes and effects of the Plan; provided that the Debtors obtain approval of the Bankruptcy Court for such modification, after notice and a hearing. Any waiver under Section 11.3 of the Plan shall not be considered to be a modification of the Plan.

(3) Postconfirmation/Preconsummation Amendment Requiring Resolicitation.

After the Confirmation Date and before substantial consummation of the Plan, the Debtors may modify the Plan, subject to the reasonable consent of the Required Consenting Lenders, the Required Consenting Noteholders and (solely with respect to the Committee Plan Issues) the Creditors' Committee (which consents shall not be unreasonably withheld or delayed), and subject to section 1127 of the Bankruptcy Code, in a way that materially and adversely affects the interests, rights, treatment, or Plan Distributions of a Class of Claims or Interests; provided that: (i) the Plan, as modified, meets applicable Bankruptcy Code requirements; (ii) the Debtors obtain Bankruptcy Court approval for such modification, after notice and a hearing; (iii) such modification is accepted by the holders of at least two-thirds in amount, and more than one-half in number, of Allowed Claims or Interests voting in each Class affected by such modification; and (iv) the Debtors comply with section 1125 of the Bankruptcy Code with respect to the Plan as modified.

(e) ***Revocation or Withdrawal of the Plan.***

The Debtors reserve the right to revoke or withdraw the Plan prior to the Effective Date, subject to the reasonable consent of the Required Consenting Lenders, the Required Consenting Noteholders and (solely with respect to the Committee Plan Issues) the Creditors' Committee (which consents shall not be unreasonably withheld or delayed). To the extent that the Confirmation Order has been entered, the Debtors will seek revocation of the Confirmation Order prior to revoking or withdrawing the Plan. If the Debtors take such action, the Plan shall be deemed null and void.

(f) ***Confirmation Order.***

The Confirmation Order shall, and may be deemed to, ratify all transactions effected by the Debtors during the period commencing on the Commencement Date and ending on the Confirmation Date, except for any acts constituting gross negligence, willful misconduct or fraud.

(g) ***Allocation of Plan Distributions Between Principal and Interest.***

To the extent that any Allowed Claim entitled to a distribution under the Plan consists of indebtedness and other amounts (such as accrued but unpaid interest thereon), such distribution shall be allocated first to the principal amount of the Claim (as determined for

federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claim, to such other amounts.

(h) ***Severability.***

If, prior to the entry of the Confirmation Order, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court, at the request of the Debtors, subject to the reasonable consent of the Required Consenting Lenders, the Required Consenting Noteholders and (solely with respect to the Committee Plan Issues) the Creditors' Committee (which consents shall not be unreasonably withheld or delayed), shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent reasonably practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

(i) ***Governing Law.***

Except to the extent the Bankruptcy Code, Bankruptcy Rules, or other federal laws apply, the rights and obligations arising under the Plan shall be governed by the laws of the State of Delaware, without giving effect to principles of conflicts of law.

(j) ***Section 1125(e) of the Bankruptcy Code.***

The Debtors have, and upon confirmation of the Plan shall be deemed to have, solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code, and the Debtors (and their affiliates, agents, directors, officers, employees, advisors, and attorneys) have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code in the offer, issuance, sale, and purchase of the securities offered and sold under the Plan, and therefore are not, and on account of such offer, issuance, sale, solicitation, and/or purchase will not be liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or offer, issuance, sale, or purchase of the securities offered and sold under the Plan.

(k) ***Time.***

In computing any period of time prescribed or allowed by the Plan, unless otherwise set forth herein or determined by the Bankruptcy Court, the provisions of Bankruptcy Rule 9006 shall apply.

(l) ***Monetary Figures.***

All references in the Plan to monetary figures shall refer to legal currency of the United States of America, unless otherwise expressly provided.

(m) ***Successors and Assigns.***

The rights, benefits, and obligations of any Person named or referred to in the Plan shall be binding upon, and shall inure to the benefit of, the heirs, executors, administrators, successors and/or assigns of such Person.

(n) ***Controlling Documents.***

To the extent any Plan Document is inconsistent with the Plan, the Disclosure Statement, or any other agreement entered into between the Debtors and any party, such Plan Document shall control. To the extent the Plan is inconsistent with the Disclosure Statement or any other agreement entered into between the Debtors and any party (other than any Plan Document), the Plan controls the Disclosure Statement and any other such agreements. To the extent that the Plan or any Plan Document is inconsistent with the Confirmation Order, the Confirmation Order (and any other orders of the Bankruptcy Court) control the Plan or any Plan Document.

(o) ***Hart- Scott-Rodino Antitrust Improvements Act.***

Any New Common Stock to be distributed under the Plan to an entity required to file a Premerger Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or any similar state laws or regulations, shall not be distributed until the notification and waiting periods applicable under such Act to such entity shall have expired or been terminated. In the event any applicable notification and waiting periods do not expire without objection, the Debtors or the Reorganized Debtors, as applicable, or their agent shall, in their sole discretion, be entitled to sell such entity's shares of New Common Stock that were to be distributed under the Plan to such entity, and thereafter shall distribute the proceeds of the sale to such entity.

(p) ***Notices.***

All notices or requests in connection with the Plan shall be in writing and will be deemed to have been given when received by mail and addressed to:

Rural/Metro Corporation
9221 E. Via de Ventura
Scottsdale, AZ 85258
Attn: Stephen Farber
Telephone: 800-352-2309

-and-

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, New York 10019-6099
Attn: Matthew Feldman, Esq.

Rachel C. Strickland, Esq.
Daniel I. Forman, Esq.
Telephone: (212) 728-8000
Facsimile: (212) 728-8111

(q) ***Payment of Statutory Fees.***

All fees payable pursuant to section 1930 of title 28 of the United States Code, due and payable through the Effective Date shall be paid by the Debtors on or before the Effective Date and amounts due thereafter shall be paid by the Reorganized Debtors in the ordinary course until the entry of a Final Order closing the Reorganization Cases. Any deadline for filing Administrative Expense Claims shall not apply to fees payable pursuant to section 1930 of title 28 of the United States Code.

(r) ***Reservation of Rights.***

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless and until the Bankruptcy Court enters the Confirmation Order. None of the filing of the Plan, any statement or provision contained therein, or the taking of any action by the Debtors with respect to the Plan shall be, or shall be deemed to be, an admission or waiver of any rights of the Debtors with respect to any Claims or Interests prior to the Effective Date.

ARTICLE VII.

CONFIRMATION OF THE PLAN OF REORGANIZATION

7.1 ***Confirmation Hearing.***

Section 1128(a) of the Bankruptcy Code requires the bankruptcy court, after appropriate notice, to hold a hearing on confirmation of a plan of reorganization. The Debtors shall request that the Bankruptcy Court establish the date and time of the Confirmation Hearing with respect to the Plan. The hearing may be adjourned or continued from time to time by the Debtors or the Bankruptcy Court without further notice except for an announcement of the adjourned or continued date made at the Confirmation Hearing or any subsequent adjourned or continued Confirmation Hearing.

Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of a plan of reorganization. Any objection to confirmation of the Plan must be in writing, must conform to the Bankruptcy Rules, must set forth the name of the objector, the nature and amount of Claims or Interests held or asserted by the objector against the particular Debtor or Debtors, the basis for the objection and the specific grounds therefor, and must be filed with the Bankruptcy Court, with a copy to chambers, together with proof of service thereof, and served upon: (a) Willkie Farr & Gallagher LLP, counsel for the Debtors, 787 Seventh Avenue, New York, NY 10019, Attn: Matthew A. Feldman, Esq., Rachel C. Strickland, Esq. and Daniel I. Forman, Esq.; (b) The Office of the United States Trustee for the District of Delaware, 844 King St., Suite 2207, Wilmington, DE 19801, Attn: Mark Kenney; (c) counsel to the Consenting Noteholders, Latham & Watkins LLP, Sears Tower, Suite 5800, 233 S. Wacker Drive, Chicago, IL 60606, Attn: David S. Heller and Josef S. Athanas; (d) counsel to the

Consenting Lenders, Gibson Dunn & Crutcher LLP, 200 Park Avenue, New York, NY 10166, Attn: David M. Feldman and Matthew K. Kelsey; and (e) counsel to the Creditors' Committee, Brown Rudnick LLP, One Financial Center, Boston, MA 02111, Attn: Steven D. Pohl.

Bankruptcy Rule 9014 governs objections to confirmation of the Plan. UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY SERVED AND FILED, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

7.2 *Confirmation.*

At the Confirmation Hearing, the Bankruptcy Court will determine whether the requirements of section 1129(a) of the Bankruptcy Code have been satisfied with respect to the Plan.

(a) *Confirmation Requirements.*

Confirmation of a plan under section 1129(a) of the Bankruptcy Code requires, among other things, that:

- the plan complies with the applicable provisions of the Bankruptcy Code;
- the proponent of the plan has complied with the applicable provisions of the Bankruptcy Code;
- the plan has been proposed in good faith and not by any means forbidden by law;
- any plan payment made or to be made by the proponent under the plan for services or for costs and expenses in, or in connection with, the chapter 11 case, or in connection with the plan and incident to the case, has been approved by, or is subject to the approval of, the Bankruptcy Court as reasonable;
- the proponent has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the plan, as a director, officer, or voting trustee of the debtor, an affiliate of the debtor participating in the plan with the debtor, or a successor to the debtor under the plan. The appointment to, or continuance in, such office by such individual must be consistent with the interests of creditors and equity security holders and with public policy and the proponent must have disclosed the identity of any insider that the reorganized debtor will employ or retain, and the nature of any compensation for such insider;
- with respect to each impaired class of claims or interests, either each holder of a claim or interest of such class has accepted the plan, or will receive or retain under the plan, on account of such claim or interest, property of a value, as of the effective date of the plan, that is not less than

the amount that such holder would receive or retain if the debtor were liquidated on such date under chapter 7 of the Bankruptcy Code;

- each class of claims or interests has either accepted the plan or is not impaired under the plan (unless the requirements of section 1129(b) of the Bankruptcy Code are satisfied);

- except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the plan provides that allowed administrative expenses and priority claims will be paid in full on the effective date (except that if a class of priority claims has voted to accept the plan, holders of such claims may receive deferred cash payments of a value, as of the effective date of the plan, equal to the allowed amounts of such claims and that holders of priority tax claims may receive on account of such claims deferred cash payments, over a period not exceeding five (5) years after the date of assessment of such claims, of a value, as of the effective date, equal to the allowed amount of such claims);

- if a class of claims is impaired, at least one (1) impaired class of claims has accepted the plan, determined without including any acceptance of the plan by any insider holding a claim in such class; and

- confirmation of the plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the debtor or any successor to the debtor under the plan, unless such liquidation or reorganization is proposed in the plan.

Subject to satisfying the standard for any potential "cramdown" of Classes deemed to reject the Plan, the Debtors believe that:

- the Plan satisfies all of the statutory requirements of chapter 11 of the Bankruptcy Code;

- the Debtors have complied or will have complied with all of the requirements of chapter 11 of the Bankruptcy Code; and

- the Plan has been proposed in good faith.

Set forth below is a summary of the relevant statutory confirmation requirements.

(1) Acceptance.

Classes 2, 4 and 5 are impaired under the Plan and are entitled to vote to accept or reject the Plan. Classes 1 and 3 are unimpaired and, therefore, are conclusively presumed to have voted to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code. Classes 6 and 7 are impaired and not receiving any property under the Plan, and thus are deemed to have rejected the Plan.

Because certain Classes are deemed to have rejected the Plan, the Debtors will request confirmation of the Plan under section 1129(b) of the Bankruptcy Code. The Debtors reserve the right, with the consent of the Required Consenting Lenders and Required Consenting Noteholders (which consents shall not be unreasonably withheld or delayed), to alter, amend, modify, revoke or withdraw the Plan, any exhibit, or schedules thereto or any Plan Document in order to satisfy the requirements of section 1129(b) of the Bankruptcy Code, if necessary. The Debtors believe that the Plan will satisfy the "cramdown" requirements of section 1129(b) of the Bankruptcy Code with respect to Claims and Interests in Classes 6 and 7.

The Debtors will also seek confirmation of the Plan over the objection of any individual holders of Claims who are members of an accepting Class. However, there can be no assurance that the Bankruptcy Court will determine that the Plan meets the requirements of section 1129(b) of the Bankruptcy Code.

(2) Unfair Discrimination and Fair and Equitable Test.

To obtain nonconsensual confirmation of the Plan, it must be demonstrated to the Bankruptcy Court that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to each impaired, non-accepting Class. The Bankruptcy Code provides a non-exclusive definition of the phrase "fair and equitable" for, respectively, secured creditors, unsecured creditors and holders of equity interests.

A plan of reorganization does not "discriminate unfairly" with respect to a non-accepting class if the value of the cash and/or securities to be distributed to the non-accepting class is equal to, or otherwise fair when compared to, the value of the distributions to other classes whose legal rights are the same as those of the non-accepting class.

(3) Feasibility; Financial Projections; Valuation.

The Bankruptcy Code permits a plan to be confirmed only if confirmation is not likely to be followed by liquidation or the need for further financial reorganization. For purposes of determining whether the Plan meets this requirement, the Debtors have analyzed their ability to meet their obligations under the Plan. As part of this analysis, the Debtors have prepared projections of the financial performance of the Reorganized Debtors for each of the calendar years from 2014 through 2018 (the "**Financial Projections**"). The Financial Projections, and the assumptions on which they are based, are set forth in the Projected Financial Information contained in Exhibit 5 hereto. Based upon these projections, the Debtors believe that they will be able to make all payments required pursuant to the Plan while conducting ongoing business operations and, therefore, that confirmation of the Plan is not likely to be followed by liquidation or the need for further reorganization.

The Financial Projections are based on the assumption that the Plan will be confirmed by the Bankruptcy Court and, for projection purposes, that the Effective Date under the Plan will occur in December 2013.

THE PROJECTIONS, INCLUDING THE UNDERLYING ASSUMPTIONS, SHOULD BE CAREFULLY REVIEWED IN EVALUATING THE PLAN. WHILE MANAGEMENT BELIEVES THE ASSUMPTIONS UNDERLYING THE PROJECTIONS,

WHEN CONSIDERED ON AN OVERALL BASIS, ARE REASONABLE IN LIGHT OF CURRENT CIRCUMSTANCES AND EXPECTATIONS, NO ASSURANCE CAN BE GIVEN THAT THE PROJECTIONS WILL BE REALIZED. THE DEBTORS MAKE NO REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF THE PROJECTIONS.

The Debtors have prepared these financial projections based upon certain assumptions that they believe to be reasonable under the circumstances. Those assumptions considered to be significant are described in Exhibit 5. The financial projections have not been examined or compiled by independent accountants. The Debtors make no representation as to the accuracy of the projections or their ability to achieve the projected results. Many of the assumptions on which the projections are based are inherently subject to significant economic and competitive uncertainties and contingencies beyond the control of the Debtors and their Management. Inevitably, some assumptions will not materialize and unanticipated events and circumstances may affect the actual financial results. Therefore, the actual results achieved throughout the five-year period of the Financial Projections may vary from the projected results and the variations may be material. All holders of Claims that are entitled to vote to accept or reject the Plan are urged to examine carefully all of the assumptions on which the financial projections are based in connection with their evaluation of the Plan.

(b) ***Valuation of the Reorganized Debtors.***

In conjunction with formulating the Plan, the Debtors determined it was necessary to estimate the going concern value of the Reorganized Debtors (the "**Valuation Analysis**"). The Valuation Analysis is set forth in Exhibit 7.

THIS VALUATION ANALYSIS SET FORTH IN EXHIBIT 7 IS PRESENTED SOLELY FOR THE PURPOSE OF PROVIDING "ADEQUATE INFORMATION" UNDER SECTION 1125 OF THE BANKRUPTCY CODE AND IS FOR THE SOLE USE BY THE DEBTORS AND SHOULD NOT BE USED OR RELIED UPON FOR ANY OTHER PURPOSE, INCLUDING THE PURCHASE OR SALE OF SECURITIES OF, OR CLAIMS OR INTERESTS IN, THE DEBTORS.

THE VALUATION ANALYSIS SET FORTH IN EXHIBIT 7 REPRESENTS A HYPOTHETICAL VALUATION OF THE REORGANIZED DEBTORS, WHICH ASSUMES THAT SUCH REORGANIZED DEBTORS CONTINUE AS AN OPERATING BUSINESS. THE ESTIMATED VALUE SET FORTH IN THE VALUATION ANALYSIS DOES NOT PURPORT TO CONSTITUTE AN APPRAISAL OR NECESSARILY REFLECT THE ACTUAL MARKET VALUE THAT MIGHT BE REALIZED THROUGH A SALE OR LIQUIDATION OF THE REORGANIZED DEBTORS, THEIR SECURITIES OR THEIR ASSETS, WHICH MAY BE MATERIALLY DIFFERENT THAN THE ESTIMATE SET FORTH IN THE VALUATION ANALYSIS. ACCORDINGLY, SUCH ESTIMATED VALUE IS NOT NECESSARILY INDICATIVE OF THE PRICES AT WHICH ANY SECURITIES OF THE REORGANIZED DEBTORS MAY TRADE AFTER GIVING EFFECT TO THE TRANSACTIONS SET FORTH IN THE PLAN. ANY SUCH PRICES MAY BE MATERIALLY DIFFERENT THAN INDICATED BY THE VALUATION ANALYSIS.

(c) ***Best Interests Test.***

With respect to each impaired Class of Claims and Interests, confirmation of the Plan requires that each holder of a Claim or Interest either (i) accept the Plan or (ii) 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. To determine what holders of Claims in each impaired Class would receive if the Debtors were liquidated under chapter 7, the Bankruptcy Court must determine the dollar amount that would be generated from the liquidation of the Debtors' assets and properties in the context of liquidation under chapter 7 of the Bankruptcy Code. The Cash amount that would be available for satisfaction of Claims and Interests would consist of the proceeds resulting from the disposition of the assets and properties of the Debtors, augmented by the Cash held by the Debtors at the time of the commencement of the liquidation case. Such Cash amount would be (i) first, reduced by the amount of the DIP Claims and Allowed Secured Lender Claims, (ii) second, reduced by the costs and expenses of liquidation and such additional administrative claims that might result from the termination of the Debtors' business and the use of chapter 7 for the purposes of liquidation, and (iii) third, reduced by the Debtors' costs of liquidation under chapter 7, including the fees payable to a trustee in bankruptcy, as well as those fees that might be payable to attorneys and other professionals that such a trustee might engage. In addition, claims would arise by reason of the breach or rejection of obligations incurred and leases and executory contracts (including vendor and customer contracts) assumed or entered into by the Debtors prior to the filing of the chapter 7 case. Certain claims that would otherwise be paid over the course of many years would be accelerated.

To determine if the Plan is in the best interests of each impaired class, the present value of the distributions from the proceeds of a liquidation of the Debtors' assets and properties, after subtracting the amounts attributable to the foregoing claims, must be compared with the value of the property offered to such Classes of Claims under the Plan.

After considering the effects that a chapter 7 liquidation would have on the ultimate proceeds available for distribution to creditors in the Debtors' Reorganization Cases, the Debtors have determined that confirmation of the Plan will provide each holder of an Allowed Claim with a recovery that is not less than such holder would receive pursuant to the liquidation of the Debtors under chapter 7.

Moreover, the Debtors believe that the value of any distributions to each Class of Allowed Claims in a chapter 7 case, including the Allowed Secured Lender Claims, would be less than the value of distributions under the Plan because in a chapter 7 case the Debtors would not have the proceeds of the Rights Offering to make such distributions to the holders of Allowed Claims and any distribution in a chapter 7 case would not occur for a substantial period of time. It is likely that distribution of the proceeds of the liquidation could be delayed for up to eighteen months after the completion of such liquidation in order to resolve claims and prepare for distributions. In the likely event litigation was necessary to resolve claims asserted in the chapter 7 case, the delay could be prolonged.

Lazard Frères & Co. L.L.C., with the assistance of the Debtors, prepared a liquidation analysis which is annexed hereto as Exhibit 4 (the "**Liquidation Analysis**").

Underlying the Liquidation Analysis are a number of estimates and assumptions that, although developed and considered reasonable by the Debtors' management, are inherently subject to significant economic and competitive uncertainties and contingencies beyond the control of the Debtors and their management. The Liquidation Analysis also is based on assumptions with regard to liquidation decisions that are subject to change and significant economic and competitive uncertainties and contingencies beyond the control of the Debtors and their management. Inevitably, some assumptions will not materialize and unanticipated events and circumstances may affect the results of a liquidation of the Debtors. Accordingly, the values reflected might not be realized if the Debtors were, in fact, to be liquidated. The chapter 7 liquidation period is assumed to last approximately nine (9) months following the conversion of the Debtors' Reorganization Cases to chapter 7, allowing for, among other things, the discontinuation and wind-down of operations, the sale of the operations, the sale of assets and the collection of receivables. All holders of Claims that are entitled to vote to accept or reject the Plan are urged to examine carefully all of the assumptions on which the Liquidation Analysis is based in connection with their evaluation of the Plan.

7.3 *Classification of Claims and Interests.*

The Debtors believe that the Plan meets the classification requirements of the Bankruptcy Code.

7.4 *Consummation.*

The Plan will be consummated on the Effective Date. The Effective Date will occur on the first Business Day on which the conditions precedent to the effectiveness of the Plan, as set forth in the Plan, have been satisfied or waived pursuant to the Plan. For a more detailed discussion of such conditions precedent and the consequences of the failure to meet such conditions, see Article VI herein.

The Plan is to be implemented pursuant to its terms, consistent with the provisions of the Bankruptcy Code.

ARTICLE VIII.

ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

If the Plan is not confirmed and consummated, the alternatives include:

8.1 *Liquidation Under the Bankruptcy Code.*

The Debtors could be liquidated under chapter 7 of the Bankruptcy Code. A discussion of the effect a chapter 7 liquidation would have on the recoveries of the holders of Claims is set forth in Article VII of this Disclosure Statement. The Debtors believe that liquidation would result in lower aggregate distributions being made to creditors than those provided for in the Plan, which is demonstrated by the Liquidation Analysis set forth in Article VII and attached as Exhibit 4 of this Disclosure Statement.

8.2 ***Alternative Plan(s) of Reorganization.***

The Debtors believe that failure to confirm the Plan will lead inevitably to expensive and protracted Reorganization Cases. In formulating and developing the Plan, the Debtors have explored numerous other alternatives and engaged in an extensive negotiating process with the Consenting Lenders and Consenting Noteholders.

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

Moreover, the prolonged continuation of the Reorganization Cases is likely to adversely affect the Debtors' business and operations. So long as the Reorganization Cases continue, senior management of the Debtors will be required to spend a significant amount of time and effort dealing with the Debtors' reorganization instead of focusing exclusively on business operations. Prolonged continuation of the Reorganization Cases will also make it more difficult to attract and retain management and other key personnel necessary to the success and growth of the Debtors' business. In addition, the longer the Reorganization Cases continue, the more likely it is that the Debtors' customers, suppliers, distributors, and agents will lose confidence in the Debtors' ability to reorganize their business successfully and will seek to establish alternative commercial relationships. Furthermore, so long as the Reorganization Cases continue, the Debtors will be required to incur substantial costs for professional fees and other expenses associated with the proceedings. The prolonged continuation of the Reorganization Cases may also require the Debtors to seek additional financing, either from under the DIP Credit Agreement or otherwise, in order to service its debt and other obligations. It may not be possible for the Debtors to obtain additional financing during the pendency of the Reorganization Cases on commercially favorable terms or at all. If the Debtors were to require additional financing during the Reorganization Cases and were unable to obtain the financing on favorable terms or at all, it is unlikely the Debtors could successfully reorganize.

The Debtors believe that not only does the Plan fairly adjust the rights of various Classes of Claims, but also that the Plan provides superior recoveries over any alternative capable of rational consideration (such as a chapter 7 liquidation), thus enabling stakeholders to maximize their returns. Rejection of the Plan in favor of some alternative method of reconciling the Claims and Interests will require, at the very least, an extensive and time-consuming process (including the possibility of protracted and costly litigation) and will not result in a better recovery for any Class of Claims or Interests.

THE DEBTORS BELIEVE THAT CONFIRMATION OF THE PLAN IS PREFERABLE TO ANY ALTERNATIVE BECAUSE THE PLAN MAXIMIZES THE AMOUNT OF DISTRIBUTIONS TO ALL HOLDERS OF CLAIMS AND INTERESTS AND

ANY ALTERNATIVE TO CONFIRMATION OF THE PLAN WILL RESULT IN SUBSTANTIAL DELAYS IN THE DISTRIBUTION OF ANY RECOVERIES. THEREFORE, THE DEBTORS RECOMMEND THAT ALL HOLDERS OF IMPAIRED CLAIMS ENTITLED TO VOTE ON THE PLAN VOTE TO ACCEPT THE PLAN.

8.3 *Dismissal of the Debtors' Reorganization Cases.*

Dismissal of the Debtors' Reorganization Cases would have the effect of restoring (or attempting to restore) all parties to the *status quo ante*. Upon dismissal of the Debtors' Reorganization Cases, the Debtors would lose the protection of the Bankruptcy Code, thereby requiring, at the very least, an extensive and time-consuming process of negotiation with the creditors of the Debtors, and possibly resulting in costly and protracted litigation in various jurisdictions. Most significantly, dismissal of the Debtors' Reorganization Cases may permit acceleration of the obligations under the Secured Credit Agreement and the Indentures. Moreover, holders of Secured Lender Claims may be permitted to foreclose upon the assets that are subject to their Liens, which is a substantial portion of the Debtors' assets including their Cash. Dismissal may also permit certain unpaid unsecured creditors to obtain and enforce judgments against the Debtors. The Debtors believe that these actions would seriously undermine their ability to obtain financing and could lead ultimately to the liquidation of the Debtors under chapter 7 of the Bankruptcy Code. Therefore, the Debtors believe that dismissal of the Debtors' Reorganization Cases is not a viable alternative to the Plan.

ARTICLE IX.

SUMMARY OF VOTING PROCEDURES

This Disclosure Statement, including all Exhibits hereto and the related materials included herewith, is being furnished to the holders of Claims in Classes 2, 4 and 5, which are the only Classes entitled to vote on the Plan.

THERE ARE SPECIAL VOTING RULES/PROCEDURES, HOWEVER, FOR BENEFICIAL HOLDERS OF CLASS 4 NOTEHOLDER CLAIMS DESCRIBED IN THE BENEFICIAL NOTEHOLDER BALLOT, WHICH MUST BE RETURNED TO THE APPLICABLE NOMINEE WITH SUFFICIENT TIME FOR PROCESSING SUCH THAT THE NOMINEE CAN RETURN THE APPLICABLE MASTER NOTEHOLDER BALLOT TO THE VOTING AGENT ON OR PRIOR TO THE VOTING DEADLINE.

PLEASE REFER TO THE INSTRUCTIONS ATTACHED TO THE SECURED LENDER BALLOTS, BENEFICIAL NOTEHOLDER BALLOTS, MASTER NOTEHOLDER BALLOTS AND OTHER UNSECURED CLAIM BALLOTS THAT YOU HAVE RECEIVED FOR MORE DETAILED INFORMATION REGARDING THE VOTING REQUIREMENTS, RULES AND PROCEDURES APPLICABLE TO VOTING YOUR CLAIM.

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

Voting Agent. BENEFICIAL HOLDERS OF CLASS 4 NOTEHOLDER CLAIMS MUST EXECUTE, COMPLETE AND RETURN THEIR BENEFICIAL NOTEHOLDER BALLOTS IN ACCORDANCE WITH THE DISTINCT RULES FOR VOTING THEIR CLASS 4 NOTEHOLDER CLAIMS SET FORTH IN THEIR APPLICABLE BENEFICIAL NOTEHOLDER BALLOTS.

All votes to accept or reject the Plan must be cast by using the Ballots enclosed with this Disclosure Statement in accordance with the instructions contained therein. No other votes will be counted. Consistent with the provisions of Bankruptcy Rule 3018, the Debtors have fixed the later of (i) the date the Disclosure Statement Order is entered, or (ii) November 5, 2013 at 5:00 p.m. (prevailing Eastern Time) as the Voting Record Date. Ballots must be RECEIVED by the Voting Agent no later than 5:00 p.m. (prevailing Eastern Time) on December 9, 2013 (the "**Voting Deadline**"), unless the Debtors, at any time, in their sole discretion, extend such date by oral or written notice to the Voting Agent, in which event the period during which Ballots will be accepted will terminate at 5:00 p.m. (prevailing Eastern Time) on such extended date.

Ballots previously delivered may be withdrawn or revoked at any time prior to the Voting Deadline by the beneficial owner on the Voting Record Date who completed the original Ballot. Only the person or nominee who submits a Ballot can withdraw or revoke that Ballot. A Ballot may be revoked or withdrawn either by submitting a superseding Ballot or by providing written notice to the Voting Agent.

Acceptances or rejections may be withdrawn or revoked prior to the Voting Deadline by delivering a written notice of withdrawal or revocation to the Voting Agent. To be effective, notice of revocation or withdrawal must: (a) be received on or before the Voting Deadline by the Voting Agent at its address specified on page 5 herein; (b) specify the name of the holder of the Claim whose vote on the Plan is being withdrawn or revoked; (c) contain the description of the Claim as to which a vote on the Plan is withdrawn or revoked; and (d) be signed by the holder of the Claim who executed the Ballot reflecting the vote being withdrawn or revoked, in the same manner as the original signature on the Ballot. The foregoing procedures should also be followed with respect to a person entitled to vote on the Plan who wishes to change (rather than revoke or withdraw) its vote.

ARTICLE X.

DESCRIPTION AND HISTORY OF REORGANIZATION CASES

10.1 *General Case Background.*

On August 4, 2013, each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. On August 6, 2013, the Bankruptcy Court entered an order [Docket No. 50] authorizing the joint administration of the Reorganization Cases, for procedural purposes only, under Case No. 13-11952. The Honorable Kevin J. Carey is presiding over the Reorganization Cases. The Debtors continue to operate their businesses and manage their properties as debtors and debtors in possession pursuant to sections 1107 and 1108 of the

Bankruptcy Code. As of the date hereof, no request has been made for the appointment of a trustee or examiner in these cases.

The following is a brief description of certain significant events that have occurred during the pendency of the Reorganization Cases.

10.2 ***Retention of Professionals.***

To assist them in carrying out their duties as debtors in possession, and to otherwise represent their interests in the Reorganization Cases, the Debtors filed applications with the Bankruptcy Court seeking entry of orders authorizing the Debtors to retain: (a) Willkie Farr & Gallagher LLP [Docket No. 70] and Young Conaway Stargatt & Taylor, LLP [Docket No. 71] as their counsel; (b) Alvarez & Marsal Healthcare Industry Group, LLC as their financial advisor [Docket No. 72]; (c) Lazard Frères & Co. L.L.C. as their investment banker [Docket No. 73]; and (d) FTI Consulting, Inc. as their special accountant [Docket No. 78]. The Bankruptcy Court entered orders [Docket Nos. 169, 170, 171, 190 and 178, respectively] approving the applications.

On August 6, 2013, the Bankruptcy Court entered an order [Docket No. 51] approving the Debtors' application [Docket No. 4], pursuant to 28 U.S.C. § 156(c), authorizing the Debtors to retain Donlin, Recano & Company, Inc. ("**DRC**") as the Debtors' claims, noticing and balloting agent. On August 26, 2013, the Bankruptcy Court entered an order [Docket No. 166] approving the Debtors' application, pursuant to section 327(a) of the Bankruptcy Code, authorizing the Debtors to retain DRC as administrative agent for the Debtors [Docket No. 66].

Additionally, on August 26, 2013, the Bankruptcy Court entered an order [Docket No. 168] approving the Debtors' motion seeking authority to employ certain additional professionals, utilized in the ordinary course to assist the Debtors in their day-to-day business operations [Docket No. 68].

On August 7, 2013, the Debtors filed a motion [Docket No. 65] to establish procedures whereby certain retained professionals performing services directly related to the Reorganization Cases may receive a percentage of fees billed and expenses incurred for services performed upon proper application to the Bankruptcy Court. On August 26, 2013, the Bankruptcy Court entered an order [Docket No. 165] establishing procedures for the interim compensation and reimbursement of professionals during the Reorganization Cases.

10.3 ***Employment Obligations.***

The Debtors believe they have a valuable asset in their workforce, and that the efforts of the Debtors' employees are critical to a successful reorganization. On the Commencement Date, the Debtors filed with the Bankruptcy Court a motion for an order authorizing the Debtors to pay certain prepetition employee wage and benefit obligations [Docket No. 8]. On August 6, 2013 and August 26, 2013, the Bankruptcy Court entered orders [Docket Nos. 55 and 162] approving the motion. The approval of these wages and benefit programs was a critical first step to minimize the personal hardship that the Debtors' employees would have suffered if certain prepetition employee-related obligations were not paid and to

maintain employee morale, and was essential to the successful continuation of the Debtors' business operations during the Reorganization Cases.

10.4 *Continuing Customer Relations and Tax Obligations.*

The Debtors believe that maintaining good relationships with their vendors, suppliers and customers is necessary to the continuity of the Debtors' business operations during the Reorganization Cases. On the Commencement Date, the Debtors filed with the Bankruptcy Court a motion seeking entry of an order authorizing the Debtors to maintain certain prepetition practices, including refunding overpayments and honoring prepayments, in the ordinary course of business [Docket No. 7]. By this motion, the Debtors also sought authority to pay prepetition amounts owing in respect of prepetition sales taxes and regulatory fees. On August 6, 2013, the Bankruptcy Court entered an order approving the motion [Docket No. 54].

10.5 *Critical Vendors*

The Debtors believe that it is essential for them to pay prepetition amounts owed to certain of their vendors that provide the Debtors with goods and services vital for the continued operation of the Debtors' businesses. Accordingly, on the Commencement Date, the Debtors filed with the Bankruptcy Court a motion [Docket No. 10] seeking entry of an order authorizing the Debtors to pay, in the ordinary course of business, prepetition claims of critical vendors, including certain claims of suppliers of goods entitled to priority pursuant to section 503(b)(9) of the Bankruptcy Code. On August 6, 2013, the Bankruptcy Court entered an order [Docket No. 57] approving the motion on an interim basis. On August 26, 2013, the Bankruptcy Court entered an order [Docket No. 163] approving the motion on a final basis.

10.6 *Cash Management System.*

The Debtors believe it would be disruptive to their operations if they were forced to change significantly their cash management system upon the commencement of the Reorganization Cases. Accordingly, on the Commencement Date, the Debtors filed with the Bankruptcy Court a motion seeking entry of an order authorizing the Debtors to maintain their current cash management system [Docket No. 9]. On August 6, 2013, the Bankruptcy Court entered an order approving the motion [Docket No. 56].

10.7 *Utilities.*

On the Commencement Date, the Debtors filed with the Bankruptcy Court a motion for interim and final orders: (a) prohibiting utilities from altering or discontinuing services; (b) deeming utility companies to have adequate assurance of payment; and (c) establishing procedures for determining adequate assurance of payment [Docket No. 6]. On August 6, 2013 and August 28, 2013, the Bankruptcy Court entered orders approving the motion on an interim and final basis, respectively [Docket Nos. 53 and 192].

10.8 *Insurance Obligations.*

Nothing in the Plan, including any releases, shall diminish or impair the enforceability of any policies of insurance that cover claims against the Debtors, the Reorganized

Debtors or any other Person, and all such policies shall vest in the Reorganized Debtors as of and subject to the occurrence of the Effective Date. For the avoidance of doubt, to the extent such policies of insurance are executory contracts subject to assumption pursuant to section 365 of the Bankruptcy Code, such policies of insurance shall not be deemed assumed by the Reorganized Debtors except as set forth in Section 10.6 of the Plan, and the self-insured portion of Claims arising under any insurance policies held by the Debtors prior to the Commencement Date shall (i) as to the Debtors, be treated as Other Unsecured Claims and (ii) neither the Debtors nor the Reorganized Debtors shall be obligated to pay any deductibles or self-insured retentions or take other actions with respect thereto. The Reorganized Debtors shall continue to perform under their insurance policies in the ordinary course of business with respect to any Claims arising following the Commencement Date.

10.9 ***Postpetition Financing.***

On August 6, 2013, the Bankruptcy Court entered an interim order [Docket No. 58] authorizing, on an interim basis, the Debtors to obtain postpetition financing and use cash collateral (the "**Interim DIP Order**"). The DIP Facility was approved on a final basis on September 10, 2013 [Docket No. 235] (the "**Final DIP Order**"). Pursuant to the DIP Facility, the Bankruptcy Court authorized the Debtors to enter into a postpetition senior secured, superpriority debtor-in-possession multiple draw term credit facility in the amount of up to $75 million, of which $40 million became available upon entry of the Interim Order (the "**DIP Credit Agreement**") and to use cash collateral (as defined in section 363(c)(2)(A) of the Bankruptcy Code). Under the DIP Facility, the DIP Administrative Agent also provides a letter of credit facility of up to $30 million.

10.10 ***Restructuring Support Agreement.***

As discussed in Section 4.1, the Restructuring Support Agreement is the lynchpin of the Debtors' consensual restructuring. In the period leading up to the Commencement Date, the Debtors vigorously negotiated with the Consenting Lenders and the Consenting Noteholders, who together represent the majority of the Debtors' institutional prepetition debt holders. Pursuant to the Restructuring Support Agreement, the Debtors, the Consenting Lenders and the Consenting Noteholders agreed to support a pre-negotiated plan of reorganization which served as the basis for the Plan. The Restructuring Support Agreement was designed to implement a comprehensive balance sheet restructuring that will solve the Debtors' liquidity issues by reducing the Debtors' funded indebtedness by approximately 50% and cutting interest payments in half.

The milestones set forth under the Restructuring Support Agreement, including the entry of an order of the Court confirming the Plan by December 20, 2013, were designed to pace these cases with a view to minimizing the Debtors' stay in chapter 11, but also to provide the necessary runway to ensure a thorough restructuring. On September 5, 2013, the Bankruptcy Court entered an order approving the motion [Docket No. 217].

10.11 ***Bar Date.***

On August 7, 2013, the Debtors filed with the Bankruptcy Court a motion seeking an order establishing the deadlines (each, a "**Bar Date**") for filing proof of certain claims against the Debtors that arose on or prior to the Commencement Date and approving the form and manner of notice of each Bar Date [Docket No. 67]. Pursuant to the motion, within five business days after the Debtors file their Schedules of Assets and Liabilities, the Debtors will serve the bar date notice and a proof of claim form upon all known entities holding potential claims (the date upon which the Debtors commence such service is referred to herein as the "**Service Date**"). On August 26, 2013, the Bankruptcy Court entered an order approving the motion [Docket No. 164] and fixing thirty days after the Service Date as the Bar Date to file proofs of claim for all creditors other than governmental units and January 31, 2014 as the Bar Date for governmental units.

10.12 ***Appointment of a Creditors' Committee.***

The Creditors' Committee was appointed by the United States Trustee pursuant to section 1102(a)(1) of the Bankruptcy Code on August 14, 2013 to represent the interests of the Debtors' unsecured creditors, as reflected on the Bankruptcy Court's docket on August 15, 2013 [Docket No. 114]. On September 3, 2013, the Creditors' Committee filed with the Bankruptcy Court an application seeking entry of an order authorizing the Creditors' Committee to retain Brown Rudnick LLP as its legal advisor [Docket No. 208]. On September 12, 2013, the Creditors' Committee filed with the Bankruptcy Court applications seeking entry of orders authorizing the Creditors' Committee to retain GLC Advisors & Co., LLC as its financial advisor [Docket No. 244] and Womble Carlyle Sandridge & Rice, LLP as Delaware co-counsel [Docket No. 245].

The current members of the Creditors' Committee are set forth below:

Wilmington Trust National Association
Rodney Square North, 1100 North Market Street
Wilmington, DE 19890
Attn: Geoffrey J. Lewis and Steven Cimalore

Henry Schein, Inc.
135 Duryea Road
Melville, NY 11747
Attn: Timothy Ingoglia and Ray Manente

Brownstone Investment Group
505 5th Ave.
New York, NY 10017
Attn: Robert Stevens

10.13 ***Section 341 Meeting.***

On September 12, 2013, the United States Trustee convened a meeting of creditors (the "**341 Meeting**") pursuant to section 341(a) of the Bankruptcy Code. The 341

Meeting took place and was continued to October 1, 2013 at 1:00 p.m. The 341 Meeting was closed on October 1, 2013.

ARTICLE XI.

GOVERNANCE OF REORGANIZED DEBTORS

11.1 ***Board of Directors and Management.***

The existing Rural/Metro Board shall be deemed to have resigned on and as of the Effective Date. On the Effective Date, the boards of directors of the Reorganized Debtors shall consist of those individuals that will be identified on Exhibit K to the Plan and filed as part of the Plan Supplement. The members of the board of directors of each Debtor prior to the Effective Date, in their capacities as such, shall have no continuing obligations to the Reorganized Debtors on or after the Effective Date. Following the occurrence of the Effective Date, the board of directors of each Reorganized Debtor may be replaced by such individuals as are selected in accordance with the organizational documents of such Reorganized Debtor.

On the Effective Date, the officers of the Reorganized Debtors shall consist of those individuals identified on Exhibit L to the Plan.

11.2 ***Indemnification of Directors and Officers.***

The Amended Certificates of Incorporation of the Reorganized Debtors will authorize the Reorganized Debtors to indemnify and exculpate their respective officers, directors or managers and agents to the fullest extent permitted under applicable law.

11.3 ***Stockholders Agreement and/or Registration Rights Agreement.***

In the event the Debtors and the Required Consenting Noteholders determine that a Stockholders Agreement and/or Registration Rights Agreement will be executed and delivered in connection with the Plan, Reorganized RMC shall be authorized and directed to enter into and consummate the transactions contemplated by the Stockholders Agreement and/or Registration Rights Agreement (attached, if applicable, as Exhibits I and G, respectively, to the Plan, which will be filed as part of the Plan Supplement) and such documents, and any agreement or document entered into in connection therewith, shall become effective and binding in accordance with their respective terms and conditions upon the parties thereto, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization or approval of any Person (other than as expressly required by the Stockholders Agreement and/or Registration Rights Agreement).

ARTICLE XII.

CERTAIN RISK FACTORS TO BE CONSIDERED

12.1 ***Certain Bankruptcy Considerations.***

(a) ***General.***

While the Debtors believe that the Reorganization Cases, commenced in order to implement an agreed-upon restructuring, will be of short duration and will not be materially disruptive to their businesses, the Debtors cannot be certain that this will be the case. Although the Plan is designed to minimize the length of the bankruptcy proceeding, it is impossible to predict with certainty the amount of time that the Debtors may spend in bankruptcy or to assure parties-in-interest that the Plan will be confirmed.

Even if the Plan is confirmed on a timely basis, the Reorganization Cases could have an adverse effect on the Debtors' businesses. Among other things, it is possible that bankruptcy proceedings could adversely affect the Debtors' relationships with their key vendors and suppliers, customers and employees. Bankruptcy proceedings also will involve additional expenses and may divert some of the attention of the Debtors' management away from the operation of the businesses.

The extent to which bankruptcy proceedings disrupt the Debtors' businesses will likely be directly related to the length of time it takes to complete the proceedings. If the Debtors are unable to obtain confirmation of the Plan on a timely basis because of a challenge to confirmation of the Plan or a failure to satisfy the conditions to consummation of the Plan, they may be forced to operate in bankruptcy for an extended period while they try to develop a different reorganization plan that can be confirmed. That would increase both the probability and the magnitude of the potentially adverse effects described herein.

(b) ***Failure to Receive Requisite Acceptances.***

Classes 2, 4 and 5 are the only Classes that are entitled to vote to accept or reject the Plan. Although the Debtors believe they will receive the requisite acceptances, the Debtors cannot provide assurances that the requisite acceptances to confirm the Plan will be received for at least one of these Classes. If the requisite acceptances are not received for at least one of these Classes, the Debtors will not be able to seek confirmation of the Plan under section 1129(b) of the Bankruptcy Code, because at least one impaired Class will not have voted in favor of the Plan as required by section 1129(a)(10) of the Bankruptcy Code. Further, if the requisite acceptances are not received, the Debtors may seek to accomplish an alternative restructuring of their capitalization and obligations to creditors and obtain acceptances to an alternative plan of reorganization for the Debtors, or otherwise, that may not have the support of the Secured Lenders and/or may be required to liquidate these estates under chapter 7 or 11 of the Bankruptcy Code. There can be no assurance that the terms of any such alternative restructuring arrangement or plan would be similar to or as favorable to the Debtors' creditors as those proposed in the Plan.

(c) ***Failure to Confirm the Plan.***

Even if the requisite acceptances are received, the Bankruptcy Court, which, as a court of equity, may exercise substantial discretion, may decide not to confirm the Plan. Section 1129 of the Bankruptcy Code requires, among other things, a showing that confirmation of the Plan will not be followed by liquidation or the need for further financial reorganization of the Debtors, and that the value of distributions to dissenting holders of Claims and Interests may not be less than the value such holders would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. Although the Debtors believe that the Plan meets such test, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

Additionally, the Solicitation must comply with the requirements of section 1125 of the Bankruptcy Code and the applicable Bankruptcy Rules with respect to the length of the solicitation period and the adequacy of the information contained in this Disclosure Statement.

(d) ***Failure to Consummate the Plan.***

Section 6.12 of the Plan contains various conditions to consummation of the Plan, including the Confirmation Order having become final and non-appealable, the Debtors having entered into the Plan Documents, and all conditions precedent to effectiveness of such agreements having been satisfied or waived. As of the date of this Disclosure Statement, there can be no assurance that these or the other conditions to consummation will be satisfied or waived. Accordingly, even if the Plan is confirmed by the Bankruptcy Court, there can be no assurance that the Plan will be consummated and the restructuring completed. If the Plan is not consummated and the restructuring completed, these Reorganization Cases will be prolonged and the Debtors may lack sufficient liquidity to effect a successful restructuring under chapter 11 of the Bankruptcy Code.

Moreover, the Plan is predicated on, among other things, receipt of the Rights Offering Amount. Notwithstanding the Rights Offering Backstop Commitment Agreement, because the Rights Offering has not been completed, there can be no assurance that the Debtors will receive any or all of the Rights Offering Amount. In addition, under the Rights Offering Backstop Commitment Agreement, the Required Backstop Parties have the contractual right to terminate the Rights Offering Backstop Agreement if, among other reasons, the deadlines set forth in such agreement or the various conditions precedent to enforcement of the Rights Offering Backstop Investors' obligations are not satisfied. If the Debtors do not receive the Rights Offering Amount, the Debtors would not be able to consummate the Plan in its current form.

Similarly, the Plan is predicated on, among other things, the support and consideration described in the Restructuring Support Agreement. Under the Restructuring Support Agreement, the Required Consenting Lenders and/or the Required Consenting Noteholders have the contractual right to terminate the Restructuring Support Agreement if, among other reasons, the deadlines set forth in such agreement or the various conditions precedent to the enforcement of the obligations of the parties to the Restructuring Support Agreement are not satisfied. If the Restructuring Support Agreement is terminated, the Debtors may not be able to consummate the Plan in its current form.

(e) ***Objections to Treatment of Claims***

Section 1129(b) of the Bankruptcy Code provides that a plan of reorganization must not discriminate unfairly with respect to each class of Claims or Interests. Holders of Claims or Interests may argue that the Plan discriminates unfairly with respect to their Claims or Interests. The Debtors believe that the treatment of each class of Claims or Interests complies with the requirements set forth in the Bankruptcy Code. However, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

(f) ***Objections to Classification of Claims.***

Section 1122 of the Bankruptcy Code provides that a plan of reorganization may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests in such class. The Debtors believe that the classification of Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code. However, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

(g) ***Allowance of Other Unsecured Claims May Affect the Recovery to Holders of Other Unsecured Claims Under the Plan.***

Despite the efforts of the Debtors and their professionals to estimate the amounts of the Allowed Other Unsecured Claims at $40 million as set forth in this Disclosure Statement, the actual amount of the Allowed Other Unsecured Claims may differ from such estimates. Because the ultimate extent and value of certain distributions under the Plan are shared ratably based on the aggregate amount of the Allowed Other Unsecured Claims, if those amounts are lesser or greater than the amount currently estimated by the Debtors, the recovery to holders of Other Unsecured Claims may be greater than or less than what is estimated in this Disclosure Statement.

In 2009 and 2010, two proposed class action lawsuits were filed in California state court and later consolidated and entitled *Bowers Companies Wage and Hour Case* (the "**Class Action**").[5] The Class Action alleges, among other things, that current and former employees of certain Debtors did not receive overtime pay and other wages to which they were entitled. In June 2013, a California appellate court directed that certain classes of the Class Action be certified (the "**Class Action Class**"). The plaintiffs in the Class Action allege approximately $40 million in damages and have filed a proposed proof of claim for the Class Action Class (the "**Class Claim**"). If the Class Claim is allowed (for the avoidance of doubt, the Debtors reserve all of their respective defenses, including, but not limited to, their rights to object

[5] The Class Action is entitled *Joshua Kahane and William Gonzales, individuals, on behalf of themselves, and on behalf of all others similarly situated v. Bowers Companies, Inc. d/b/a Bowers Ambulance, a California Corporation and Pacific Ambulance, Inc., a California Corporation,* Judicial Council Coordination Proceeding No. 4620, Superior Court of California, County of Orange, Case No. 30-2009-00241881, and Superior Court of California County of Los Angeles, Case No. BC430069.

or otherwise seek to reduce or disallow the Class Claim), the recovery to holders of Allowed Other Unsecured Claims could be less than what is estimated in this Disclosure Statement.[6]

12.2 ***Risks Relating to the Capital Structure of the Reorganized Debtors.***

(a) ***Variances from Financial Projections.***

The Financial Projections included as Exhibit 5 to this Disclosure Statement reflect numerous assumptions, which involve significant levels of judgment and estimation concerning the anticipated future performance of the Reorganized Debtors, as well as assumptions with respect to the prevailing market, economic and competitive conditions, which are beyond the control of the Reorganized Debtors, and which may not materialize, particularly given the current difficult economic environment. Any significant differences in actual future results versus estimates used to prepare the Financial Projections, such as lower sales, lower volume, lower pricing, increases in production costs, technological changes, competition or changes in the regulatory environment, could result in significant differences from the Financial Projections. The Debtors believe that the assumptions underlying the Financial Projections are reasonable. However, unanticipated events and circumstances occurring subsequent to the preparation of the Financial Projections may affect the Debtors' and the Reorganized Debtors' ability to initiate the endeavors and meet the financial benchmarks contemplated by the Business Plan. Therefore, the actual results achieved throughout the period covered by the Financial Projections necessarily will vary from the projected results, and these variations may be material and adverse.

(b) ***Substantial Leverage.***

Although the Reorganized Debtors will have less indebtedness than the Debtors, the Reorganized Debtors will still have indebtedness. On the Effective Date, after giving effect to the transactions contemplated by the Plan, the Reorganized Debtors will, on a consolidated basis, have $377.9 million in secured indebtedness under the Amended and Restated Secured Credit Agreement.

The degree to which the Reorganized Debtors will be leveraged could have important consequences because:

- it could affect the Reorganized Debtors' ability to satisfy their obligations under the Amended and Restated Secured Credit Agreement, and the Reorganized Debtors' other obligations;

- a portion of the Reorganized Debtors' cash flow from operations will be dedicated to debt service and unavailable to support operations, working capital, capital expenditures, expansion, acquisitions or general corporate or other purposes;

---

[6] For the avoidance of doubt, the Debtors considered the impact of the Class Claim in its estimate of the aggregate dollar amount of Other Unsecured Claims reflected in Article II hereof.

- the Reorganized Debtors' ability to obtain additional financing in the future may be limited;

- the Reorganized Debtors may be more highly leveraged than some of their competitors, which may place the Reorganized Debtors at a competitive disadvantage;

- the Reorganized Debtors' operational flexibility in planning for, or reacting to, changes in their business may be severely limited; and

- it may make the Reorganized Debtors more vulnerable in the event of further deterioration of their business or the economy in general.

(c) ***Ability to Service Debt.***

Although the Reorganized Debtors will have less indebtedness than the Debtors, the Reorganized Debtors will still have significant interest expense and principal repayment obligations. The Reorganized Debtors' ability to make payments on and to refinance their debt, including the obligations under the Amended and Restated Secured Credit Agreement, and the Reorganized Debtors' other obligations, will depend on their future financial and operating performance and their ability to generate cash in the future. This, to a certain extent, is subject to general economic, business, financial, competitive, legislative, regulatory and other factors that are beyond the control of the Reorganized Debtors.

There can be no assurance that the Reorganized Debtors will be able to generate sufficient cash flow from operations or that sufficient future borrowings will be available to pay off the Reorganized Debtors' debt obligations, including, among other obligations, the Amended and Restated Secured Credit Agreement. The Reorganized Debtors may need to refinance all or a portion of their debt on or before maturity; however, there can be no assurance that the Reorganized Debtors will be able to refinance any of their debt on commercially reasonable terms or at all.

(d) ***Obligations Under the Amended and Restated Secured Credit Agreement.***

The Reorganized Debtors' obligations under the Amended and Restated Secured Credit Agreement will be secured by substantially all of the assets of the Reorganized Debtors (subject to certain exclusions set forth therein). If the Reorganized Debtors become insolvent or are liquidated, or if there is a default under the Amended and Restated Secured Credit Agreement, and payment on any obligation thereunder is accelerated, the lenders under the Amended and Restated Secured Credit Agreement would be entitled to exercise the remedies available to a secured lender under applicable law, including foreclosure on the collateral that is pledged to secure the indebtedness thereunder, and they would have a claim on the assets securing the obligations under the Amended and Restated Secured Credit Agreement that would be superior to any claim of the holders of unsecured debt.

(e) ***Restrictive Covenants.***

The Amended and Restated Secured Credit Agreement will contain various covenants that may limit the discretion of the Reorganized Debtors' management by restricting the Reorganized Debtors' ability to, among other things, incur additional indebtedness, incur liens, pay dividends or make certain restricted payments, consummate certain asset sales, enter into certain transactions with affiliates, merge, consolidate and/or sell or dispose of all or substantially all of their assets. In addition, it is expected that the Amended and Restated Secured Credit Agreement will require the Reorganized Debtors to meet certain financial covenants. As a result of these covenants, the Reorganized Debtors will be limited in the manner in which they conduct their business and they may be unable to engage in favorable business activities or finance future operations or capital needs.

Any failure to comply with the restrictions of the Amended and Restated Secured Credit Agreement or any other subsequent financing agreements may result in an event of default. An event of default may allow the creditors to accelerate the related debt as well as any other debt to which a cross-acceleration or cross-default provision applies. If the Reorganized Debtors are unable to repay amounts outstanding under the Amended and Restated Secured Credit Agreement when due, the lenders thereunder could, subject to the terms of the Amended and Restated Secured Credit Agreement, seek to foreclose on the collateral that is pledged to secure the indebtedness outstanding under such facility. Substantially all of the assets of the Reorganized Debtors will be pledged as security under the Amended and Restated Secured Credit Agreement (subject to certain exclusions set forth therein).

(f) ***Lack of Trading Market.***

It is anticipated that there will be no active trading market for the New Common Stock. The New Common Stock are subject to restrictions on transfer, and Reorganized RMC has no present intention to register any of the securities under the Securities Act, nor to apply to list any of the foregoing on any national securities exchange. Accordingly, there can be no assurance that any market will develop or as to the liquidity of any market that may develop for any such securities. In addition, Reorganized RMC will not be required to file periodic reports with the SEC or otherwise provide financial or other information to the public which may further impair liquidity and prevent brokers or dealers from publishing quotations. Furthermore, the lack of liquidity may adversely affect the price at which New Common Stock may be sold, if at all.

(g) ***Restrictions on Transfer.***

Holders of New Common Stock issued under section 1145 of the Bankruptcy Code who are deemed to be "underwriters" as defined in section 1145(b) of the Bankruptcy Code will be restricted in their ability to transfer or sell their securities. These Persons will be permitted to transfer or sell such securities only pursuant to (a) "ordinary trading transactions" by a holder that is not an "issuer" within the meaning of section 1145(b), (b) an effective registration statement under the Securities Act, or (c) the provisions of Rule 144 under the Securities Act, if available, or another available exemption from the registration requirements of the Securities Act. Reorganized RMC has no current plans to register at a later date, post-emergence, any of its securities under the Securities Act or under equivalent state securities laws

such that the recipients of the New Common Stock would be able to resell their securities pursuant to an effective registration statement. Moreover, Reorganized RMC does not currently intend to make publicly available the information required by Rule 144, thereby limiting the ability of holders of New Common Stock to avail themselves of Rule 144.

In addition, the Amended Certificate will contain restrictions on stockholders' ability to transfer the New Common Stock designed to ensure that there will be less than 2,000 holders of New Common Stock or 500 holders of New Common Stock who are not accredited investors (determined pursuant to the Exchange Act). The Amended Certificate will require notice to Reorganized RMC of any proposed transfer of New Common Stock to a Third Party (as such term is defined in the Amended Certificate) and will restrict such transfer if Reorganized RMC reasonably determines that the transfer would, if effected, result in Reorganized RMC having 2,000 or more holders of record, or 500 or more holders of record who are not accredited investors (determined pursuant to the Exchange Act).

Certain transfers, including pursuant to a merger, that meet certain requirements are not subject to such a condition on transfer. In addition to the foregoing transfer restrictions, the stockholder that proposes to effect a transfer must submit a written request that includes, among other things, if applicable, reasonably sufficient information to establish that the transfer does not violate or result in registration being required under applicable securities laws or laws relating to investment companies or advisors.

See Article XIII "*Securities Law Matters*" for additional information regarding restrictions on resale of the New Common Stock.

(h) ***The Valuation of New Common Stock is Not Intended to Represent the Trading Value of the New Common Stock.***

The Valuation Analysis of the Reorganized Debtors, which is annexed hereto as Exhibit 7 and based on the Financial Projections developed by the Debtors is not intended to represent the trading values of New Common Stock in public or private markets.

(i) ***Dividend Policies.***

It is expected that all of the Reorganized Debtors' cash flow will be required to be used in the foreseeable future (a) to make payments under the Amended and Restated Secured Credit Agreement, (b) to fund the Reorganized Debtors' other obligations under the Plan, and (c) for working capital and capital expenditure purposes. Accordingly, Reorganized RMC does not anticipate paying dividends on the New Common Stock in the foreseeable future.

12.3 ***Risks Relating to Tax and Accounting Consequences of the Plan.***

(a) ***Certain Tax Consequences of the Plan Raise Unsettled and Complex Legal Issues and Involve Factual Determinations.***

The federal income tax consequences of the Plan are complex and are subject to significant uncertainties. The Debtors currently do not intend to seek any ruling from the IRS on the tax consequences of the Plan. Even if the Debtors decide to request a ruling, there would be

no assurance that the IRS would rule favorably or that any ruling would be issued before the Effective Date. In addition, in such case, there would still be issues with significant uncertainties, which would not be the subject of any ruling request. *Thus, there can be no assurance that the IRS will not challenge the various positions the Debtors have taken, or intend to take, with respect to the tax treatment in the Plan, or that a court would not sustain such a challenge.*

(b) ***Use of Historical Financial Information.***

As a result of the consummation of the Plan and the transactions contemplated thereby, the Reorganized Debtors believe they will be subject to the fresh-start accounting rules. Fresh-start accounting allows for the assessment of every balance sheet account for possible fair value adjustment, resulting in the emergence of a new company recapitalized and revalued. This process is guided by purchase price allocation standards under GAAP.

12.4 ***Risks Associated with the Business.***

(a) ***The Debtors' Reorganization Cases May Negatively Impact the Company's Future Operations.***

While the Debtors believe they will be able to emerge from chapter 11 relatively expeditiously, there can be no assurance as to timing for approval of the Plan or the Debtors' emergence from chapter 11. Additionally, notwithstanding the support of the Consenting Lenders and the Consenting Noteholders, the Reorganization Cases may adversely affect the Company's ability to retain existing customers and suppliers, attract new customers and maintain contracts that are critical to its operations.

(b) ***Operating Results and Income May Fluctuate.***

The Debtors' businesses have generally been subject to certain fluctuations in operating results and incomes. These fluctuations result from, among other things, changes to billing and collection functions, newly implemented accounting procedures, change in payor mix, new state and federal legislation relating to insurance, and any changes in accounting of receipts.

(c) ***Provision for Income Taxes.***

Cancellation of indebtedness arising from the Reorganization Cases is anticipated to reduce NOL carryforwards and other tax attributes by up to approximately $313 million. The ultimate amount of cancellation of indebtedness income realized by the Debtors is uncertain, however, because, among other things, it will depend on the fair market value of the New Common Stock on the Effective Date. A corporation's use of its net operating loss carryforwards is generally limited under IRC section 382 if a corporation undergoes an "ownership change." When an "ownership change" occurs pursuant to a case commenced under chapter 11 of the Bankruptcy Code, the general limitation under section 382 of the IRC may not apply if certain requirements are satisfied under either section 382(l)(5) or section 382(l)(6) of the IRC. The Company will experience an "ownership change" in connection with these Reorganization Cases, but the Company has not yet determined whether it will be eligible for or

rely on the special rule under section 382(l)(5) or the special rule under section 382(l)(6) of the IRC. If the Company relies on section 382(l)(5) of the IRC, a second "ownership change" within two years from the Effective Date could eliminate completely the Company's ability to utilize its net operating loss carryovers. Regardless of whether the Company relies on section 382(l)(5) of the IRC, an "ownership change" after the Effective Date could significantly limit the Company's ability to utilize its net operating loss carryforwards for taxable years including or following such "ownership change."

(d) ***The Company Relies on a Limited Number of Key Suppliers and Vendors to Operate its Business.***

The Company purchases certain raw materials and equipment from a single or a small number of suppliers. The available sources have been, and the Company believes will continue to be, adequate to supply the Company's needs. However, the Company could be subject to unexpected increases in prices. Accordingly, if the Company experiences problems with these suppliers, the Company could fail to obtain sufficient resources to operate its business successfully.

(e) ***The Loss of One or More of the Company's Key Personnel Could Disrupt Operations and Adversely Affect Financial Results.***

The Company is highly dependent upon the availability and performance of its executive officers. Accordingly, the loss of services of any of the Company's executive officers could materially adversely affect the Company's business, financial condition and operating results.

(f) ***The Company is Subject to Regulation and Could Incur Substantial Costs as a Result of Violations of or Liabilities.***

The Company, as a participant in the healthcare industry, is subject to various federal, state and local regulations. Federal and state regulations and programs affect the Company's revenues in many ways as the Company derives a significant portion of its revenue from services rendered to beneficiaries of Medicare, Medicaid and other government-sponsored healthcare programs. To participate in these programs, the Company must comply with stringent and often complex enrollment and reimbursement requirements of federal and state agencies.

The Company is also subject to governmental reviews and audits, which can result in retroactive adjustments to amounts previously reimbursed under these programs. In addition, these programs are subject to statutory and regulatory changes, administrative rulings, interpretations and determinations, all of which could materially increase or decrease the payments the Company receives for services and affect the cost of providing such services. State and local governments also regulate the services the Company provides. For example, in certain service areas in which the Company is the exclusive provider of ambulance services, the local government sets the rates for emergency ambulance services pursuant to an ordinance or master contract and also establishes the rates for non-emergency ambulance services that the Company is permitted to charge.

Failure to comply with applicable federal, state and local regulations, as well as governmental reviews and audits, may result in penalties, fines, warning letters, rate adjustments under contracts, suspension or termination of contracts, and/or other related consequences.

To the Company's knowledge, its operations are in material compliance with applicable environmental laws and regulations as currently interpreted. The Company cannot predict with any certainty whether future events, such as changes in existing laws and regulations or the discovery of conditions not currently known to the Company, may give rise to additional costs or a curtailment of production that could be material. Future changes in other environmental laws and regulations could occur and result in stricter standards and enforcement, larger fines and liability, and increased capital expenditures and operating costs, which could have a material adverse effect on the Company's financial condition or results of operations. Further, there can be no assurance that the Company will be able to obtain a discharge of any potential obligations with respect to environmental matters upon the Effective Date or that additional liabilities with respect to environmental matters will not be asserted in the future. In addition, actions by federal, state and local governments concerning environmental matters could result in laws or regulations that could have a material adverse effect on the financial condition, results of operations or cash flows of the Company.

(g) ***Labor Matters.***

Certain of the Company's employees are subject to collective bargaining agreements. If the Company is unable to renew expiring collective bargaining agreements, it is possible that the affected unions could take action in the form of strikes or work stoppages. Such actions, higher costs in connection with renegotiated collective bargaining agreements, or significant labor disputes could adversely affect the Company's business.

(h) ***Legal Matters.***

The Company is party to routine litigation incidental to its business. It is not anticipated that any current or pending lawsuit, either individually or in the aggregate, is likely to have a material adverse effect on the Company's financial condition. However, no assurances can be provided that the Company will be able to successfully defend or settle all pending or future purported claims, and the Company's failure to do so may have a material adverse effect on the Reorganized Debtors.

ARTICLE XIII.

SECURITIES LAW MATTERS

13.1 *Issuance of New Securities.*

Section 1145(a)(1) of the Bankruptcy Code exempts the offer and sale of securities under a plan of reorganization from registration under section 5 of the Securities Act, and state securities laws if three principal requirements are satisfied: (i) the securities must be offered and sold under a plan of reorganization and must be securities of the debtor, of an affiliate participating in a joint plan with the debtor, or of a successor to the debtor under the plan; (ii) the recipients of the securities must hold prepetition or administrative expense claims

against the debtor or interests in the debtor; and (iii) the securities must be issued entirely in exchange for the recipient's claim against or interest in the debtor, or principally in exchange for such claim or interest and partly for cash or property. Except as noted below, the Debtors believe that the offer and sale of New Common Stock satisfy the requirements of section 1145(a)(1) of the Bankruptcy Code and are, therefore, exempt from registration under the Securities Act and state securities laws.

The Debtors believe that the New Common Stock and New Preferred Stock to be issued pursuant to the Plan are exempt from registration pursuant to section 1145 of the Bankruptcy Code. However, to the extent the New Common Stock or New Preferred Stock are not exempt pursuant to section 1145 of the Bankruptcy Code, such New Common Stock or New Preferred Stock, as applicable, will be issued in reliance upon and will be exempt from the registration requirements of the Securities Act pursuant to section 4(2) of the Securities Act, as transactions by an issuer not involving any public offering, and other applicable exemptions from the registration requirements of the Securities Act (and equivalent exemptions in state securities laws).

13.2 ***Subsequent Transfers of New Common Stock.***

The New Common Stock to be issued pursuant to the Plan may be freely transferred by most recipients following the initial issuance under the Plan, and all resales and subsequent transfers of the New Common Stock are exempt from registration under the Securities Act and state securities laws, unless the holder is an "underwriter" with respect to such securities. Section 1145(b) of the Bankruptcy Code defines four types of "underwriters":

(a) persons who purchase a claim against, an interest in, or a claim for an administrative expense against the debtor with a view to distributing any security received in exchange for such claim or interest;

(b) persons who offer to sell securities offered under a plan for the holders of such securities;

(c) persons who offer to buy such securities from the holders of such securities, if the offer to buy is:

1. with a view to distributing such securities; and

2. under an agreement made in connection with the plan, the consummation of the plan, or with the offer or sale of securities under the plan; or

(d) a person who is an "issuer" with respect to the securities as the term "issuer" is defined in section 2(a)(11) of the Securities Act.

Under section 2(a)(11) of the Securities Act, an "issuer" includes any person directly or indirectly controlling or controlled by the issuer, or any person under direct or indirect common control of the issuer.

To the extent that persons who receive New Common Stock pursuant to the Plan are deemed to be "underwriters," resales by such persons would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law. Persons deemed to be underwriters may, however, be permitted to sell such New Common Stock without registration pursuant to the provisions of Rule 144 under the Securities Act. These rules permit the public sale of securities received by "underwriters" if current information regarding the issuer is publicly available and if volume limitations and certain other conditions are met.

Whether or not any particular person would be deemed to be an "underwriter" with respect to the New Common Stock or other security to be issued pursuant to the Plan would depend upon various facts and circumstances applicable to that person. Accordingly, the Debtors express no view as to whether any particular person receiving New Common Stock or other securities under the Plan would be an "underwriter" with respect to such New Common Stock or other securities.

BECAUSE OF THE COMPLEX, SUBJECTIVE NATURE OF THE QUESTION OF WHETHER A PARTICULAR PERSON MAY BE AN UNDERWRITER, NONE OF THE DEBTORS OR THE REORGANIZED DEBTORS MAKE ANY REPRESENTATION CONCERNING THE ABILITY OF ANY PERSON TO DISPOSE OF THE SECURITIES TO BE DISTRIBUTED UNDER THE PLAN. The Debtors recommend that potential recipients of the New Common Stock consult their own counsel concerning whether they may freely trade New Common Stock.

Pursuant to the Plan, certificates evidencing 1145 Securities received by Restricted Holders and New Common Stock and New Preferred Stock will bear a legend substantially in the form below:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR UNDER ANY STATE SECURITIES LAWS, AND MAY NOT BE SOLD, TRANSFERRED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION THEREFROM UNDER SAID ACT OR SUCH LAWS AND THE RULES AND REGULATIONS THEREUNDER."

ARTICLE XIV.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

14.1 *Introduction.*

The following discussion summarizes certain federal income tax consequences expected to result from the consummation of the Plan. This discussion is only for general information purposes and only describes the expected tax consequences to holders entitled to vote on the Plan. It is not a complete analysis of all potential federal income tax consequences and does not address any tax consequences arising under any state, local or foreign tax laws or federal estate or gift tax laws. This discussion is based on the Internal Revenue Code of 1986, as amended, Treasury Regulations promulgated thereunder, judicial decisions, and published

rulings and administrative pronouncements of the IRS, all as in effect on the date of this Disclosure Statement. These authorities may change, possibly retroactively, resulting in federal income tax consequences different from those discussed below. No ruling has been or will be sought from the IRS, and no legal opinion of counsel will be rendered, with respect to the matters discussed below. There can be no assurance that the IRS will not take a contrary position regarding the federal income tax consequences resulting from the consummation of the Plan or that any contrary position would not be sustained by a court.

This discussion assumes that holders of the Secured Lender Claims, Noteholder Claims and Other Unsecured Claims have held such property as "capital assets" within the meaning of IRC Section 1221 (generally, property held for investment) and holders will hold the Converted Term Loan Obligations, Existing Term Loan Obligations, New Common Stock and New Preferred Stock as capital assets. In addition, this discussion assumes that the Debtors' obligations under the Secured Lender Claims, Noteholder Claims and Other Unsecured Claims will be treated as debt for federal income tax purposes.

This discussion does not address all federal income tax considerations that may be relevant to a particular holder in light of that holder's particular circumstances or to holders subject to special rules under the federal income tax laws, such as financial institutions, insurance companies, brokers, dealers or traders in securities, commodities or currencies, tax-exempt organizations, tax-qualified retirement plans, partnerships and other pass-through entities, foreign corporations, foreign trusts, foreign estates, holders who are not citizens or residents of the U.S., holders subject to the alternative minimum tax, holders holding Secured Lender Claims, Noteholder Claims, Other Unsecured Claims or New Common Stock as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment, holders who have a functional currency other than the U.S. dollar and holders that acquired the Notes in connection with the performance of services.

HOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE U.S. FEDERAL INCOME TAX CONSEQUENCES TO THEM OF THE CONSUMMATION OF THE PLAN AND THE OWNERSHIP AND DISPOSITION OF THE SECURED LENDER CLAIMS AND NEW COMMON STOCK RECEIVED PURSUANT TO THE PLAN, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER ANY STATE, LOCAL OR FOREIGN TAX LAWS, OR ANY OTHER FEDERAL TAX LAWS.

TO COMPLY WITH INTERNAL REVENUE SERVICE CIRCULAR 230, TAXPAYERS ARE HEREBY NOTIFIED THAT (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANY TAXPAYER, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON A TAXPAYER UNDER THE INTERNAL REVENUE CODE, (B) ANY SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN, AND (C) TAXPAYERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

14.2 ***Federal Income Tax Consequences to the Debtors.***

(a) ***Cancellation of Indebtedness and Reduction of Tax Attributes.***

The Debtors generally should realize cancellation of indebtedness ("**COD**") income to the extent the sum of cash, the fair market value of any property (including New Common Stock) and, in the event entry into the Amended and Restated Secured Credit Agreement is treated as a significant modification, as discussed below under "*Federal Income Tax Consequences of Holders of Claims Entitled to Vote—Holders of Secured Lender Claims (Class 2),*" the issue price of the Amended and Restated Secured Credit Agreement, received by holders is less than the sum of (x) the adjusted issue prices of the Secured Lender Claims, Noteholder Claims and Other Unsecured Claims, (y) the adjusted issue price of any other debt exchanged for property pursuant to the Plan and (z) the amount of any unpaid accrued interest on the Secured Lender Claims, Noteholder Claims and Other Unsecured Claims and such other debt to the extent previously deducted by the Debtors.

The Debtors expect that the amount of COD income realized upon consummation of the Plan will be significant; however, the ultimate amount of COD income realized by the Debtors is uncertain because, among other things, it will depend on the fair market value of the New Common Stock on the Effective Date. Estimated recoveries for the Debtors' various Claims are set forth in Article II above.

COD income realized by a debtor will be excluded from income if the discharge of debt occurs in a case brought under the Bankruptcy Code, the debtor is under the court's jurisdiction in such case and the discharge is granted by the court or is pursuant to a plan approved by the court (the "**Bankruptcy Exception**"). Because the Bankruptcy Exception will apply to the transactions consummated pursuant to the Plan, the Debtors will not be required to recognize any COD income realized as a result of the implementation of the Plan.

A debtor that does not recognize COD income under the Bankruptcy Exception generally must reduce certain tax attributes by the amount of the excluded COD income. Attributes subject to reduction include net operating losses ("**NOLs**"), NOL carryforwards and certain other losses, credits and carryforwards, and the debtor's tax basis in its assets (including stock of subsidiaries). Usually a debtor must reduce its own assets first before then reducing stock of subsidiaries, following which the assets of subsidiaries may be reduced. A debtor's tax basis in its assets generally may not be reduced below the amount of liabilities remaining immediately after the discharge of indebtedness. If the debtor is a member of a consolidated group and reduces its basis in the stock of another group member, a "look-through rule" requires a corresponding reduction in the tax attributes of the lower-tier member. NOLs for the taxable year of the discharge and NOL carryovers to such year generally are the first attributes subject to reduction. However, a debtor may elect under IRC Section 108(b)(5) (the "**Section 108(b)(5) Election**") to reduce its basis in its depreciable property first. If the debtor is a member of a consolidated group, the debtor may treat stock in another group member as depreciable property for purposes of the Section 108(b)(5) Election, provided the lower-tier member consents to a corresponding reduction in its basis in its depreciable property. If a debtor makes a Section 108(b)(5) Election, the limitation on reducing the debtor's basis in its assets below the amount of its remaining liabilities does not apply. The Debtors have not yet determined whether they will

be eligible to make or will make the Section 108(b)(5) Election.

The Debtors believe that, for federal income tax purposes, the Debtors' consolidated group has generated approximately $275 million of consolidated NOLs through June 30, 2013, and likely will generate additional losses subsequent to June 30, 2013. However, the amount of the Debtors' 2012 and 2013 NOLs will not be determined until the Debtors prepare their consolidated federal income tax returns for such periods. Moreover, the Debtors' NOLs are subject to audit and possible challenge by the IRS. Accordingly, the amount of the Debtors' NOLs ultimately may vary from the amounts set forth above.

The Debtors currently anticipate that the application of IRC Section 108(b) (assuming no Section 108(b)(5) Election is made) will likely eliminate or substantially eliminate its NOLs and NOL carryforwards and may cause a reduction of the tax bases of Debtors' assets and its stock in subsidiaries. However, the ultimate effect of the attribute reduction rules is uncertain because, among other things, it will depend on the amount of COD income realized by the Debtors and the extent to which the Debtors are required to reduce other tax attributes.

(b) ***Section 382 Limitation on NOLs.***

Under IRC Section 382, if a corporation or a consolidated group with NOLs (a "**Loss Corporation**") undergoes an "ownership change," the Loss Corporation's use of its pre-change NOLs (and certain other tax attributes) generally will be subject to an annual limitation in the post-change period. In general, an "ownership change" occurs if the percentage of the value of the Loss Corporation's stock owned by one or more direct or indirect "five percent shareholders" increases by more than fifty percentage points over the lowest percentage of value owned by the five percent shareholders at any time during the applicable testing period (an "**Ownership Change**"). The testing period generally is the shorter of (i) the three-year period preceding the testing date or (ii) the period of time since the most recent Ownership Change of the corporation.

Subject to the special bankruptcy rules discussed below, the amount of the annual limitation on a Loss Corporation's use of its pre-change NOLs (and certain other tax attributes) is generally equal to the product of the applicable long-term tax-exempt rate (as published by the IRS for the month in which the Ownership Change occurs) and the value of the Loss Corporation's outstanding stock immediately before the Ownership Change (excluding certain capital contributions). If a Loss Corporation has a net unrealized built-in gain ("**NUBIG**") immediately prior to the Ownership Change, the annual limitation may be increased during the subsequent five-year period (the "**Recognition Period**"). If a Loss Corporation has a net unrealized built-in loss ("**NUBIL**") immediately prior to the Ownership Change, certain losses recognized during the Recognition Period also would be subject to the annual limitation and thus would reduce the amount of pre-change NOLs that could be used by the Loss Corporation during the five-year period.

The Debtors expect the consummation of the Plan will result in an Ownership Change of the Debtors' consolidated group. The remainder of this discussion assumes that the expected Ownership Change will occur on the Effective Date, though it is possible the IRS could take the position that the Ownership Change occurred on the date the Plan is confirmed by the

Bankruptcy Court. If the IRS took the position that the ownership change occurred on the Confirmation Date, the consequences of such change could be other than as described below. Because the Ownership Change that occurs on the Effective Date will occur in a case brought under the Bankruptcy Code, one of the following two special rules will apply in determining the Debtors' ability to utilize NOLs attributable to tax periods preceding the Effective Date in post-Effective Date tax periods.

Under IRC Section 382(l)(5), an Ownership Change in bankruptcy will not result in any annual limitation on the debtor's pre-change NOLs if the stockholders or "qualified creditors" of the debtor receive at least fifty percent (50%) of the stock (by vote and value) of the reorganized debtor in the bankruptcy reorganization as a result of being shareholders or creditors of the debtor. Instead, the debtor's pre-change NOLs are reduced by the amount of any interest deductions with respect to debt converted into stock in the bankruptcy reorganization that were allowed in the three taxable years preceding the taxable year in which the Ownership Change occurs and in the part of the taxable year prior to and including the effective date of the bankruptcy reorganization. However, if any pre-change NOLs of the debtor already are subject to an annual usage limitation under IRC Section 382 at the time of an Ownership Change subject to IRC Section 382(l)(5), those NOLs will continue to be subject to such limitation.

A qualified creditor is any creditor who has held the debt of the debtor continuously during the period beginning at least eighteen months prior to the Commencement Date or who has held "ordinary course indebtedness" at all times since it has been outstanding. A creditor who does not become a direct or indirect five percent shareholder of the reorganized debtor generally may be treated by the debtor as having always held any debt exchanged for stock for purposes of determining whether such creditor is a qualified creditor unless the creditor's participation in formulating the plan of reorganization makes evident to the debtor that the creditor has not owned the debt for the requisite period.

If IRC Section 382(l)(5) applies to an Ownership Change, any subsequent Ownership Change of the debtor within a two-year period will result in the debtor being unable to use any pre-change losses following such subsequent Ownership Change. A debtor may elect not to apply IRC Section 382(l)(5) to an Ownership Change that otherwise satisfies its requirements. This election must be made on the debtor's federal income tax return for the taxable year in which the Ownership Change occurs. The Debtors have not yet determined whether to elect out of the application of IRC Section 382(l)(5) if it is determined they otherwise qualify. If the Effective Date occurs in the Debtors' taxable year ending June 30, 2014, assuming the Ownership Change resulting from implementation of the Plan satisfies the requirements of IRC Section 382(l)(5), the Debtors would have until as late as March 15, 2015, to determine whether to elect not to apply IRC Section 382(l)(5).

If an Ownership Change pursuant to a bankruptcy plan does not satisfy the requirements of IRC Section 382(l)(5), or if a debtor elects not to apply IRC Section 382(l)(5), the debtor's use of its pre-change NOLs will be subject to an annual limitation as determined under IRC Section 382(l)(6). In such case, the amount of the annual limitation generally will be equal to the product of the applicable long-term tax-exempt rate (3.28% for October 2013) and the value of the debtor's outstanding stock immediately after the bankruptcy reorganization, provided such value may not exceed the value of the debtor's gross assets immediately before

the Ownership Change, subject to certain adjustments. Depending on whether the debtor has a NUBIG or NUBIL immediately prior to the Ownership Change, the annual limitation may be increased or decreased during the Recognition Period. However, if any pre-change NOLs of the debtor already are subject to an annual limitation at the time of an Ownership Change subject to IRC Section 382(l)(6), those NOLs will be subject to the lower of the two annual limitations.

NOLs not utilized in a given year due to the annual limitation may be carried forward for use in future years until their expiration dates. To the extent the Reorganized Debtors' annual limitation exceeds the consolidated group's taxable income in a given year, the excess will increase the annual limitation in future taxable years.

(c) ***Alternative Minimum Tax.***

In general, an alternative minimum tax ("**AMT**") is imposed on a corporation's alternative minimum taxable income ("**AMTI**") at a 20% rate to the extent such tax exceeds the corporation's regular federal income tax for the taxable year. For purposes of computing AMTI, certain tax deductions and other beneficial allowances are modified or eliminated, with further adjustments required if AMTI, determined without regard to adjusted current earnings ("**ACE**"), differs from ACE. In addition, even though a corporation otherwise might be able to offset all of its taxable income for regular tax purposes by available NOL carryforwards, under current law only 90% of its AMTI generally may be offset by available NOL carryforwards. Accordingly, for tax periods after the Effective Date, the Reorganized Debtors may have to pay AMT regardless of whether they generate non-AMT NOLs or have sufficient non-AMT NOL carryforwards to offset regular taxable income for such periods. In addition, if a corporation undergoes an Ownership Change and is in a NUBIL position on the date of the Ownership Change, the corporation's aggregate tax basis in its assets would be reduced for certain AMT purposes to reflect the fair market value of such assets as of the change date. A corporation that pays AMT generally is later allowed a nonrefundable credit (equal to a portion of its prior year AMT liability) against its regular federal income tax liability in future taxable years when it is no longer subject to the AMT.

14.3 ***Federal Income Taxation of the Litigation Trust.***

(a) ***Classification of the Litigation Trust.***

The Debtors intend that (i) the Litigation Trust qualify as a "Liquidating Trust," as defined in Treasury Regulation section 301.7701-4(d), and (ii) the Litigation Trust be treated as a grantor trust and the holders of Claims entitled to receive beneficial interests in the Litigation Trust be treated as the grantors of such Litigation Trust. The IRS, in Revenue Procedure 94-45, 1994-2 C.B. 684, set forth the general criteria for obtaining an IRS ruling as to the grantor trust status of a Liquidating Trust under a chapter 11 plan.

The following discussion assumes that the Litigation Trust will be respected as a grantor trust for federal income tax purposes. To the extent possible and commercially reasonable, the Debtors will comply with the requirements and guidelines set forth in Revenue Procedure 94-45. However, the Debtors do not intend to request any advance ruling from the IRS regarding the tax characterization of the Litigation Trust as a liquidating trust. There can be

no assurance that the IRS will treat the Litigation Trust as a grantor trust. If the IRS were to challenge successfully such classification, the federal income tax consequences to the Litigation Trust, the Litigation Trust's beneficiaries, and the Debtors could be materially different than is discussed herein (including the potential for an entity level tax on any income of the Litigation Trust and materially adverse tax effects to the holders of certain Claims).

(b) ***General Tax Reporting by the Litigation Trust and Beneficiaries.***

The Litigation Trust Agreement will require all parties (including the Debtors, the Litigation Trustee, and the Litigation Trust's beneficiaries) to treat the transfer of assets by the Debtors to the Litigation Trust, for United States federal income tax purposes, as a transfer of such assets directly to the beneficiaries of the Litigation Trust, followed by the transfer of such assets by the beneficiaries to the Litigation Trust. As a consequence, the Litigation Trust's beneficiaries (and any subsequent transferees of interests in the Litigation Trust) will be treated for United States federal income tax purposes as the direct owners of a specified undivided interest in the assets of the Litigation Trust.

The United States federal income tax reporting obligation of a trust beneficiary is not dependent upon a trust distributing any cash or other proceeds. Except as discussed below, the Litigation Trust Agreement will provide that the Litigation Trust will allocate items of income, gain, loss, expense and other tax items to its beneficiaries in accordance with their relative beneficial interest. Therefore, a Litigation Trust beneficiary may incur an income tax liability with respect to its allocable share of the income of a Litigation Trust whether or not the Litigation Trust has made any concurrent distribution to the Litigation Trust beneficiary.

The Litigation Trust Agreement will require the Litigation Trustee to file tax returns for the Litigation Trust as a "grantor trust" pursuant to Treasury Regulation section 1.671-4(a). The Litigation Trust is expected to send each beneficiary a separate statement setting forth the Litigation Trust beneficiary's share of items of income, gain, loss, deduction, or credit, and such beneficiary will be responsible for the payment of taxes on a current basis that result from such allocations.

LITIGATION TRUST BENEFICIARIES ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPROPRIATE FEDERAL INCOME TAX REPORTING OF THE LITIGATION TRUST.

14.4 ***Federal Income Tax Consequences to Holders of Claims Entitled to Vote.***

(a) ***Holders of Secured Lender Claims (Class 2).***

The tax consequences to a holder of a Secured Lender Claim will depend, in part, on whether the entry by the Reorganized Debtors into the Amended and Restated Secured Credit Agreement is treated as a significant modification of the Secured Lender Claims. Whether a modification or exchange of a debt instrument is treated for federal income tax purposes as an exchange of the debt instrument for a new debt instrument or alternatively as a continuation of the existing debt instrument depends on whether the modification or exchange is considered a "significant modification." Under applicable Treasury regulations, a modification of a debt instrument is significant if, based on all facts and circumstances, the legal rights or obligations

that are altered and the degree to which they are altered are economically significant. Generally, a change in yield of a debt instrument is a significant modification if the yield of the modified instrument, calculated in accordance with applicable Treasury regulations, varies from the annual yield on the unmodified instrument by more than the greater of 25 basis points or five percent of the annual yield of the unmodified instrument. Pursuant to the Plan, the terms of the Secured Lender Claims will be amended or otherwise modified as set forth in the Amended and Restated Secured Credit Agreement, and based on the changes as proposed, it is anticipated that the change in yield on the Secured Lender Claims will constitute a significant modification under the rules described above. The remainder of this discussion assumes that the adoption of the proposed amendments constitutes a significant modification.

For federal income tax purposes a deemed exchange of the "old" debt instrument for a "new" debt instrument will generally be a taxable transaction in which gain or loss may be recognized. However, if the Secured Lender Claims and Converted Term Loan Obligations or Existing Term Loan Obligations exchanged therefor, as applicable, are securities for federal income tax purposes, the exchange will constitute a recapitalization. The determination of whether a debt obligation constitutes a security for federal tax purposes is complex and depends on the facts and circumstances surrounding the origin and nature of the claim, the nature of the obligation and the term of the obligation. Debt obligations with a term of less than five years generally have not qualified as securities, whereas debt obligations with a term of ten years or more generally qualified as securities. Another important factor in determining whether a debt obligation is a security is the extent to which the obligation is subordinated to other liabilities of the issuer. Generally, the more senior the debt obligation, the less likely it is to be a security. It is uncertain whether the Secured Lender Claims, Converted Term Loan Obligations or Existing Term Loan Obligations will be considered securities for federal tax purposes, and holders of the Secured Lender Claims are advised to consult their tax advisors with respect to this issue. If the exchange is treated as a recapitalization for federal tax purposes, a holder of the Secured Lender Claims will recognize gain (but not loss) on the exchange in amount equal to the lesser of the gain realized by the holder on the exchange (determined as described in the following paragraph) and the Prepayment and other applicable cash payments received by such holder. Each holder's holding period in its "new" debt instrument would include the holder's holding period in its "old" debt instrument, and the Secured Lender Claim holder generally would have a basis in the "new" debt instrument equal, in the aggregate, to its basis in the "old" debt instrument, decreased by the Prepayment and other applicable cash payments received by such holder and increased by the amount of any gain recognized in the exchange.

Alternatively, if the Secured Lender Claims are not treated as securities for federal income tax purposes, a holder of a Secured Lender Claim will generally recognize gain or loss on the exchange of the "old" debt instrument for a "new" debt instrument and the Prepayment and other applicable cash payments received by such holder. Such gain or loss will generally be equal to the difference between the issue price of the "new" debt instrument plus the Prepayment and other applicable cash payments received by the Secured Lender Claim holder and such holder's tax basis in the "old" debt instrument. The issue price of a debt instrument issued in exchange for another debt instrument depends on whether either debt instrument is considered "traded on an established market" ("publicly traded"). If the "new" debt instrument is treated as "publicly traded" for U.S. federal income tax purposes, the "issue price" of such instrument will be the fair market value of the "new" debt instrument as of its issue date. If the

"old" debt instrument is, but the "new" debt instrument is not, treated as publicly traded for U.S. federal income tax purposes, then the issue price of the "new" debt instrument received in exchange for the relevant "old" debt instrument will be the fair market value of the "old" debt instrument exchanged for the "new" debt instrument, as determined on the Effective Date. If neither debt instrument is treated as publicly traded, then the issue price of the "new" debt instrument deemed issued in exchange for the "old" debt instrument generally will be the principal amount of such "new" debt instrument. We must make a determination of whether the Secured Lender Claims, Converted Term Loan Obligations and Existing Term Loan Obligations deemed issued on the Effective Date are publicly traded, and if so, the issue price of the Converted Term Loan Obligations and/or Existing Term Loan Obligations within 90 days after the Effective Date. A Holder's tax basis in the Converted Term Loan Obligations and/or Existing Term Loan Obligations will be equal to their applicable issue price, and the holding period for the Converted Term Loan Obligations or Existing Term Loan Obligations will begin on the day after the Effective Date. Any gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if the holder has held the Secured Lender Claim for more than one year as of the date of disposition. Holders should consult their tax advisors regarding the applicable tax rates and netting rules for capital gains and losses. There are limitations on the deduction of capital losses by both corporate and noncorporate taxpayers. In addition, holders should consult their tax advisors regarding the tax consequences to them of the ownership and disposition of the Converted Term Loan Obligations and/or the Existing Term Loan Obligations, including the tax consequences to them in the event entry into the Amended and Restated Secured Credit Agreement is treated as a significant modification, or in the event the Converted Term Loan Obligations and/or Existing Term Loan Obligations are treated as issued with original issue discount or at a premium.

There is general uncertainty regarding the extent to which the receipt of cash or other property should be treated as attributable to unpaid accrued interest. The Reorganized Debtors intend to take the position, and the Plan provides, that cash or property distributed pursuant to the Plan will first be allocable to the principal amount of a holder's "old" debt instrument and then, to the extent necessary, to any unpaid accrued interest thereon. The IRS, however, could take a contrary position.

To the extent any property received pursuant to the Plan is considered attributable to unpaid accrued interest, a holder will recognize ordinary income to the extent the cash or value of the property exceeds the amount of unpaid accrued interest previously included in gross income by the holder. A holder's tax basis in such property should be equal to the amount of interest income treated as satisfied by the receipt of the property, and its holding period in the property should begin on the day after the Effective Date. A holder generally will be entitled to recognize a loss to the extent any accrued interest previously included in its gross income is not paid in full. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE EXTENT TO WHICH CONSIDERATION RECEIVED UNDER THE PLAN SHOULD BE TREATED AS ATTRIBUTABLE TO UNPAID ACCRUED INTEREST.

A holder that acquires a debt instrument at a market discount generally is required to treat any gain realized on the disposition of the instrument as ordinary income to the extent of accrued market discount not previously included in gross income by the holder. However,

special rules apply to the disposition of a market discount obligation in certain types of non-recognition transactions, such as a recapitalization.

(b) *Noteholder Claims (Class 4).*

1. Exchange of Noteholder Claims for New Common Stock and Litigation Trust Interests.

A holder should generally recognize gain or loss upon the receipt of Litigation Trusts Interests and New Common Stock from Rural/Metro in exchange for the Noteholder Claims. In such case, any gain or loss will generally be equal to the difference between the fair market value of the New Common Stock and Litigation Trust Interests and the holder's tax basis in the Noteholder Claims. Any gain or loss generally would be capital gain or loss, and would be long-term capital gain or loss if the holder has held the Noteholder Claims for more than one year as of the date of disposition. Holders should consult their tax advisors regarding the applicable tax rates and netting rules for capital gains and losses. There are limitations on the deduction of capital losses by both corporate and noncorporate taxpayers. A holder's tax basis in the New Common Stock would equal the fair market value of such stock on the Effective Date, and a holder's holding period for such stock would begin on the day after the Effective Date. The IRS could take a different position regarding the tax treatment of the exchange of a Noteholder Claim for New Common Stock and Litigation Trust Interests which could result in different tax consequences to a holder. Holders should consult their tax advisors regarding the tax consequences of the exchange.

There is general uncertainty regarding the extent to which the receipt of cash or other property should be treated as attributable to unpaid accrued interest. The Reorganized Debtors intend to take the position, and the Plan provides, that cash or property distributed pursuant to the Plan will first be allocable to the principal amount of a holder's Noteholder Claims and then, to the extent necessary, to any unpaid accrued interest thereon. The IRS, however, could take a contrary position.

To the extent any property received pursuant to the Plan is considered attributable to unpaid accrued interest, a holder will recognize ordinary income to the extent the value of the property exceeds the amount of unpaid accrued interest previously included in gross income by the holder. A holder's tax basis in such property should be equal to the amount of interest income treated as satisfied by the receipt of the property, and its holding period in the property should begin on the day after the Effective Date. A holder generally will be entitled to recognize a loss to the extent any accrued interest previously included in its gross income is not paid in full. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE EXTENT TO WHICH CONSIDERATION RECEIVED UNDER THE PLAN SHOULD BE TREATED AS ATTRIBUTABLE TO UNPAID ACCRUED INTEREST.

A holder that acquires a debt instrument at a market discount generally is required to treat any gain realized on the disposition of the instrument as ordinary income to the extent of accrued market discount not previously included in gross income by the holder.

2. New Common Stock.

Distributions. A holder of New Common Stock generally will be required to include in gross income as ordinary dividend income the amount of any distributions paid on the New Common Stock to the extent such distributions are paid out of Holdings' current or accumulated earnings and profits as determined for federal income tax purposes. Distributions not treated as dividends for federal income tax purposes will constitute a return of capital and will first be applied against and reduce a holder's adjusted tax basis in the New Common Stock, but not below zero. Any excess amount will be treated as gain from a sale or exchange of the New Common Stock. Holders that are treated as corporations for federal income tax purposes may be entitled to a dividends received deduction with respect to distributions out of earnings and profits.

Sale or Other Taxable Disposition. A holder of New Common Stock will recognize gain or loss upon the sale or other taxable disposition of New Common Stock equal to the difference between the amount realized upon the disposition and the holder's adjusted tax basis in the New Common Stock. Any such gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if the holder has held the New Common Stock for more than one year as of the date of disposition. Holders should consult their tax advisors regarding the applicable tax rates and netting rules for capital gains and losses. There are limitations on the deduction of capital losses by both corporate and noncorporate taxpayers.

(c) *Other Unsecured Claims (Class 5)*

1. Exchange of Unsecured Claims for Cash and Litigation Trust Interests.

An Other Unsecured Claim holder will generally recognize gain or loss on the exchange of the Other Unsecured Claims for cash and Litigation Trust Interests. Such gain or loss will generally be equal to the difference between the value of cash and Litigation Trust Interests received and the Other Unsecured Claim holder's tax basis in the Other Unsecured Claims. Any gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if the holder has held the Other Unsecured Claims for more than one year as of the date of disposition. Holders should consult their tax advisors regarding the applicable tax rates and netting rules for capital gains and losses. There are limitations on the deduction of capital losses by both corporate and noncorporate taxpayers.

There is general uncertainty regarding the extent to which the receipt of cash or other property should be treated as attributable to unpaid accrued interest. The Reorganized Debtors intend to take the position, and the Plan provides, that cash or property distributed pursuant to the Plan will first be allocable to the principal amount of a holder's Other Unsecured Claims and then, to the extent necessary, to any unpaid accrued interest thereon. The IRS, however, could take a contrary position.

To the extent any property received pursuant to the Plan is considered attributable to unpaid accrued interest, a holder will recognize ordinary income to the extent the value of the property exceeds the amount of unpaid accrued interest previously included in gross income by

the holder. A holder's tax basis in such property should be equal to the amount of interest income treated as satisfied by the receipt of the property, and its holding period in the property should begin on the day after the Effective Date. A holder generally will be entitled to recognize a loss to the extent any accrued interest previously included in its gross income is not paid in full. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE EXTENT TO WHICH CONSIDERATION RECEIVED UNDER THE PLAN SHOULD BE TREATED AS ATTRIBUTABLE TO UNPAID ACCRUED INTEREST.

A holder that acquires a debt instrument at a market discount generally is required to treat any gain realized on the disposition of the instrument as ordinary income to the extent of accrued market discount not previously included in gross income by the holder.

2. Exchange of Other Unsecured Claims for New Common Stock and Litigation Trust Interests.

A holder should generally recognize gain or loss upon the receipt of Litigation Trust Interests and New Common Stock from Rural/Metro in exchange for the Other Unsecured Claims. Such gain or loss will generally be equal to the difference between the fair market value of the New Common Stock and Litigation Trust Interests and the Other Unsecured Claim holder's tax basis in the Other Unsecured Claims. Any gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if the holder has held the Other Unsecured Claims for more than one year as of the date of disposition. Holders should consult their tax advisors regarding the applicable tax rates and netting rules for capital gains and losses. There are limitations on the deduction of capital losses by both corporate and noncorporate taxpayers. The IRS could take a different position regarding the tax treatment of the exchange of the Other Unsecured Claim for New Common Stock and Litigation Trust Interests which could result in different tax consequences to a holder. Holders should consult their tax advisors regarding the tax consequences of the exchange.

There is general uncertainty regarding the extent to which the receipt of cash or other property should be treated as attributable to unpaid accrued interest. The Reorganized Debtors intend to take the position, and the Plan provides, that cash or property distributed pursuant to the Plan will first be allocable to the principal amount of a holder's Other Unsecured Claims and then, to the extent necessary, to any unpaid accrued interest thereon. The IRS, however, could take a contrary position.

To the extent any property received pursuant to the Plan is considered attributable to unpaid accrued interest, a holder will recognize ordinary income to the extent the value of the property exceeds the amount of unpaid accrued interest previously included in gross income by the holder. A holder's tax basis in such property should be equal to the amount of interest income treated as satisfied by the receipt of the property, and its holding period in the property should begin on the day after the Effective Date. A holder generally will be entitled to recognize a loss to the extent any accrued interest previously included in its gross income is not paid in full. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE EXTENT TO WHICH CONSIDERATION RECEIVED UNDER THE PLAN SHOULD BE TREATED AS ATTRIBUTABLE TO UNPAID ACCRUED INTEREST.

A holder that acquires a debt instrument at a market discount generally is required to treat any gain realized on the disposition of the instrument as ordinary income to the extent of accrued market discount not previously included in gross income by the holder.

3. New Common Stock.

Distributions. A holder of New Common Stock generally will be required to include in gross income as ordinary dividend income the amount of any distributions paid on the New Common Stock to the extent such distributions are paid out of Holdings' current or accumulated earnings and profits as determined for federal income tax purposes. Distributions not treated as dividends for federal income tax purposes will constitute a return of capital and will first be applied against and reduce a holder's adjusted tax basis in the New Common Stock, but not below zero. Any excess amount will be treated as gain from a sale or exchange of the New Common Stock. Holders that are treated as corporations for federal income tax purposes may be entitled to a dividends received deduction with respect to distributions out of earnings and profits.

Sale or Other Taxable Disposition. A holder of New Common Stock will recognize gain or loss upon the sale or other taxable disposition of New Common Stock equal to the difference between the amount realized upon the disposition and the holder's adjusted tax basis in the New Common Stock. Any such gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if the holder has held the New Common Stock for more than one year as of the date of disposition. Holders should consult their tax advisors regarding the applicable tax rates and netting rules for capital gains and losses. There are limitations on the deduction of capital losses by both corporate and noncorporate taxpayers.

(d) *Information Reporting and Backup Withholding.*

The Reorganized Debtors (or their paying agent) may be obligated to furnish information to the IRS regarding the consideration received by holders (other than corporations and other exempt holders) pursuant to the Plan. In addition, the Reorganized Debtors will be required to report annually to the IRS with respect to each holder (other than corporations and other exempt holders) the amount of dividends paid on the New Common Stock and the amount of any tax withheld from payment thereof.

Holders may be subject to backup withholding (currently, at a rate of 28%) on the consideration received pursuant to the Plan. Backup withholding may also apply to dividends paid on the New Common Stock and proceeds received upon sale or other disposition of the New Common Stock. Certain holders (including corporations) generally are not subject to backup withholding. A holder that is not otherwise exempt generally may avoid backup withholding by furnishing to the Reorganized Debtors (or their paying agent) its taxpayer identification number and certifying, under penalties of perjury, that the taxpayer identification number provided is correct and that the holder has not been notified by the IRS that it is subject to backup withholding.

Backup withholding is not an additional tax. Taxpayers may use amounts withheld as a credit against their federal income tax liability or may claim a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

14.5 ***Federal Income Tax Consequences to Exit Preferred Holders.***

(a) ***New Common Stock.***

The tax consequences applicable to Rights Offering Purchasers and Rights Offering Backstop Investors holding New Common Stock are described above under "Federal Income Tax Consequences to Holders of Claims Entitled to Vote—Noteholder Claims—New Common Stock".

(b) ***New Preferred Stock.***

Distributions. A Rights Offering Purchaser or Rights Offering Backstop Investor generally will be required to include in gross income as dividend income the amount of any distributions paid on the New Preferred Stock to the extent such distributions are paid out of Holdings' current or accumulated earnings and profits as determined for federal income tax purposes. Distributions not treated as dividends for federal income tax purposes will constitute a return of capital and will first be applied against and reduce a holder's adjusted tax basis in the New Preferred Stock, but not below zero. Any excess amount will be treated as gain from a sale or exchange of the New Preferred Stock. Holders that are treated as corporations for federal income tax purposes may be entitled to a dividends received deduction with respect to distributions out of earnings and profits.

Constructive Dividends. Under Section 305 of the Internal Revenue Code, certain transactions are treated as creating dividend distributions on stock, despite the absence of any actual payment of cash (or property) to the holder of such stock. Under such section, a holder of preferred stock may be treated as receiving constructive distributions over the term of the preferred stock based on the excess, if any, of the stock's redemption price over the stock's issue price (subject to a de minimis exception) ("**Preferred OID**"), unless the preferred stock participates in corporate growth to any significant extent (disregarding conversion privileges). The New Preferred Stock is not expected to participate in corporate growth to any significant extent. As a result, the difference between the New Preferred Stock's "redemption price" and its issue price (which will take into account the fair market value of the New Common Stock acquired pursuant to the Rights Offering) would be treated as Preferred OID, resulting in one or more constructive distributions to the Rights Offering Purchasers and Rights Offering Backstop Investors. The redemption price of the New Preferred Stock will be increased by the 15% annual dividend paid in kind.

Any constructive distribution would be treated in the same manner as an ordinary distribution over the term of the New Preferred Stock, regardless of whether the holder is a cash or accrual method taxpayer. See "*Distributions*" above. Accordingly, to the extent Holdings has available earnings and profits, or such distribution exceeds the Rights Offering Purchaser's or Rights Offering Backstop Investor's adjusted tax basis in its stock, the Rights Offering Purchaser

or Rights Offering Backstop Investor would recognize taxable income prior to any corresponding cash payment.

Sale or Other Taxable Disposition. A Rights Offering Purchaser or Rights Offering Backstop Investor will recognize gain or loss upon the sale or other taxable disposition of the New Preferred Stock equal to the difference between the amount realized upon the disposition and the holder's adjusted tax basis in the New Preferred Stock. Any such gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if the holder has held the New Preferred Stock for more than one year as of the date of disposition. Holders should consult their tax advisors regarding the applicable tax rates and netting rules for capital gains and losses. There are limitations on the deduction of capital losses by both corporate and noncorporate taxpayers.

Redemption or Repurchase by Reorganized RMC. A redemption or repurchase of the New Preferred Stock will be treated under Section 302 of the Internal Revenue Code as a distribution taxable as a dividend to the extent of current and accumulated earnings and profits at ordinary income rates unless the redemption or repurchase satisfies one of the tests set forth in Section 302(b) of the Internal Revenue Code and is therefore treated as a sale or exchange of the redeemed or repurchased stock. The redemption or repurchase will be treated as a sale or exchange if it

- is "substantially disproportionate" with respect to the holder;
- results in a "complete termination" of the holder's stock interest in Reorganized RMC; or
- is "not essentially equivalent to a dividend" with respect to the holder, all within the meaning of Section 302(b) of the Internal Revenue Code.

In determining whether any of these tests have been met, shares of New Preferred Stock considered to be owned by a holder by reason of certain constructive ownership rules set forth in the Internal Revenue Code, as well as shares of New Preferred Stock actually owned by the holder, must generally be taken into account. Because the determination as to whether any of the alternative tests of Section 302(b) of the Internal Revenue Code will be satisfied with respect to the holder depends upon the facts and circumstances at the time that the determination must be made, holders are advised to consult their tax advisors to determine such tax treatment.

If a redemption or repurchase of New Preferred Stock is treated as a distribution taxable as a dividend, the amount of the distribution will be measured by the amount of cash and the fair market value of any property received. See "*Distributions*." A holder's adjusted basis in the redeemed or repurchased shares of the stock for tax purposes will be transferred to its remaining shares of the New Preferred Stock, if any. If a holder owns no other shares of the New Preferred Stock, such basis may, under certain circumstances, be transferred to a related person or it may be lost entirely. Proposed Treasury regulations issued in 2009, if enacted in their current form, would affect the basis recovery rules described above. It is not clear whether these proposed regulations will be enacted in their current form or at all. Holders should consult their tax advisors regarding the federal income tax consequences of a redemption or repurchase of the

New Preferred Shares. If a redemption or repurchase of shares of the New Preferred Shares is not treated as a distribution taxable as a dividend, it will be treated as a taxable sale or exchange in the manner described under "*Sale or Other Taxable Disposition*."

(c) ***Information Reporting and Backup Withholding.***

The Reorganized Debtors will be required to report annually to the IRS with respect to each holder (other than corporations and other exempt holders) the amount of dividends paid on the New Preferred Stock or on the New Common Stock and the amount of any tax withheld from payment thereof.

Rights Offering Purchasers and Rights Offering Backstop Investors may be subject to backup withholding (currently, at a rate of 28%) on dividends paid on the New Preferred Stock or New Common Stock and proceeds received upon sale or other disposition of the New Preferred Stock or New Common Stock. Certain holders (including corporations) generally are not subject to backup withholding. A holder that is not otherwise exempt generally may avoid backup withholding by furnishing to the Reorganized Debtors (or their paying agent) its taxpayer identification number and certifying, under penalties of perjury, that the taxpayer identification number provided is correct and that the holder has not been notified by the IRS that it is subject to backup withholding.

Backup withholding is not an additional tax. Taxpayers may use amounts withheld as a credit against their federal income tax liability or may claim a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

THE FOREGOING DISCUSSION OF FEDERAL INCOME TAX CONSIDERATIONS IS FOR GENERAL INFORMATION PURPOSES ONLY AND IS NOT TAX ADVICE. EACH HOLDER SHOULD CONSULT ITS OWN TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE PLAN DESCRIBED HEREIN. NEITHER THE PROPONENTS NOR THEIR PROFESSIONALS WILL HAVE ANY LIABILITY TO ANY PERSON OR HOLDER ARISING FROM OR RELATED TO THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE PLAN OR THE FOREGOING DISCUSSION.

ARTICLE XV.

CONCLUSION

The Debtors believe that confirmation and implementation of the Plan is preferable to any of the alternatives described herein because it will provide the greatest recovery to holders of Claims. Other alternatives would involve significant delay, uncertainty and substantial administrative costs and are likely to reduce any return to creditors who hold Claims. The Debtors urge the holders of impaired Claims in Classes who are entitled to vote on the Plan to vote to accept the Plan and to evidence such acceptance by returning their Ballots to the Voting Agent so that they will be received not later than 5:00 p.m. (prevailing Eastern Time) on December 9, 2013.

Dated: October 31, 2013
New York, New York

Respectfully submitted,

RURAL/METRO CORPORATION
on behalf of itself and its affiliated Debtors

By: 

Stephen Farber
Executive Vice President and Chief Financial Officer

Counsel:

WILLKIE FARR & GALLAGHER LLP
787 Seventh Avenue
New York, New York 10019
(212) 728-8000

YOUNG CONAWAY STARGATT & TAYLOR, LLP
Rodney Square
1000 North King Street
Wilmington, DE 19801
(302) 571-6600

Co-Counsel for the Debtors and Debtors in Possession

Exhibits

- Plan (Exhibit 1);
- Order, Pursuant to Sections 105(a) and 365(a) of the Bankruptcy Code, Authorizing the Assumption of Restructuring Support Agreement (Exhibit 2);
- Prepetition Organizational Chart (Exhibit 3);
- Liquidation Analysis (Exhibit 4);
- Reorganized Debtors' Projected Financial Information (Exhibit 5);
- Disclosure Statement Order (Exhibit 6); and
- Valuation Analysis (Exhibit 7).