

**United States Bankruptcy Court
Northern District of California**

In re:

Case No. 17-43031 CN

ET Solar, Inc.

Chapter 11

**[PROPOSED] COMBINED PLAN OF REORGANIZATION
AND DISCLOSURE STATEMENT
April 24, 2018**

INTRODUCTION

This is Debtor's Combined Chapter 11 Plan of Reorganization and Disclosure Statement (the Plan). The Plan identifies each known creditor by name and describes how each claim will be treated if the Plan is confirmed.

Part 1 contains the treatment of creditors with secured claims; Part 2 contains the treatment of general unsecured creditors: a pro rata portion of a projected \$2,140,589.33, likely to result in recovery of 11.73% on allowed claims in Biannual payments over three years without interest. Taxes and other priority claims would be paid in full, as shown in Part 3.

Most creditors (those in impaired classes) are entitled to vote on confirmation of the Plan. Completed ballots must be received by Debtor's counsel, and objections to confirmation must be filed and served, no later than [date]. The court will hold a hearing on confirmation of the Plan on [date] at 10:00 A.M.

Attached to the Plan are exhibits containing financial information that may help you decide how to vote and whether to object to confirmation. Exhibit 1 includes background information regarding Debtor and the events that led to the filing of the bankruptcy petition and describes significant events that have occurred during this Chapter 11 case. Exhibit 2 contains an analysis of how much creditors would likely receive in a Chapter 7 liquidation.

Whether the Plan is confirmed is subject to complex legal rules that cannot be fully described here. You are strongly encouraged to read the Plan carefully and to consult an attorney

to help you determine how to vote and whether to object to confirmation of the Plan.

If the Plan is confirmed, the payments promised in the Plan constitute new contractual obligations that replace Debtor's pre-confirmation debts. Creditors may not seize their collateral or enforce their pre-confirmation debts so long as Debtor performs all obligations under the Plan. If Debtor defaults in performing Plan obligations, any creditor can file a motion to have the case dismissed or converted to a Chapter 7 liquidation or enforce their non-bankruptcy rights. Debtor will be discharged from all pre-confirmation debts if Debtor makes all Plan payments. Enforcement of the Plan, discharge of the Debtor, and creditors' remedies if Debtor defaults are described in detail in Parts 5 and 6 of the Plan.

PLAN SUMMARY

PART 1: TREATMENT OF SECURED CREDITORS

Property to be Surrendered to Creditor.

Class	Name of Creditor	Description of Collateral
1B	Fulsource Logistics, Inc.	Remaining inventory at creditor's warehouse, if any, following April 26, 2018 inventory sale.
1C	Boviet Solar USA Ltd.	Remaining inventory at creditor's warehouse, if any, following April 26, 2018 inventory sale.
1D	American Cargo Express, USA & Canada	Remaining inventory at creditor's warehouse, if any, following April 26, 2018 inventory sale.
1E	VEECO Holdings, LLC/Coastal Logistics Group, Inc.	Remaining inventory at creditor's warehouse, if any, following auction of inventory.

Debtor will not later than the Effective Date of the Plan (30 days after confirmation) surrender remaining inventory at the above-referenced creditors' warehouses, if any, following inventory sales to be approved by separate motions to the court. The confirmation order will constitute an order for relief from stay for each of the creditors listed above to take possession of remaining collateral on their premises. Any secured claim is satisfied in full through surrender of such collateral. Any deficiency claim is a general unsecured claim treated in Part 2. Creditors in these classes shall retain their interest in the collateral. **These secured claims are not impaired and are not**

entitled to vote on confirmation of the Plan.

Creditors' Rights Remain Unchanged.

Class	Name of Creditor	Description of Collateral
1F	East West Bank	Import Deposit Bond Account at East West Bank totaling \$1,900,250.00 at petition date.
1G	US Customs and Border Protection	Tariff Penalty Rebate totaling \$628,749.39.

These creditors' legal, equitable, and contractual rights remain unchanged with respect to the above collateral. The confirmation order will constitute an order for relief from stay. Creditors in these classes shall retain their interest in the collateral until paid in full. **These secured claims are not impaired and are not entitled to vote on confirmation of the Plan.**

Debtor to Adjust Terms and Pay Amount Due in Full Over Time.

Class	Name of Creditor	Collateral	Amount Due	Interest Rate	Monthly Payment	Term
1A	NC State Renewables, LLC	All assets	\$76,284.25 plus accrued interest and attorneys' fees	5%	None	75% in the First Distribution (not later than 15 days after the Effective Date) and 25% in First Biannual Distribution

Debtor will pay 100% of the entire amount contractually due to NC State Renewables, LLC with interest through two payments: the first payment will occur in the First Distribution not later than 15 days after the Effective Date; the second will occur in the First Biannual Distribution on the first business day following July 1, 2018. NC State Renewables, LLC shall retain its lien on all estate assets until Debtor makes all payments on its Class 1A allowed secured claim specified in the Plan.

NC State Renewables, LLC may not repossess or dispose of its collateral so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **This secured claim is impaired and is entitled to vote on confirmation of the Plan.**

Property to be Sold.

Class	Name of Creditor	Collateral	Value of Collateral	Monthly Payment
1A	NC State Renewables, LLC	Inventory	Estimated to be up to \$580,000.00	75% in the First Distribution not later than 15 days after the Effective Date and 25% in First Biannual Distribution

The Distribution Agent will liquidate Debtor's remaining inventory, if any, if it has not occurred prior to the Effective Date and has not otherwise been abandoned to lienholders in possession.

The lienholder may not repossess or dispose of this collateral so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **This secured claim is impaired and entitled to vote on confirmation of the Plan.**

PART 2: TREATMENT OF GENERAL UNSECURED CREDITORS**Class 2A. Small Claims.**

Name of Creditor	Amount of Claim	Amount to be Paid
Aram Solar	\$2.37	\$2.37
CSC	\$86.04	\$86.04
Greiner Heating Air & Solar Energy, Inc.	\$70.00	\$70.00
Harvorsen Solar Service	\$80.00	\$80.00
Integrity Solar	\$80.00	\$80.00
Paychex of New York LLC	\$99.00	\$99.00
Phoenix Renewable Services	\$100.00	\$100.00
Tyler Mitchell	\$150.00	\$150.00
Verizon Wireless	\$106.20	\$106.20
Young's Air Conditioning	\$70.00	\$70.00
TOTAL	\$843.61	\$843.61

This class includes any creditor whose allowed claim is \$150.00 or less, and any creditor in Class 2B whose allowed claim is larger than \$150.00 but agrees to reduce its claim to \$150.00. Each creditor will receive 30 days after the Effective Date of the Plan a single payment equal to the lesser of its allowed claim or \$150.00 without interest.

Creditors in this class may not take any collection action against Debtor so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **Claimants in this class are not impaired and are not entitled to vote on confirmation of the Plan.**

Class 2(b) . Other General Unsecured Claims.

Name of Creditor	Amount of Claim	Amount to be Paid
Arndt Lutz	\$3,245.09	\$380.64
AT&T	\$6,903.75	\$809.80
AXA General Insurance Co., Ltd.	\$1,124.35	\$131.88
Bank of America	\$6,037.36	\$708.18
CD Global Solar Investor NC, L.P.	\$5,940,000.00 (subject to approval of compromise)	\$696,762.00
Centro Solar	\$1,600.00	\$187.68
CIR Electric	\$46,276.23	\$5,428.20
Click4Ship.com	\$1,800.00	\$211.14
COSCO Shipping Lines (North America) Inc.	\$208,800.00	\$24,492.24
Cypress Creek Renewable	\$240,000.00	\$28,152.00
David Christopher Thomas	\$1,000.00	\$117.30
Desert Solar, Inc. dba DS Energy Solutions	\$2,583,691.30	\$303,066.98
DLA Piper	\$23,733.13	\$2,783.89
E-Solar Hong Kong Ltd.	\$2,121,569.75	\$248,860.13
Edgewood Ptrs. Insurance Ctr.	\$1,865.00	\$281.76
ET Solar Energy, Ltd.	\$869,590.80 Not included if plan is confirmed and global compromise is approved	\$0 subject to approval of global compromise

ET Solar Industry Limited	\$6,571,160.83 Not included if plan is confirmed and global compromise is approved	\$0 subject to approval of global compromise
ET Solar International Co. Ltd.	\$2,744,476.43 Not included if plan is confirmed and global compromise is approved	\$0 subject to approval of global compromise
ET Solar New Energy Co., Ltd.	\$180.00 Not included if plan is confirmed and global compromise is approved	\$0 subject to approval of global compromise
Gintung Energy Corporation	\$2,304,902.67	\$270,365.08
Haller Enterprises, Inc.	\$300.00	\$35.19
Hansol Technics Co., Ltd.	\$1,098,397.42	\$128,842.01
Haoyu Chen	\$857.99	\$100.64
Infewsion	\$132,182.03	\$15,504.95
Jenny Garman Liang	\$1,424.47	\$167.09
JH Logistics	\$792.00	\$92.90
Law Offices of Wallace Neel	\$10,928.11	\$1,281.86
Lucky Film Co., Ltd.	\$57,245.20	\$6,714.86
May Khasem	\$5,721.44	\$671.12
Metlife Group Benefits	\$178.26	\$20.90
Microsoft Corp.	\$392.28	\$46.01
Principal Life Insurance Company	\$3,091.11	\$362.58
Promelight Technology (Malaysia) Sdn Bhd	\$228,644.01	\$26,819.94
Reed Smith LLP	\$4,841.00	\$567.84
Ru Jin	\$2,732.77	\$320.55
Shamrock Office Solutions, Inc.	\$165.55	\$19.41
Sol Systems, LLC	\$2,973,197.61	\$348,756.07
Solarie Technology, LLC	\$207,824.74	\$24,377.84
Sundance Logistics	\$7,652.50	\$897.63
Sunpower Corporation	\$104,800.48	\$12,293.09
TAG/ICIB Services, Inc.	\$960.00	\$112.60

US Bank	\$6,571.25	\$791.92
Xinghua Wang	\$3,807.75	\$446.64
TOTAL	\$18,235,256.60 if plan is confirmed and global compromise is approved \$28,420,664.66 in Chapter 7 without global compromise	

Allowed claims of general unsecured creditors not treated as small claims (including allowed claims of creditors whose executory contracts or unexpired leases are being rejected under this Plan) shall be paid as follows:

Pot Plan and Distribution Schedule. Creditors will receive a pro-rata share of a fund totaling \$2,140,589.33.

First Distribution. 15 days after the Effective Date the Distribution Agent will pay

- (a) 100% of allowed administrative claims other than that of Binder & Malter, LLP, which shall receive 75% of its allowed administrative claim
- (b) 100% of allowed unsecured priority tax claims, excluding CBP's secured claim
- (c) 75% of priority wage claims
- (d) 75% of the allowed secured claim of NC State Renewables, LLC
- (e) 100% of the allowed class 2A, and
- (f) Remaining available cash on a pro rata basis to the holders of allowed Class 3 general unsecured claims. The Distribution Agent will withhold from the pro rata distribution and reserve amounts she deems appropriate to fund the Administrative Reserve, the Disputed Claim Reserve, and the Sol Systems Claim Reserve.

Subsequent Biannual Distributions. The Distribution Agent shall, following the First Distribution, distribute available cash to holders of allowed claims on the first business day following July 1, 2018, and the first business day following the January 1 and July 1 thereafter for the term of the Plan subject to the discretion of the Distribution Agent to combine any Biannual Distribution with the next Biannual Distribution in the interest of economy and efficiency.

This class is impaired and is entitled to vote on confirmation of the Plan. Debtor presently lists no claims as disputed but reserves the right to do so in the future.

PART 3: TREATMENT OF PRIORITY AND ADMINISTRATIVE CLAIMS

(a) Professional Fees.

Debtor will pay the following professional fees in full on the First Distribution, or upon approval by the court, whichever is later.

Name and Role of Professional	Estimated Amount
Sandler, Travis & Rosenberg, PA	\$5,000.00
Ultra CPA	\$2,000.00

The following professionals have agreed to accept payment over time as follows. A first payment will be made in the First Distribution and the second in the First Biannual Distribution following approval by the court.

Name and Role of Professional	Estimated Amount Over Retainer	Payment Amount	Number of Payments
Binder & Malter, LLP	\$100,000.00	\$100,000.00 or such other amount the court allows	Two: 75% at the First Distribution and the balance, without interest, in First Biannual Distribution

Professionals may not take collection action against Debtor so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **Estate professionals are not entitled to vote on confirmation of the Plan.**

(b) Other Administrative Claims. Debtor will pay other allowed claims entitled to priority under section 503(b) in full 30 days after the Effective Date; except expenses incurred in the ordinary course of Debtor's business or financial affairs, which shall be paid when normally due and payable (these creditors are not listed below). All fees payable to the United States Trustee as of confirmation will be paid 30 days after the Effective Date; post-confirmation fees to the United States Trustee will be paid when due.

Debtor is not aware that it has any Administrative Claims other than those of its professionals.

Administrative Creditors may not take any collection action against Debtor so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **Administrative claimants are not entitled to vote on confirmation of the Plan.**

(c) Wage Claims. Debtor will pay allowed claims entitled to priority under section 507(a)(3) and 507(a)(4) in full over time without interest as follows: Debtor will pay 75% of the allowed amounts owing without interest in two payments. The first payment will occur 30 days after the Effective Date. The second will occur in the First Biannual Distribution. To the extent amounts owed are determined to be other than as shown below, appropriate adjustments will be made in the number of payments.

Priority wage claimants may not take any collection action against Debtor so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **Priority wage claimants are entitled to vote on confirmation of the Plan.**

Name of Creditor	Estimated Amount of Claim	Payment Amount	Number of Payments
Xinghua Wang - Vacation	\$3,807.75	\$3,807.75	Two: 75% in the First Distribution and the balance, without interest, in First Biannual Distribution
Ru Jin - Vacation	\$2,703.55	\$2,703.55	Two: 75% in the First Distribution and the balance, without interest, in First Biannual Distribution
Ru Jin - 401k	\$132.83	\$132.83	Two: 75% in the First Distribution and the balance, without interest, in First Biannual Distribution
May Khasem - 401k	\$152.08	\$152.08	Two: 75% in the First Distribution and the balance, without interest, in First Biannual Distribution
Jenny Garman Liang 401K	\$140.00	\$140.00	Two: 75% in the First Distribution and the balance, without interest, in First Biannual Distribution

Arndt Lutz - 401k	\$450.00	\$450.00	Two: 75% in the First Distribution and the balance, without interest, in First Biannual Distribution
Yong Zhang - Salary	\$3,250.00	\$3,250.00	Two: 75% in the First Distribution and the balance, without interest, in First Biannual Distribution
Xinghua Wang - Salary	\$3,300.00	\$3,300.00	Two: 75% in the First Distribution and the balance, without interest, in First Biannual Distribution
Ru Jin - Salary	\$3,437.56	\$3,437.56	Two: 75% in the First Distribution and the balance, without interest, in First Biannual Distribution
May Khasem - Vacation	\$6,580.58	\$6,580.58	Two: 75% in the First Distribution and the balance, without interest, in First Biannual Distribution
May Khasem - Salary	\$3,918.98	\$3,918.98	Two: 75% in the First Distribution and the balance, without interest, in First Biannual Distribution
Jing Liu	\$3,116.93	\$3,116.93	Two: 75% in the First Distribution and the balance, without interest, in First Biannual Distribution
Jenny Garman Liang - vacation	\$249.44	\$249.44	Two: 75% in the First Distribution and the balance, without interest, in First Biannual Distribution
Jenny Garman Liang - vacation	\$3,616.93	\$3,616.93	Two: 75% in the First Distribution and the balance, without interest, in First Biannual Distribution
Haoyu Chen - vacation	\$1,574.17	\$1,574.17	Two: 75% in the First Distribution and the balance, without interest, in First Biannual Distribution

Haoyu Chen - 401k	\$110.00	\$110.00	Two: 75% in the First Distribution and the balance, without interest, in First Biannual Distribution
Haoyu Chen - salary	\$2,750.00	\$2,750.00	Two: 75% in the First Distribution and the balance, without interest, in First Biannual Distribution
Arndt Lutz- vacation	\$45.00	\$45.00	Two: 75% in the First Distribution and the balance, without interest, in First Biannual Distribution
Arndt Lutz - salary	\$11,366.93	\$11,366.93	Two: 75% in the First Distribution and the balance, without interest, in First Biannual Distribution
TOTAL	\$50,702.73	\$50,702.73	

(d) Tax Claims. Debtor will pay the Franchise Tax Board and Internal Revenue Service on their allowed claims entitled to priority under section 507(a)(8) in full in cash in the First Distribution. To the extent amounts owed are determined to be other than as shown below, appropriate adjustments will be made in the number of payments.

CBP shall retain its collateral and receive payment in full on its allowed claim, to the extent entitled to priority under section 507(a)(8), through (a) offsets it may make against the portion of the Tariff Penalty Rebate it retains for setoff; and (b) regular monthly installment payments, with interest at its statutory rate and in cash, in an amount equal to not less than the amount it would be paid were CBP the holder of an allowed general unsecured Class 3 claim.

Priority tax creditors may not take any collection action against Debtor so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **Priority tax claimants are not entitled to vote on confirmation of the Plan.**

Name of Creditor	Estimated Amount of Claim	Statutory Interest Rate	Payment Amount	Number of Payments
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Franchise Tax Board	\$3,240.00	Unknown	\$3,240.00 plus interest to Effective Date	1
Internal Revenue Service (Corp. Income Tax)	\$27,730.95	Short term rate plus 3%	\$27,730.95 plus interest to Effective Date	1
Customs Protection Bureau	\$248,952.48 subject to filing of claim by CBP	Unknown	\$248,952.48 plus interest	36

PART 4: TREATMENT OF INTERESTS IN THE DEBTOR

All equity interests in Debtor shall be cancelled on the Effective Date, and new equity in Debtor shall be issued to the current holder of Debtor's equity in exchange for its \$400,000 New Value Contribution. Such new equity shall be represented by stock certificates issued by the Distribution Agent on behalf of the reorganized debtor on the Effective Date. **Equity holders are entitled to vote on confirmation of the Plan.**

PART 5: EXECUTORY CONTRACTS AND UNEXPIRED LEASES

(a) Executory Contracts/Unexpired Leases Assumed. Debtor is not assuming any executory contracts or unexpired leases through the Plan. Debtor has brought a separate motion to assume and assign to ET Capital Solar Partners (USA), Inc. its office lease of the real property located at 490 Hopyard Road #310, Pleasanton, CA 94588, but the estate will have no liability, post-assumption, for any liability for a breach occurring after the date of assignment.

(b) Executory Contracts/Unexpired Leases Rejected. Debtor rejects the following executory contracts and/or unexpired leases and surrenders any interest in the affected property and allows the affected creditor to obtain possession and dispose of its property, without further order of the court. Claims arising from rejection of executory contracts have been included in Class 2 (general unsecured claims).

Name of Counter-Party	Description of Contract/Lease
US Bank Equipment Finance	Copier Lease

(c) Executory Contracts/Unexpired Leases Rejected. Executory contracts and unexpired leases not specifically assumed or rejected above will be deemed rejected.

PART 6: DISCHARGE AND OTHER EFFECTS OF CONFIRMATION

(a) Discharge. Debtor shall receive a discharge upon the passage of the Effective Date pursuant to Bankruptcy Code section 1141(d)(1) of all debts dischargeable under the Bankruptcy Code.

(b) Vesting of Property. On the Effective Date, all property of the estate and interests of Debtor will vest in the reorganized debtor pursuant to § 1141(b) of the Bankruptcy Code free and clear of all claims and interests except as provided in this Plan for purposes of distribution to creditors in accordance with the terms of this plan. The assets listed in Exhibit 2 hereto shall be administered by the Distribution Agent. For avoidance of doubt, the Debtor's interests in GX Investment Inc. shall not be administered by the Distribution Agent.

(c) Plan Creates New Obligations. Except as provided in Part 6(d) and (e), the obligations to creditors that Debtor undertakes in the confirmed Plan replace those obligations to creditors that existed prior to the Effective Date of the Plan. Debtor's obligations under the confirmed Plan constitute binding contractual promises that, if not satisfied through performance of the Plan, create a basis for an action for breach of contract under California law. To the extent a creditor retains a lien under the Plan, that creditor retains all rights provided by such lien under applicable non-Bankruptcy law.

PART 7: REMEDIES IF DEBTOR DEFAULTS IN PERFORMING THE PLAN

(a) Creditor Action Restrained. The confirmed Plan is binding on every creditor whose claims are provided for in the Plan. Therefore, even though the automatic stay terminates on the Effective Date with respect to secured claims, no creditor may take any action to enforce either the pre-confirmation obligation or the obligation due under the Plan, so long as Debtor is not in material default under the Plan, except as provided in Part 6(e) below.

(b) Obligations to Each Class Separate. Debtor's obligations under the Plan are separate with respect to each class of creditors. Default in performance of an obligation due to members of one class shall not by itself constitute a default with respect to members of other classes. For purposes of this Part 7, the holders of all administrative claims shall be considered to be a single class, the holders of all priority claims shall be considered to be a single class, and each non-debtor party to an assumed executory contract or lease shall be

considered to be a separate class.

(c) Material Default Defined. If Debtor fails to make any payment, or to perform any other obligation required under the Plan, for more than 10 days after the time specified in the Plan for such payment or other performance, any member of a class affected by the default may serve upon Debtor, Debtor's attorney, the Distribution Agent and her counsel (if any) a written notice of Debtor's default. If Debtor fails within 30 days after the date of service of the notice of default either: (i) to cure the default; (ii) to obtain from the court an extension of time to cure the default; or (iii) to obtain from the court a determination that no default occurred, then Debtor is in Material Default under the Plan to all the members of the affected class.

(d) Remedies Upon Material Default. Upon Material Default, any member of a class affected by the default: (i) may file and serve a motion to dismiss the case or to convert the case to Chapter 7; or (ii) without further order of the court has relief from stay to the extent necessary and may pursue its lawful remedies to enforce and collect Debtor's pre-confirmation obligations.

(e) Claims not Affected by Plan. Upon confirmation of the Plan, and subject to Part 5(c), any creditor whose claims are left unimpaired under the Plan may, notwithstanding paragraphs (a), (b), (c), and (d) above, immediately exercise all of its contractual, legal, and equitable rights, except rights based on default of the type that need not be cured under section 1124(2) (A) and (D).

(f) Effect of Conversion to Chapter 7. If the case is at any time converted to one under Chapter 7, property of Debtor shall vest in the Chapter 7 bankruptcy estate to the same extent provided for in section 348(f) of the Bankruptcy Code upon the conversion of a case from Chapter 13 to Chapter 7.

(g) Retention of Jurisdiction. The bankruptcy court may exercise jurisdiction over proceedings concerning: (i) whether Debtor is in Material Default of any Plan obligation; (ii) whether the time for performing any Plan obligation should be extended; (iii) adversary proceedings and contested matters pending as of the Effective Date or specifically contemplated in this Plan to be filed in this court (see Part 7(f)); (iv) whether the case should be dismissed or converted to one under Chapter 7; (v) any objections to claims; (vi) compromises of

controversies under Fed. R. Bankr. Pro. 9019; (vii) compensation of professionals; and (viii) other questions regarding the interpretation and enforcement of the Plan.

PART 8: GENERAL PROVISIONS

(a) Effective Date of Plan. The Effective Date of the Plan is the fifteenth day following the date of the entry of the order of confirmation if no notice of appeal from that order has been filed. If a notice of appeal has been filed, Debtor may waive the finality requirement and put the Plan into effect, unless the order confirming the Plan has been stayed. If a stay of the confirmation order has been issued, the Effective Date will be the first day after that date on which no stay of the confirmation order is in effect, provided that the confirmation order has not been vacated.

(b) Distribution Agent.

1. Identity. The Distribution Agent in this case shall be Susan Uecker (the "Distribution Agent")
2. Appointment, Removal, Duration of Appointment.
 - a. On the Effective Date the Distribution Agent shall be appointed as Distribution Agent to perform the functions accorded to her under the Plan as the representative of Debtor. Pursuant to California law, the Distribution Agent shall be authorized and empowered to take all such actions and measures necessary to implement and administer the terms of the Plan.
 - b. The Distribution Agent shall determine her own successor. Any successor Distribution Agent may be approved by the holders of the majority in number and amount of allowed general unsecured claims.
 - c. The Distribution Agent shall appoint one of her employees to be the sole officer, chairman of the board, and board of Debtor. The Distribution Agent shall have the duties identified in this Plan and as described in greater detail below.
 - d. The Distribution Agent may resign upon not less than thirty (30) calendar days' prior written notice to the Holders of allowed general unsecured claims, provided that no such resignation shall be effective

until the expiration of the thirty (30) calendar day notice period of the resignation.

e. The Distribution Agent's term of employment shall expire upon payment in full of all holders of allowed Class 3 general unsecured claims or the date that Distribution Agent determines that there are not or are not likely to be further assets from which to make distributions.

f. Powers and Duties of the Distribution Agent.

i. The Distribution Agent shall liquidate, collect and administer the assets set forth in Exhibit 2. The Distribution Agent shall prosecute all claims and causes of action that she, in her discretion, deems appropriate and economically viable to pursue. The Distribution Agent shall make the First Distribution, the First Biannual Distribution, and subsequent Biannual Distributions. The Distribution Agent shall be authorized, empowered and directed to take all actions on behalf of the Debtor necessary or desirable to comply with the Plan and fulfill the duties and obligations arising hereunder including, without limitation, to:

1. Open, maintain and administer bank accounts;
2. Engage employees and professional persons as necessary or desirable to assist in carrying out the provisions of and purposes underlying the Plan;
3. Incur and pay reasonable fees, costs, and expenses in connection with implementing the terms of the Plan, including the reasonable fees, costs and expenses of retained professionals and including the reasonable expenses of the reorganized debtor and its professionals incurred in assisting the Distribution Agent and its professionals in performing the terms of the Plan;

4. Expend estate assets as necessary to maintain the value of the assets she is administering during the Distribution Agent's term;
5. Pay the reasonable and necessary expenses incurred by the Distribution Agent, the reorganized debtor and their respective professionals in carrying out the terms of the Plan.
6. Investigate, analyze, commence, prosecute, litigate, compromise and otherwise administer any litigation against Sumec North America and all other persons and entities liable to Debtor to collect all amounts owing and take all other necessary and appropriate steps to collect, recover, settle, liquidate or otherwise reduce estate assets to cash;
7. Approve compromises of claims and debts and execute all necessary and appropriate documents to effectuate such settlements, without notice to any party and without further order of the Bankruptcy Court;
8. Comply with any applicable orders of the Bankruptcy Court and any other court of competent jurisdiction, and all applicable laws and regulations, concerning the matters set forth herein;
9. Make all distributions to the holders of allowed claims provided for, or contemplated by, the Plan;
10. Establish the Disputed Claims Reserve, Administrative Reserve, and Compromised Claim Reserve;
11. Pay any taxes relating to the assets under administration;
12. Carry insurance coverage if the Distribution Agent deems such insurance necessary and appropriate in its sole and

absolute discretion unless otherwise provided by this Plan;

13. Exercise such other powers as may be vested in the Distribution Agent pursuant to the Plan, the confirmation order, or other final orders of the Bankruptcy Court;

14. Execute any documents, instruments, contracts or agreements necessary or desirable to carry out the powers and duties of the Distribution Agent;

15. Act as the authorized representative of the Debtor and the Debtor's estate for all purposes consistent her duties under the Plan.

3. Fees and Expenses.

a. Subject to and in accordance with the provisions of the Plan, the confirmation order, and any other Final Order of the Bankruptcy Court, the Distribution Agent shall be entitled to receive reasonable compensation for services rendered on behalf of the Debtor and reimbursement of reasonable and necessary expenses. The compensation of the Distribution Agent shall be disclosed in a filing with the Bankruptcy Court. Compensation of the Distribution Agent and other costs and expenses of administration of the Debtor, including, without limitation, the fees and expenses of retained counsel, accountants or other professionals, shall be paid out of the estate assets, specifically the Administrative Reserves.

b. The Distribution Agent shall not be required to file a fee application or otherwise seek approval of the Bankruptcy Court to receive compensation, including compensation for counsel for the Distribution Agent and other retained professionals.

4. No Recourse to Estate Representatives. Notwithstanding that the Allowed amount of any particular claim is reconsidered under the applicable provisions of the Bankruptcy Code and Bankruptcy Rules or is Allowed in an

amount for which there is insufficient cash in the relevant fund or reserve to provide a recovery equal to that received by other Holders of allowed claims in the relevant class, no holder of a claim shall have recourse to the Debtor, the Debtor's estate, the Distribution Agent, the reorganized debtor, or any of their respective professionals, or their agents (including employees, officers and the like), successors or assigns, or the Holder of any other Claim, or any of their respective property.

5. Indemnification of Distribution Agent. The Distribution Agent and her agents shall not be liable for actions taken or omitted in his or their capacity as the Distribution Agent, or on behalf of, the Distribution Agent, except those acts arising out of her own willful misconduct, negligence, bad faith, self-dealing, breach of fiduciary duty, or ultra vires acts, and each shall be entitled to indemnification and reimbursement for fees and expenses from the Debtor's estate in defending any and all of its actions or inactions in its capacity as Distribution Agent, or on behalf of, the Debtor, except for any actions or inactions involving willful misconduct, negligence, bad faith, self-dealing, breach of fiduciary duty, or ultra vires acts or breach of any duty imposed post-confirmation as officer, director, or manager of the Debtor under applicable non-bankruptcy law. Any indemnification claim under this section shall be satisfied from the Estate assets and any insurance coverages procured by the Distribution Agent on behalf of the Debtor. The Distribution Agent shall be entitled to rely, in good faith, on the advice of its retained professionals.

6. Reporting Requirements. Within one hundred twenty (120) calendar days following the Effective Date, the Distribution Agent shall file a report with the Bankruptcy Court setting forth the status of implementation of the Plan, including the amount distributed to holders of allowed Claims in the First Distribution and any subsequent Biannual Distribution and amounts reserved for the Administrative Reserves and Disputed Claims Reserves. Further reports shall be filed every one hundred twenty (120) calendar days setting forth the ongoing status of implementation of the Plan through the closing of the Bankruptcy Case.

7. Avoidance Actions and Other Causes of Action. On the Effective Date, the Distribution Agent shall be vested with the right to pursue all claims and causes of action that the Debtor has, including collection and avoidance actions, and any other causes of action, defenses, requests for subordination or recharacterization, or requests for any other equitable or legal relief that was or could have been asserted pre-petition by the Debtor against any party other than those which have been settled. The Distribution Agent may, on behalf of the Debtor, pursue, settle or release all such actions in accordance with the best interest of and for the benefit of the holders of allowed claims.
8. Claim Objections and Estimation of Claims. On and after the Effective Date, the Distribution Agent may file objections to claims; provided, however, that as to Administrative Expense Claims, the Distribution Agent, and other parties in interest may object within fourteen (14) calendar days of their filing. As to any claims arising from the rejection of an executory contract or unexpired lease pursuant to the Plan, the Distribution Agent may object within thirty (30) calendar days of the filing of any such claims. As to claims arising from the recovery of an avoidable transfer under chapter 5 of the Bankruptcy Code, the Distribution Agent may object within thirty (30) calendar days of the filing of any such claims.
9. Settlements. From and after the Effective Date the Distribution Agent shall have the exclusive authority to file, settle, compromise, withdraw, or litigate to judgment any objections to claims, including without limitation, any objections to claims filed by the Debtor prior to the Effective Date. The Distribution Agent shall provide notice and opportunity for hearing of any settlement.
10. Conflicts of Interest. In the event that the Distribution Agent has a conflict of interest, the Distribution Agent shall recuse herself from such matter. In the event of recusal of the Distribution Agent pursuant to this Section, the Bankruptcy Court is empowered to designate an additional Distribution Agent solely for purposes of the conflicted matter.

(c) Claim Reserves.

Disputed Claims Reserve. The Distribution Agent will create a reserve for disputed claims generally. Each time Distribution Agent makes a distribution to the holders of allowed claims, Debtor will place into a reserve the amount that would have been distributed to the holders of disputed claims if such claims had been allowed in the full amount claimed. If a disputed claim becomes an allowed claim, the Distribution Agent shall immediately distribute to the claimant from the reserve an amount equal to all distributions due to date under the plan calculated using the amount of the allowed claim. Any funds no longer needed in reserve shall be distributed pro-rata among allowed claims in the class in which the claim for which a reserve had been established is classified.

Administrative Claim Reserve. The Distribution Agent will create a reserve for the payment of administrative expense claims after the Effective Date, including payment of the reasonable and necessary projected costs to carry out the provisions of the Plan on and after the Effective Date, payment of professional fees and costs on and after the Effective Date, and payment of all other amounts required to investigate and prosecute collection and avoidance actions and other litigation, including without limitation, such reserves for taxes, assessments and other expenses of administration.

Sol Systems Claim Reserve. The Distribution Agent will create a reserve for the payment of the allowed claim of Sol Systems. This reserve shall be held and not distributed prior to 95 days after the last payment is made under the Sol Systems Settlement Agreement. At that time, the Distribution Agent shall determine if Sol Systems received the payments required under the Sol Systems Settlement Agreement. If those payment obligations have been satisfied, then the cash withheld in this reserve shall be released and made available for the next Biannual Distribution to holders of allowed claims under the Plan other than Sol Systems. If those payments have not been made then the cash withheld in the Compromised Claims Reserve shall be released to Sol Systems.

(d) Sol Systems Settlement Agreement and Stipulation Unaffected by Plan Confirmation or Effectiveness. Nothing in this Plan or the Disclosure Statement shall in any way impact, alter or effect the obligations of Debtor or any other parties to or

under the Sol Systems Stipulation or Sol Systems Settlement Agreement approved by the Sol Systems Compromise Order.

(e) Compromise with Other ET Entities. Confirmation of the plan effectuates a compromise of all claims and causes of action between Debtor and ET Solar Capital (USA), Inc., ET Solar Energy Limited, ET Solar Global, Inc., ET Solar Industry Limited, and ET Solar International Co. Ltd. (collectively, the "Other ET Entities").

The terms of the compromise are as follows: all amounts owed by the Other ET Entities shall be offset against all amounts owed to the Other ET Entities as set forth in the following table.

In exchange for a new value contribution and settlement payment of \$400,000 at confirmation, subject to approval of the Court as part of the Plan, the Debtor and Other ET Entities will execute mutual, general releases of all claims.

The Debtor's explanation as to why settling all such claims is fair and equitable and should be approved as part of confirmation of the Plan is set forth in Exhibit 4 hereto.

Entity	Claims by Debtor	Claims Against Debtor	Net Owing to Debtor	Net Owed by Debtor
ET Capital Solar Partners (USA), Inc.	\$100,000.00 \$177,047.41 \$ 8,136.99 \$285,184.40	\$100,000.00	\$ 185,184.40	
ET Solar Energy Limited	\$ 796,355.50 \$1,770,270.30 \$2,516,571.48 \$5,083,197.28	\$869,590.80 \$122,513.96 \$992,104.76	\$4,091,092.52	
ET Solar Global, Inc.	\$ 836,411.09	0	\$ 836,411.09	
ET Solar Industry Limited	\$1,083,815.18 \$ 494,722.80 \$ 580,275.34 \$2,158,813.32	\$6,571.160.83		\$4,412,347.51
ET Solar International Co. Ltd.	\$ 109,316.15	\$ 221,770.21 \$2,522,001.44 \$2,743,771.65		\$2,634,455.50

ET Solar Power, Inc.	\$ 229.00	0	\$229	
ET Solar New Energy Co., Ltd.	0	\$180		\$180
TOTALS	\$8,473,151.05	\$10,307,217.24	\$5,212,917.01	\$7,046,983.01

(f) New Value Contribution and Issuance of New Equity.

- i. Process, Consideration and Authority for Issuance of New Equity. Debtor's shareholder, ET Solar Industry, Ltd. (China) will pay \$400,000 as a new value contribution and settlement payment in exchange for the issuance of a 100% interest in the reorganized debtor and the global compromise of all claims by and against the Other ET Entities detailed above. This new value contribution is subject to overbid at the time of hearing on confirmation of the plan on such terms as the court may set. The Distribution Agent may issue the aforementioned new equity without the need for any further corporate action or without any further action by the Debtor under the Plan. All of the shares of new equity shall be duly authorized, validly issued, fully paid, and non-assessable. On the Effective Date, the reorganized debtor shall be a private company and not list the new equity on a national securities exchange. **Any party interested in overbidding to acquire a 100% interest in the reorganized debtor may attend the Plan confirmation hearing and make an overbid payable in cash.**
- ii. Registration Exemptions. The offering, issuance, and distribution of the new equity and any securities pursuant to the Plan and any and all settlement agreements incorporated therein are expected to be exempt from applicable federal and state securities laws (including blue sky laws), registration, and other requirements, including, the registration and prospectus delivery requirements of section 5 of the Securities Act of 1933, pursuant to section 4(2) of the Securities Act, or another available exemption from registration under the

Securities Act, as applicable. In addition, under section 1145 of the Bankruptcy Code, if applicable, any Securities issued pursuant to the Plan or any and all settlement agreements incorporated therein will be transferable under the Securities Act by the recipients thereof, subject to any applicable regulatory and legal requirements.

(g) Unclaimed Distributions. If any distribution remains unclaimed for a period of one hundred and twenty (120) calendar days after the relevant distribution date, or any distribution check remains uncashed for one hundred and twenty (120) calendar days after its issuance, by the holder of an allowed claim entitled thereto, the distribution shall constitute an unclaimed distribution, any such uncashed check shall be void, and the Holder shall no longer be entitled to that distribution. Pursuant to Bankruptcy Code section 347(b), all right, title and interest in and to Unclaimed Distributions shall immediately vest in the Reorganized Debtor and be administered by the Distribution Agent pursuant to the terms of this Plan.

(h) Preservation of Causes of Action. Any and all claims and other causes of action accruing to Debtor or the Debtor's estate including but not limited to avoidance and collection actions, shall be preserved and retained by the Debtor's estate after the Confirmation Date, and the Distribution Agent on behalf of the Debtor's estate shall have the exclusive right and standing to enforce any such causes of action.

(i) Cramdown. Pursuant to section 1129(b) of the Bankruptcy Code, Debtor reserves the right to seek confirmation of the Plan despite the rejection of the Plan by one or more classes of creditors.

(j) Severability. If any provision in the Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of the Plan.

(k) Governing Law. Except to the extent a federal rule of decision or procedure applies, the laws of the State of California govern the Plan.

(l) Lawsuits.

Debtor believes that causes of action for fraudulent

transfers, voidable preferences, or other claims for relief exist against the following parties:

Party	Creditor Y/N	Nature of Claim	Amount of Claim	Will Debtor Prosecute Action? Y/N
ET Capital Solar Partners (USA), Inc.	Y	Accounts Receivable for inter- company obligations	\$285,184.40 (Not included in total below)	No, matter is to be settled as part of compromise under plan
ET Solar Energy Limited	Y	Accounts Receivable for inter- company obligations and breach of contract	\$5,083,197.28 (Not included in total below)	No, matter is to be settled as part of compromise under plan
ET Solar Global, Inc.	N	Accounts Receivable for inter- company obligations	\$836,411.09 (Not included in total below)	No, matter is to be settled as part of compromise under plan
ET Solar Industry Limited	Y	Accounts Receivable for inter- company obligations and breach of contract	\$2,158,813.32 (Not included in total below)	No, matter is to be settled as part of compromise under plan
ET Solar International Co. Ltd.	Y	Accounts Receivable for inter- company obligations	\$109,316.15 (Not included in total below)	No, matter is to be settled as part of compromise under plan
CD Global Solar NC Investor, L.P.	Y	Account Receivable	\$330,432.96 (Not included in total below)	No, matter is to be settled as part of compromise by separate motion
Sumec North America	N	Breach of contract	\$5,671,852.95	Distribution Agent is empowered to pursue per plan

Party	Creditor Y/N	Nature of Claim	Amount of Claim	Will Debtor Prosecute Action? Y/N
Auxin	Y	Deposit pre- paid to supplier	\$114,660.00	Distribution Agent is empowered to pursue per plan
SAE Sun and Earth Energy, Inc.	N	Account receivable	\$100,927.52	Distribution Agent is empowered to pursue per plan
Geenex LLC	N	Account receivable	\$100,000.00	Distribution Agent is empowered to pursue per plan
DS Energy Solutions	Y	Account receivable	\$5,631.60	Distribution Agent is empowered to pursue per plan
Chapter 11 total excluding claims against Other ET Entities			\$5,993,072.07	
Chapter 7 total including claims against Other ET Entities			\$14,796,427.27	

(m) Notices. Any notice to Debtor shall be in writing, and will be deemed to have been given three days after the date sent by first-class mail, postage prepaid and addressed as follows:

Debtor:

ET Solar, Inc.

Attn: Arndt Lutz
Attn. Michael Eden, Esq., General Counsel
490 Hopyard Road #310
Pleasanton, CA 94588

Chapter 11 Combined Plan & Disclosure Statement
April 24, 2018

With a copy to counsel:

Robert G. Harris, Esq.
Binder & Malter, LLP
2775 Park Avenue
Santa Clara, CA 95050
Facsimile: (408) 295-1531
Email: rob@bindermalter.com

Distribution Agent:

Susan L. Uecker
Uecker & Associates, Inc.
1613 Lyon Street, Suite A
San Francisco, CA 94115
Facsimile: (415) 362-7704

(n) Post-Confirmation United States Trustee Fees. Following confirmation, Debtor shall continue to pay quarterly fees to the United States Trustee to the extent, and in the amounts, required by 28 U.S.C. § 1930(a)(6). So long as Debtor is required to make these payments, Debtor shall file with the court quarterly reports in the form specified by the United States Trustee for that purpose.

(o) Deadline for § 1111(b) Election. Creditors with an allowed secured claim can make a timely election under section 1111(b) no later than 14 days before the first date set for the hearing on confirmation of the Plan.

Dated: April 24, 2018

ET SOLAR, INC.

By: _____
Arndt Lutz

Its: Responsible Individual

Dated: April 24, 2018

BINDER & MALTER, LLP

By _____
Robert G. Harris

Attorneys for Debtor
and Debtor-in-
Possession ET Solar,
Inc.

Attorney Certification

I, Robert G, Harris, am legal counsel for Debtor(s) in the above-captioned case and hereby certify the following: (i) the foregoing plan is a true and correct copy of the Individual Chapter 11 Combined Plan and Disclosure Statement promulgated by the Northern District of California, San Francisco Division, on July 30, 2012 (the "Standard-Form Plan"); and (ii) except as specified below, there have been no alterations or modifications to any provision of the Standard-Form Plan.

The following provisions of the Standard-Form Plan have been altered or otherwise modified as set forth in the attached redline showing changes from the Standard-Form Plan.

Form Plan Page and Line	Insertions and Deletions (strikeout for deletions and underlining for additions)	Explanation(s)
1:21-27	Part 2 contains the treatment of general unsecured creditors: {select one of the following}(—% of their allowed claims)(a prorata <u>pro rata</u> portion of \$—, <u>a projected \$2,140,589.33,</u> likely to result in a —% <u>11.73% on</u> allowed claims) in (monthly/quarterly) <u>Biannual</u> payments over (number) (months/three years)- <u>without interest.</u> Taxes and other priority claims would be paid in full, as shown in Part 3.	Aside from the redlined text, the word "projected" precedes the net Chapter 11 amount available from personal property because a portion of such personal property comes from claims to that must be collected and litigated. The Debtor deemed it appropriate to insert "without interest" here to advise creditors that their payments would not bear interest. The Plan provides for a First Distribution 15 days after the Effective Date and then Biannual Distributions on the first business day after July 1 and January 1 each year. Distributions on this schedule was deemed more practical than distributions each quarter given the nature of assets in the case.
1:42-26	Exhibit 3 shows Debtor's monthly income and expenses. Exhibit 4 describes how much Debtor is required to pay on the effective date of the plan. Exhibit 5 shows Debtor's monthly income and expenses related to each investment property.	Exhibits not included have been deleted

2:14-16	Debtor will be discharged from all pre-confirmation debts (with certain exceptions) if Debtor makes all Plan payments.	As the Debtor is a corporation and not an individual, the Debtor believes that it is not subject to the exceptions referenced in the indicated sentence.
2:25	Property to be Surrendered <u>to Creditor</u>.	The entity type to which surrender would occur was added for clarity.
2:31-36	Debtor will surrender the above collateral on not later than the Effective Date of the Plan: <u>(30 days after confirmation) surrender remaining inventory at the above-referenced creditors' warehouses, if any, following inventory sales to be approved by separate motions to the court.</u> The confirmation order will constitute an order for relief from stay: <u>for each of the creditors listed above to take possession of remaining collateral on their premises.</u> Any secured claim is satisfied in full through surrender of the <u>such</u> collateral.	The Debtor added the parenthetical "30 days after confirmation" to offer clarity as to when the Effective Date is as it is defined later. The Debtor added language to make more precise what collateral is being abandoned to lienholders, its location, and that they are authorized by court order to take possession thereof.
6:3-8	Debtor will pay the entire amount contractually due <u>to NC State Renewables, LLC</u> with interest through [number] equal monthly <u>two</u> payments; due; the [number] day of first payment will occur in the month, starting [month & year] <u>First Distribution not later than 15 days after the Effective Date; the second will occur in the First Biannual Distribution</u> on the above-secured claims. Creditors in these classes <u>first business day following July 1, 2018. NC State Renewables, LLC</u> shall retain their interest in the collateral <u>its lien on all estate assets</u> until Debtor makes all payments on the <u>it Class 1A</u> allowed secured claim specified in the Plan.	The Debtor added the schedule for payment of this secured claimant in variance to a specific month and year start date
6:15-19	Payments to claimants in these classes may continue past the date Debtor obtains a discharge. The claimants' rights against its collateral shall not be affected by the entry of discharge, but shall continue to be governed by the terms of this Plan.	Language deleted as it appears not to be relevant to the case of a corporate debtor
6:36-7:3	Debtor will sell the above collateral by [month and year], paying secured creditors from the proceeds of the sale. Debtor will file a motion for approval of any such sale on 28 days notice to lien holders. Unless the court orders otherwise, a lienholder whose lien is not in bona fide dispute may credit bid the amount of its lien	Language deleted as inventory is subject to noticed sales by court order and will have been liquidated by the time a plan is presented for the vote of creditors

	<p>at the sale. Any deficiency claim is a general unsecured claim treated in Part 2.</p> <p>Debtor will make the following monthly payments pending the closing of the sale, due the [number] day of the month, starting [month & year].</p>	
7:1	<p><u>The Distribution Agent will liquidate Debtor's remaining inventory, if any, if it has not occurred prior to the Effective Date and has not otherwise been abandoned to lienholders in possession.</u></p>	Language added to allow Distribution Agent to liquidate any inventory that might remain after noticed sales.
7:21-26	<p>This class includes any creditor whose allowed claim is \$ [number] <u>150.00</u> or less, and any creditor in Class 2(b) <u>2B</u> whose allowed claim is larger than \$ [number] <u>150.00</u> but agrees to reduce its claim to \$ [number] <u>150.00</u>. Each creditor will receive on <u>30 days after</u> the Effective Date of the Plan a single payment equal to {select one} [the lesser of its allowed claim or \$ [number]] [lesser of __% of its allowed claim or \$ [number]]. <u>150.00 without interest.</u></p>	Payment to small claims unsecured class was moved to date of First Distribution for convenience
7:30-33	<p>Claimants in this class are <u>not</u> impaired and are <u>not</u> entitled to vote on confirmation of the Plan, unless their claims are paid in full with interest on the Effective Date of the Plan.</p>	Debtor elected not to impair this class and seek a vote therefrom
8:14-19	<p>Pot Plan, and Distribution Schedule. Creditors will receive a pro-rata share of a fund totaling \$ _____, created by Debtor's payment of [\$ _____ per month/quarter for a period of _____ months/quarters, starting [month & year]. Pro-rata means the entire amount of the fund divided by the entire amount owed to creditors with <u>\$2,140,589.33.</u></p>	Timing for distributions was removed from this paragraph
8:20	<p><u>First Distribution. 15 days after the Effective Date the Distribution Agent will pay</u></p> <p style="padding-left: 40px;">(g) <u>100% of allowed administrative claims other than that of Binder & Malter, LLP, which shall receive 75% of its allowed claims in this administrative claim</u></p> <p style="padding-left: 40px;">(h) <u>100% of allowed unsecured priority tax claims, excluding CBP's secured claim</u></p> <p style="padding-left: 40px;">(i) <u>75% of priority wage claims</u></p>	Timing for distributions was added at this point

	<p>(j) <u>75% of the allowed secured claim of NC State Renewables, LLC</u></p> <p>(g)(k) <u>100% of the allowed class: 2A, and</u></p> <p>(l) <u>Creditors in this class may not take any collection action against Debtor so long as Debtor is not in material default under the Plan (defined in Part 6(c)).</u> <u>Remaining available cash on a pro rata basis to the holders of allowed Class 3 general unsecured claims. The Distribution Agent will withhold from the pro rata distribution and reserve amounts she deems appropriate to fund the Administrative Reserve, the Disputed Claim Reserve, and the Sol Systems Claim Reserve.</u></p> <p><u>Subsequent Biannual Distributions. The Distribution Agent shall, following the First Distribution, distribute available cash to holders of allowed claims on the first business day following July 1, 2018, and the first business day following the January 1 and July 1 thereafter for the term of the Plan subject to the discretion of the Distribution Agent to combine any Biannual Distribution with the next Biannual Distribution in the interest of economy and efficiency.</u></p>	
8:24-27	<p>This class is impaired and is entitled to vote on confirmation of the Plan. Debtor has indicated above whether a particular claim is<u>Debtor presently lists no claims as disputed, but reserves the right to do so in the future.</u></p>	<p>The Debtor is in the process of determining which claims it must dispute and has included language reserving its right to do so in the future.</p>
8:32-24	<p>Debtor will pay the following professional fees in full on the Effective Date<u>First Distribution</u>, or upon approval by the court, whichever is later.</p>	<p>The Debtor modified the payment date of fees to its accountant and customs counsel and expects to have their consent to pay two weeks after the Effective Date, once the Distribution Agent is prepared.</p>
9:10-17	<p>(b) <u>Other Administrative Claims.</u> Debtor will pay other allowed claims entitled to priority</p>	<p>The Debtor is unaware of any non-professional administrative claims it</p>

	under section 503(b) in full on <u>30 days after</u> the Effective Date; except expenses incurred in the ordinary course of Debtor's business or financial affairs, which shall be paid when normally due and payable (these creditors are not listed below). All fees payable to the United States Trustee as of confirmation will be paid on <u>30 days after</u> the Effective Date ...	would have to pay on the Effective Date and modified the Plan language to allow the Distribution Agent two weeks from the date of her appointment to prepare making distributions. US Trustee fees will be paid at confirmation.
9:19	<u>Debtor is not aware that it has any Administrative Claims other than those of its professionals.</u>	Debtor added the following language to emphasize the prior point.
9:24	<u>(c) Wage Claims. Debtor will pay allowed claims entitled to priority under section 507(a)(3) and 507(a)(4) in full over time without interest as follows: Debtor will pay 75% of the allowed amounts owing without interest in two payments. The first payment will occur on 30 days after the Effective Date. The second will occur in the First Biannual Distribution. To the extent amounts owed are determined to be other than as shown below, appropriate adjustments will be made in the number of payments.</u> <u>Priority wage claimants may not take any collection action against Debtor so long as Debtor is not in material default under the Plan (defined in Part 6(c)). Priority wage claimants are entitled to vote on confirmation of the Plan.</u>	Debtor added the description and treatment of an impaired class of wage and vacation pay claims here. A table follows this text listing each claim and its treatment mirroring how the other classified claims are addressed but could not be reproduced in this table and certification. The Court is kindly directed to pages 9-11 of the Plan for the listing of each claim and its treatment in the aforementioned table.
9:29-37	<u>(d) Tax Claims. Debtor will pay the Franchise Tax Board and Internal Revenue Service on their allowed claims entitled to priority under section 507(a)(8) in full over time with interest (at the non-bankruptcy statutory interest rate) in equal amortizing paymentsin cash in accordance with section 511 of the Bankruptcy Code. Payments will be made [monthly/quarterly], due on the [number] day of the [month/quarter], starting [month & year].First Distribution.</u> To the extent amounts owed are determined to be other than as shown below, appropriate adjustments will be made in the number of payments.	The Debtor elected to pay these small priority tax claims in full, in cash in its First Distribution for simplicity in carrying out the Plan as indicated in the language modified.
9:38	<u>CBP shall retain its collateral and receive</u>	This language was inserted to meet the

	<p><u>payment in full on its allowed claim, to the extent entitled to priority under section 507(a)(8), through (a) offsets it may make against the portion of the Tariff Penalty Rebate it retains for setoff; and (b) regular monthly installment payments, with interest at its statutory rate and in cash, in an amount equal to not less than the amount it would be paid were CBP the holder of an allowed general unsecured Class 3 claim.</u></p>	<p>requirements of Bankruptcy Code section 1129(a)(9)(D) as to the claim of CBP and setoff rights that may be secured.</p>
10:7	<p><u>TREATMENT OF INTERESTS IN THE DEBTOR.</u> <u>All equity interests in Debtor shall be cancelled on the Effective Date, and new equity in Debtor shall be issued to the current holder of Debtor's equity in exchange for its \$400,000 New Value Contribution. Such new equity shall be represented by stock certificates issued by the Distribution Agent on behalf of the reorganized debtor on the Effective Date. Equity holders are entitled to vote on confirmation of the Plan.</u></p>	<p>Part 4 has been replaced with language treating the equity interests in the Debtor which the form plan did not offer.</p>
10:7-15	<p><u>PART 5:</u> <u>(a) Executory Contracts/Unexpired Leases Assumed.</u> Debtor assumes the following is not assuming any <u>executory contracts and/or unexpired leases upon confirmation through the Plan. Debtor has brought a separate motion to assume and assign to ET Capital Solar Partners (USA), Inc. its office lease of this Plan and the real property located at 490 Hopyard Road #310, Pleasanton, CA 94588, but the estate will perform all pre-confirmation and have no liability, post-confirmation obligations thereunder. Post-confirmation obligations will be paid as they come due. Pre-confirmation arrears will be paid [select one] [in full on the Effective Date] in [number] equal [monthly/quarterly] installments beginning on the first day assumption, for any liability for a breach occurring after the date of [month & year] assignment.</u></p>	<p>Part 4 of the Plan has been modified to become Part 5 and the standard language has been modified to indicate that no contracts are being assumed. Disclosure is offered that its property lease is the subject of a motion to assume and assign but that the estate will not be liable for future breaches.</p>
10:43-11:1	<p>(a) <u>Discharge.</u> Debtor shall not receive a discharge <u>upon the passage of the Effective Date pursuant to Bankruptcy Code section 1141(d)(1) of all debts until Debtor makes all payments due dischargeable</u> under the Plan or the court</p>	<p>The Debtor has modified the discharge provision to indicate that, in a corporate reorganization, it will seek entry of a discharge at the Effective Date.</p>

	grants a hardship discharge. <u>Bankruptcy Code.</u>	
11:3-8	<p>(b) <u>Vesting of Property.</u> On the Effective Date, all property of the estate and interests of the Debtor will vest in the reorganized Debtor<u>debtor</u> pursuant to § 1141(b) of the Bankruptcy Code free and clear of all claims and interests except as provided in this Plan,subject to revesting upon conversion to Chapter 7 as provided in Part 6(f) below. <u>for purposes of distribution to creditors in accordance with the terms of this plan. The assets listed in Exhibit 2 hereto shall be administered by the Distribution Agent. For avoidance of doubt, the Debtor's interests in GX Investment Inc. shall not be administered by the Distribution Agent.</u></p>	The Debtor modified the Plan's vesting provision to indicate that assets are revested in the reorganized debtor and that those listed in Exhibit 2 are to be administered by the Distribution Agent with a single exception.
13:9	<p>(b) <u>Distribution Agent.</u></p> <p style="padding-left: 40px;">11. <u>Identity. The Distribution Agent in this case shall be Susan Uecker (the "Distribution Agent")</u></p> <p style="padding-left: 40px;">12. <u>Appointment, Removal, Duration of Appointment.</u></p> <p style="padding-left: 80px;">a. <u>On the Effective Date the Distribution Agent shall be appointed as Distribution Agent to perform the functions accorded to her under the Plan as the representative of Debtor. Pursuant to California law, the Distribution Agent shall be authorized and empowered to take all such actions and measures necessary to implement and administer the terms of the Plan.</u></p> <p style="padding-left: 80px;">b. <u>The Distribution Agent shall determine her own successor. Any successor Distribution Agent may be approved by the holders of</u></p>	Provisions for the appointment and authority for the Distribution Agent have been added here

the majority in number and amount of allowed general unsecured claims.

c. The Distribution Agent shall appoint one of her employees to be the sole officer, chairman of the board, and board of Debtor. The Distribution Agent shall have the duties identified in this Plan and as described in greater detail below.

d. The Distribution Agent may resign upon not less than thirty (30) calendar days' prior written notice to the Holders of allowed general unsecured claims, provided that no such resignation shall be effective until the expiration of the thirty (30) calendar day notice period of the resignation.

e. The Distribution Agent's term of employment shall expire upon payment in full of all holders of allowed Class 3 general unsecured claims or the date that Distribution Agent determines that there are not or are not likely to be further assets from which to make distributions.

f. Powers and Duties of the Distribution Agent.

i. The Distribution Agent shall liquidate, collect and administer the assets set forth in Exhibit 2. The Distribution Agent

shall prosecute all claims and causes of action that she, in her discretion, deems appropriate and economically viable to pursue. The Distribution Agent shall make the First Distribution, the First Biannual Distribution, and subsequent Biannual Distributions. The Distribution Agent shall be authorized, empowered and directed to take all actions on behalf of the Debtor necessary or desirable to comply with the Plan and fulfill the duties and obligations arising hereunder including, without limitation, to:

1. Open, maintain and administer bank accounts;
2. Engage employees and professional persons as necessary or desirable to assist in carrying out the provisions of and purposes underlying the Plan;

3. Incur and pay reasonable fees, costs, and expenses in connection with implementing the terms of the Plan, including the reasonable fees, costs and expenses of retained professionals and including the reasonable expenses of the reorganized debtor and its professionals incurred in assisting the Distribution Agent and its professionals in performing the terms of the Plan;

4. Expend estate assets as necessary to maintain the value of the assets she is administering during the Distribution Agent's term;

5. Pay the reasonable and necessary expenses

incurred by the
Distribution
Agent, the
reorganized
debtor and
their respective
professionals
in carrying out
the terms of
the Plan.

6. Investigate,
analyze,
commence,
prosecute,
litigate,
compromise
and otherwise
administer any
litigation
against Sumec
North America
and all other
persons and
entities liable
to Debtor to
collect all
amounts owing
and take all
other
necessary and
appropriate
steps to
collect,
recover, settle,
liquidate or
otherwise
reduce estate
assets to cash;

7. Approve
compromises
of claims and
debts and
execute all
necessary and

appropriate documents to effectuate such settlements, without notice to any party and without further order of the Bankruptcy Court;

8. Comply with any applicable orders of the Bankruptcy Court and any other court of competent jurisdiction, and all applicable laws and regulations, concerning the matters set forth herein;

9. Make all distributions to the holders of allowed claims provided for, or contemplated by, the Plan;

10. Establish the Disputed Claims Reserve, Administrative Reserve, and Compromised Claim

Reserve;
~~Debtor;~~

11. Pay any
taxes relating
to the assets
under
administration;

12. Carry
insurance
coverage if the
Distribution
Agent deems
such insurance
necessary and
appropriate in
its sole and
absolute
discretion
unless
otherwise
provided by
this Plan;

13. Exercise
such other
powers as may
be vested in
the
Distribution
Agent pursuant
to the Plan, the
confirmation
order, or
other final
orders of the
Bankruptcy
Court;

14. Execute
any
documents,
instruments,
contracts or
agreements

necessary or
desirable to
carry out the
powers and
duties of the
Distribution
Agent;

15. Act as the
authorized
representative
of the Debtor
and the
Debtor's estate
for all
purposes
consistent her
duties under
the Plan.

13. Fees and Expenses.

a. Subject to and in
accordance with the provisions
of the Plan, the confirmation
order, and any other Final Order
of the Bankruptcy Court, the
Distribution Agent shall be
entitled to receive reasonable
compensation for services
rendered on behalf of the
Debtor and reimbursement of
reasonable and necessary
expenses. The compensation of
the Distribution Agent shall be
disclosed in a filing with the
Bankruptcy Court.
Compensation of the
Distribution Agent and other
costs and expenses of
administration of the Debtor,
including, without limitation,
the fees and expenses of
retained counsel, accountants
or other professionals, shall be
paid out of the estate assets,
specifically the Administrative

Reserves.

b. The Distribution Agent shall not be required to file a fee application or otherwise seek approval of the Bankruptcy Court to receive compensation, including compensation for counsel for the Distribution Agent and other retained professionals.

14. No Recourse to Estate Representatives. Notwithstanding that the Allowed amount of any particular claim is reconsidered under the applicable provisions of the Bankruptcy Code and Bankruptcy Rules or is Allowed in an amount for which there is insufficient cash in the relevant fund or reserve to provide a recovery equal to that received by other Holders of allowed claims in the relevant class, no holder of a claim shall have recourse to the Debtor, the Debtor's estate, the Distribution Agent, the reorganized debtor, or any of their respective professionals, or their agents (including employees, officers and the like), successors or assigns, or the Holder of any other Claim, or any of their respective property.

15. Indemnification of Distribution Agent. The Distribution Agent and her agents shall not be liable for actions taken or omitted in his or their capacity as the Distribution Agent, or on behalf of, the Distribution Agent, except those acts arising out of her own willful misconduct, negligence, bad faith, self-dealing, breach of fiduciary duty, or ultra vires acts, and each shall be entitled to indemnification and reimbursement for fees and expenses from the Debtor's estate in defending any and all of its actions or inactions in its capacity as Distribution Agent, or on

behalf of, the Debtor, except for any actions or inactions involving willful misconduct, negligence, bad faith, self-dealing, breach of fiduciary duty, or ultra vires acts or breach of any duty imposed post-confirmation as officer, director, or manager of the Debtor under applicable non-bankruptcy law. Any indemnification claim under this section shall be satisfied from the Estate assets and any insurance coverages procured by the Distribution Agent on behalf of the Debtor. The Distribution Agent shall be entitled to rely, in good faith, on the advice of its retained professionals.

16. Reporting Requirements. Within one hundred twenty (120) calendar days following the Effective Date, the Distribution Agent shall file a report with the Bankruptcy Court setting forth the status of implementation of the Plan, including the amount distributed to holders of allowed Claims in the First Distribution and any subsequent Biannual Distribution and amounts reserved for the Administrative Reserves and Disputed Claims Reserves. Further reports shall be filed every one hundred twenty (120) calendar days setting forth the ongoing status of implementation of the Plan through the closing of the Bankruptcy Case.

17. Avoidance Actions and Other Causes of Action. On the Effective Date, the Distribution Agent shall be vested with the right to pursue all claims and causes of action that the Debtor has, including collection and avoidance actions, and any other causes of action, defenses, requests for subordination or recharacterization, or requests for any other equitable or legal relief that was or could have been asserted pre-petition by the Debtor against any party other than those which have been

settled. The Distribution Agent may, on behalf of the Debtor, pursue, settle or release all such actions in accordance with the best interest of and for the benefit of the holders of allowed claims.

18. Claim Objections and Estimation of Claims. On and after the Effective Date, the Distribution Agent may file objections to claims; provided, however, that as to Administrative Expense Claims, the Distribution Agent, and other parties in interest may object within fourteen (14) calendar days of their filing. As to any claims arising from the rejection of an executory contract or unexpired lease pursuant to the Plan, the Distribution Agent may object within thirty (30) calendar days of the filing of any such claims. As to claims arising from the recovery of an avoidable transfer under chapter 5 of the Bankruptcy Code, the Distribution Agent may object within thirty (30) calendar days of the filing of any such claims.

19. Settlements. From and after the Effective Date the Distribution Agent shall have the exclusive authority to file, settle, compromise, withdraw, or litigate to judgment any objections to claims, including without limitation, any objections to claims filed by the Debtor prior to the Effective Date. The Distribution Agent shall provide notice and opportunity for hearing of any settlement.

20. Conflicts of Interest. In the event that the Distribution Agent has a conflict of interest, the Distribution Agent shall recuse herself from such matter. In the event of recusal of the Distribution Agent pursuant to this Section, the Bankruptcy Court is empowered to designate an additional Distribution Agent solely for purposes of the

	<u>conflicted matter.</u>	
13:9-20	<p><u>Disputed Claims Reserve. The Distribution Agent</u> will create a reserve for disputed claims <u>generally</u>. Each time Debtor<u>Distribution Agent</u> makes a distribution to the holders of allowed claims, Debtor will place into a reserve the amount that would have been distributed to the holders of disputed claims if such claims had been allowed in the full amount claimed. If a disputed claim becomes an allowed claim, Debtor<u>the Distribution Agent</u> shall immediately distribute to the claimant from the reserve an amount equal to all distributions due to date under the plan calculated using the amount of the allowed claim. Any funds no longer needed in reserve shall be {select one} {returned to Debtor} {distributed pro-rata among allowed claims in this the class}. <u>in which the claim for which a reserve had been established is classified.</u></p>	The terms for a disputed claim reserve remain the same; only the party making distributions has changed.
13:21	<p><u>Administrative Claim Reserve. The Distribution Agent will create a reserve for the payment of administrative expense claims after the Effective Date, including payment of the reasonable and necessary projected costs to carry out the provisions of the Plan on and after the Effective Date, payment of professional fees and costs on and after the Effective Date, and payment of all other amounts required to investigate and prosecute collection and avoidance actions and other litigation, including without limitation, such reserves for taxes, assessments and other expenses of administration.</u></p> <p><u>Sol Systems Claim Reserve. The Distribution Agent will create a reserve for the payment of the allowed claim of Sol Systems. This reserve shall be held and not distributed prior to 95 days after the last payment is made under the Sol Systems Settlement Agreement. At that time, the Distribution Agent shall determine if Sol Systems received the payments required under the Sol Systems Settlement Agreement. If those payment obligations have been satisfied, then the cash withheld in this reserve shall be released and made available for the next Biannual Distribution to holders of allowed</u></p>	Provisions for other reserves to allow the Plan Administrator to function and to honor the Sol Systems settlement have been added here.

	<u>claims under the Plan other than Sol Systems. If those payments have not been made then the cash withheld in the Compromised Claims Reserve shall be released to Sol Systems</u>	
13:21	<u>(d) Sol Systems Settlement Agreement and Stipulation Unaffected by Plan Confirmation or Effectiveness. Nothing in this Plan or the Disclosure Statement shall in any way impact, alter or effect the obligations of Debtor or any other parties to or under the Sol Systems Stipulation or Sol Systems Settlement Agreement approved by the Sol Systems Compromise Order.</u>	This language was added at the request of counsel for Sol Systems to implement its approved compromise agreement.
13:21	<p><u>(e) Compromise with Other ET Entities. Confirmation of the plan effectuates a compromise of all claims and causes of action between Debtor and ET Solar Capital (USA), Inc., ET Solar Energy Limited, ET Solar Global, Inc., ET Solar Industry Limited, and ET Solar International Co. Ltd. (collectively, the “Other ET Entities”).</u></p> <p><u>The terms of the compromise are as follows: all amounts owed by the Other ET Entities shall be offset against all amounts owed to the Other ET Entities as set forth in the following table.</u></p> <p><u>In exchange for a new value contribution and settlement payment of \$400,000 at confirmation, subject to approval of the Court as part of the Plan, the Debtor and Other ET Entities will execute mutual, general releases of all claims.</u></p> <p><u>The Debtor’s explanation as to why settling all such claims is fair and equitable and should be approved as part of confirmation of the Plan is set forth in Exhibit 4 hereto.</u></p>	<p>This provision was added to allow the Plan to serve as a vehicle for creditors to consider and vote upon the proposed resolution of all claims by and against the Other ET Entities.</p> <p>The table following describing the claims to be settled could not be reproduced in this certification. The Court is kindly directed to pages 22-23 of the Plan.</p>
13:21	<p><u>(f) New Value Contribution and Issuance of New Equity.</u></p> <p style="padding-left: 40px;"><u>i. Process, Consideration and Authority for Issuance of New Equity. Debtor’s shareholder, ET Solar Industry, Ltd. (China)</u></p>	This provision was added to permit the Debtor’s shareholder and Other ET Entities to submit a new value contribution and for the Distribution Agent to issue new equity in the reorganized debtor in exchange.

will pay \$400,000 as a new value contribution and settlement payment in exchange for the issuance of a 100% interest in the reorganized debtor and the global compromise of all claims by and against the Other ET Entities detailed above. This new value contribution is subject to overbid at the time of hearing on confirmation of the plan on such terms as the court may set. The Distribution Agent may issue the aforementioned new equity without the need for any further corporate action or without any further action by the Debtor under the Plan. All of the shares of new equity shall be duly authorized, validly issued, fully paid, and non-assessable. On the Effective Date, the reorganized debtor shall be a private company and not list the new equity on a national securities exchange. Any party interested in overbidding to acquire a 100% interest in the reorganized debtor may attend the Plan confirmation hearing and make an overbid payable in cash.

ii. Registration Exemptions. The

	<p><u>offering, issuance, and distribution of the new equity and any securities pursuant to the Plan and any and all settlement agreements incorporated therein are expected to be exempt from applicable federal and state securities laws (including blue sky laws), registration, and other requirements, including, the registration and prospectus delivery requirements of section 5 of the Securities Act of 1933, pursuant to section 4(2) of the Securities Act, or another available exemption from registration under the Securities Act, as applicable. In addition, under section 1145 of the Bankruptcy Code, if applicable, any Securities issued pursuant to the Plan or any and all settlement agreements incorporated therein will be transferable under the Securities Act by the recipients thereof, subject to any applicable regulatory and legal requirements.</u></p>	
13:21	<p><u>(g) Unclaimed Distributions. If any distribution remains unclaimed for a period of one hundred and twenty (120) calendar days after the relevant distribution date, or any distribution check remains uncashed for one hundred and twenty (120) calendar days after its issuance, by the holder of an</u></p>	<p>The Debtor added a provision that authorizes the Distribution Agent to deal with distributions that are not deliverable or not accepted.</p>

	<u>allowed claim entitled thereto, the distribution shall constitute an unclaimed distribution, any such uncashed check shall be void, and the Holder shall no longer be entitled to that distribution. Pursuant to Bankruptcy Code section 347(b), all right, title and interest in and to Unclaimed Distributions shall immediately vest in the Reorganized Debtor and be administered by the Distribution Agent pursuant to the terms of this Plan.</u>	
13:21	<u>(h) Preservation of Causes of Action. Any and all claims and other causes of action accruing to Debtor or the Debtor's estate including but not limited to avoidance and collection actions, shall be preserved and retained by the Debtor's Estate after the Confirmation Date, and the Distribution Agent on behalf of the Debtor's Estate shall have the exclusive right and standing to enforce any such causes of action.</u>	This provision was added to ensure an appropriate reservation of rights to ensure that the Distribution Agent can pursue collection and avoidance litigation pursuant to the authority granted under the Plan.
17:1-42		<p>The Debtor has materially modified the form plan's liquidation analysis. The take could not be reproduced in this certification so the Court is kindly directed to Exhibit 2 of the Plan. A narrative to the changes made is as follows:</p> <ol style="list-style-type: none"> 1. The Personal Property analysis includes a new value contribution; 2. There are separate lines for proceeds of personal property as between Chapter 7 and Chapter 11 because litigation recoveries are greater in the former than the latter since there is no global compromise. 3. The face amount of recoveries on litigation on both Chapter 7 and Chapter 11 is assumed to be 10%. 4. Secured liens are subtracted where collateral is listed under "net" rather than in the summary where the form directs the user to "subtract." 5. Distribution Agent fees have been added to Chapter 11 expenses as a line item. 6. Line items have been added

		separating the estimated amount of unsecured claims for Chapter 7 and Chapter 11 owing to the existence of a global compromise waiving the claims of all Other ET Entities in the latter but not the former.
19:1	<p><u>Exhibit 4 – Explanation of Global Compromise as Regards Other ET Entities</u></p> <p><u>The Debtor, as part of the Plan and to fulfill as a condition of the Other ET Entities providing the new value contribution of \$400,000, seeks to compromise the claims it holds against the Other ET Entities. Those claims are detailed above at page 22-23 of the Plan. The Debtor has claims against the Other ET Entities totaling \$8,473,151.05, and those entities have claims against the Debtor totaling \$10,307,217.24.</u></p> <p><u>The Debtor believes that the claims of \$8,473,151.05 could be offset directly or defended by recoupment with only \$5,212,917.01 potentially being recoverable. The nature of the claims between the parties, aside from two damage claims for non-delivery of modules, would be fact-intensive and expensive to prove-up. The Other ET Entities are, with the exception of ET Capital Solar Partners (USA), Inc., overseas entities that do business in the United States through the Debtor. Collection might prove immensely difficult as is often the case with entities based in mainland China.</u></p> <p><u>The Debtor believes that, under the circumstances, a compromise of all such claims in exchange for (a) a waiver of all claims that the other ET Entities hold in this case totaling \$10,307,217.24, and (b) the payment of a \$400,000 new value contribution is a sound exercise of the Debtor’s business discretion and fair and equitable within the meaning of Martin</u></p>	<p>This language in new Exhibit 4 is intended to offer disclosure as the basis for the global compromise with Other ET Entities proposed as a Rule 9019 compromise in the Plan.</p>

	<u>v. Kane (In re A & C Properties), 784 F.2d 1377, 1381 (9th Cir. 1986), cert. denied 107 S.Ct. 189 (1986) and meets all four factors enunciated therein.</u>	
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I declare that the foregoing is true and correct. Executed this 24th day of April, 2018.

/s/ Robert G. Harris

Attorney for Debtor

Exhibit 1 - Events That Led to Bankruptcy

The following events led to the filing of this Chapter 11 case:

The Solar Power industry, and utility scale solar power plants in particular, have been negatively affected by actions taken by certain industry actors, and the federal government in response, to limit access and supply of imported panels and modules to the American market. A Section 201 solar trade case brought by Suniva and SolarWorld Americas, seeking the imposition of severe tariffs against foreign manufacturers led to the expectation that the price of solar panels would rise materially. In the year prior to the filing of this case sales dropped by ___ percent as uncertainty about future costs and availability became widespread.

The aforementioned uncertainty was followed (if not caused) by widespread disruption in Debtor's supply chain. Product manufacturers in Debtor's own family of companies who had been paid for product did not deliver. For example, ET Energy was paid \$1,770,270.30 and ET Industry was paid \$494,722.80, but neither delivered. The largest claim in the estate is a direct result of this non-delivery.

The final trigger for this case was litigation and the imposition of extraordinary pre-judgment creditor remedies. Specifically, Debtor was sued, its assets were attached, and all its accounts were frozen. Sol Systems, LLC ("Sol") and Pro-Tech Energy Solutions, LLC ("Pro-Tech") brought an action against Debtor and ET Solar Power, Inc. ("Power") on contracts for the purchase of approximately \$10 million in solar photovoltaic modules. Sol and Pro-Tech had paid Power a down payment of \$2,473,197.61 for modules that were never delivered. The Superior Court issued a Right to Attach Order against both Power and Debtor which allowed Sol and Pro-Tech to assert writs of attachment against and levy the bank accounts of Power and Debtor. Certain containers holding solar modules at the Port of Oakland shipped to Power were also attached.

Debtor commenced this Chapter 11 case by filing a voluntary Chapter 11 petition with this Court on December 4, 2017, and all attachments were dissolved by operation of law.

Exhibit 2 - What Creditors Would Receive if the Case Were Converted to a Chapter 7

Personal Property:

Description	Liquidation Value	Secured Claim	Net Proceeds
Cash - DIP Account	\$0.00	None	\$0.00
New Value Contribution	\$400,000.00	None	\$400,000.00 (Only available if Chapter 11 plan is confirmed; excluded from net proceeds of personal property)
Cash - Restricted	\$1,900,250	Unknown	Unknown
Automobile - 2013 Mercedes	\$31,000.00	None	\$31,000.00
Trade Penalty Rebate	\$628,749.39	CBP - \$248,952.48	\$379,796.91
Inventory and proceeds of goods in Norfolk Warehouse	\$589,158.90	NC State - \$76,284.25 plus accrued interest and attorneys' fees estimated @\$90,000	\$499,158.90
Accounts Receivable and Claims Against Various Entities excluding claims against Other ET Entities	For Chapter 11: \$599,307.20 (10% of face value of \$5,993,072.07)	See above	\$599,307.20
Accounts Receivable and Claims Against Various Entities including claims against Other ET Entities	For Chapter 7: \$1,479,642.72 (10% of face value of \$14,796,427.27)		\$1,479,642.72
GX Investment, Inc. Interest	Unknown	See above	\$0 (to be retained by reorganized debtor under plan)
D&O Insurance Claim Proceeds expected	\$45,000.00	See above	\$45,000.00

Proceeds of Personal Property - Chapter 11		\$1,954,263.01
New Value Contribution - Chapter 11		\$ 400,000.00
Proceeds of Personal Property - Chapter 7		\$2,434,598.53
Recovery from Preferences / Fraudulent Conveyances	[ADD]	Included above
Chapter 7 Administrative Claims	[SUBTRACT]	Unknown
Chapter 11 Administrative Claims	[SUBTRACT]	\$107,000.00
Chapter 11 Distribution Agent Fees	[SUBTRACT]	\$25,000.00
Priority Claims	[SUBTRACT]	\$81,673.68
Chapter 7 Trustee Fees	[SUBTRACT]	\$96,287.95
Chapter 7 Trustee's Professionals	[SUBTRACT]	\$150,000.00
NET FUNDS AVAILABLE FOR DISTRIBUTION TO UNSECURED CREDITORS IN CHAPTER 7		\$1,999,636.90
NET FUNDS AVAILABLE FOR DISTRIBUTION TO UNSECURED CREDITORS IN CHAPTER 11		\$2,140,589.33

Estimated Amount of Unsecured Claims - Chapter 7 - without resolution of Other ET Entities Claims	\$28,420,664.66
Estimated Amount of Unsecured Claims - Chapter 11 - with resolution of Other ET Entities claims	\$18,235,256.60
Percent Distribution to Unsecured Creditors Under Proposed Plan	11.73%
Percent Distribution to Unsecured Creditors Under Liquidation Analysis	7.03%

Exhibit 3 - Effective Date Feasibility

Can Debtor Make the Effective Date Payments ?

	Amount	Amount
A. Projected Total Cash on Hand on Effective Date		\$400,000.00
Payments on Effective Date		
100% of Unclassified Tax Claims other than CBP	\$30,970.95	
100% of Acct. & Special Counsel Admin Claims	\$7,000.00	
75% of Reorg Administrative Expense Claim	\$75,000.00	
75% of Priority Wage Claims	\$38,027.04	
Small Claims (Class 2(a))	\$843.61	
U.S. Trustee Fees	\$0.00	
B. Total Payments on Effective Date		\$151,841.60
C. Net Cash on Effective Date (Line A - Line B) (Not feasible if less than zero)		\$248,158.40

Exhibit 4 - Explanation of Global Compromise as Regards Other ET Entities

The Debtor, as part of the Plan and to fulfill as a condition of the Other ET Entities providing the new value contribution of \$400,000, seeks to compromise the claims it holds against the Other ET Entities. Those claims are detailed above at page 22-23 of the Plan. The Debtor has claims against the Other ET Entities totaling \$8,473,151.05, and those entities have claims against the Debtor totaling \$10,307,217.24.

The Debtor believes that the claims of \$8,473,151.05 could be offset directly or defended by recoupment with only \$5,212,917.01 potentially being recoverable. The nature of the claims between the parties, aside from two damage claims for non-delivery of modules, would be fact-intensive and expensive to prove-up. The Other ET Entities are, with the exception of ET Capital Solar Partners (USA), Inc., overseas entities that do business in the United States through the Debtor. Collection might prove immensely difficult as is often the case with entities based in mainland China.

The Debtor believes that, under the circumstances, a compromise of all such claims in exchange for (a) a waiver of all claims that the other ET Entities hold in this case totaling \$10,307,217.24, and (b) the payment of a \$400,000 new value contribution is a sound exercise of the Debtor's business discretion and fair and equitable within the meaning of Martin v. Kane (In re A & C Properties), 784 F.2d 1377, 1381 (9th Cir. 1986), cert. denied 107 S.Ct. 189 (1986) and meets all four factors enunciated therein.