IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: MAC ACQUISITION LLC, *et al.*,[1] Debtors.	Chapter 11 Case No. 17-12224 (MFW) (Jointly Administered)

DISCLOSURE STATEMENT FOR DEBTORS' AMENDED JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

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Dated: December 14, 2017
Wilmington, Delaware

[1] The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Mac Acquisition LLC (6362); Mac Parent LLC (6715); Mac Holding LLC (6682); Mac Acquisition of New Jersey LLC (1121); Mac Acquisition of Kansas LLC (3910); Mac Acquisition of Anne Arundel County LLC (6571); Mac Acquisition of Frederick County LLC (6881); Mac Acquisition of Baltimore County LLC (6865); and Macaroni Grill Services LLC (5963). The headquarters for the above-captioned Debtors is located at 1855 Blake St., Ste. 200, Denver, CO 80202.

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THIS DISCLOSURE STATEMENT (THIS "**DISCLOSURE STATEMENT**") HAS BEEN PREPARED FOR THE PURPOSE OF PROVIDING CERTAIN APPLICABLE INFORMATION TO CREDITORS OF THE DEBTORS WHO, AS DESCRIBED HEREIN, ARE ENTITLED TO VOTE WHETHER TO ACCEPT OR REJECT THE DEBTORS' AMENDED JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE (THE "**PLAN**"). A COPY OF THE PLAN IS ATTACHED AS **EXHIBIT A** HERETO. THIS DISCLOSURE STATEMENT INCLUDES, AMONG OTHER THINGS, A SUMMARY OF THE PLAN, AS WELL AS SUMMARIES OF CERTAIN OTHER MATERIALS REFERENCED IN THIS DISCLOSURE STATEMENT INCLUDING (AMONG OTHER THINGS) CERTAIN OTHER DOCUMENTS ATTACHED AS EXHIBITS TO THIS DISCLOSURE STATEMENT OR THAT WILL BE ATTACHED AS EXHIBITS TO THE *PLAN SUPPLEMENT*[1] REFERENCED IN THIS DISCLOSURE STATEMENT. THE SUMMARIES AND OTHER INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN, THOSE OTHER EXHIBITS TO THIS DISCLOSURE STATEMENT, AND THE EXHIBITS TO THE PLAN SUPPLEMENT.

PERSONS ENTITLED TO VOTE WHETHER TO ACCEPT OR REJECT THE PLAN ARE ADVISED AND ENCOURAGED TO READ, IN THEIR ENTIRETY, THIS DISCLOSURE STATEMENT, THE PLAN ATTACHED AS AN EXHIBIT HERETO, AND THE OTHER EXHIBITS HERETO OR THERETO, BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

ALL PERSONS ENTITLED TO VOTE SHOULD READ CAREFULLY THE SECTION OF THIS DISCLOSURE STATEMENT DESCRIBING CERTAIN APPLICABLE RISK FACTORS SET FORTH IN ARTICLE IX, BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF (UNLESS OTHERWISE SPECIFIED), AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER SUCH APPLICABLE DATE. THE DEBTORS DO NOT WARRANT THAT THE STATEMENTS OR INFORMATION CONTAINED HEREIN ARE WITHOUT ANY INACCURACY OR OMISSION.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE, AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER APPLICABLE LAW. THIS DISCLOSURE STATEMENT HAS BEEN NEITHER APPROVED NOR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "**SEC**"), NOR HAS THE *SEC* PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. PERSONS TRADING IN OR OTHERWISE PURCHASING, SELLING, OR

[1] Terms that are defined in the Plan or in the Disclosure Statement (other than defined terms commonly used herein) will appear in italics when presented in all-capitalized typeface herein.

TRANSFERRING CLAIMS AGAINST, OR EQUITY INTERESTS IN, THE DEBTORS SHOULD EVALUATE THIS DISCLOSURE STATEMENT AND THE PLAN IN LIGHT OF THE PURPOSES FOR WHICH THEY WERE PREPARED.

THE INFORMATION IN THIS DISCLOSURE STATEMENT IS BEING PROVIDED SOLELY FOR PURPOSES OF THE DETERMINATION BY HOLDERS OF CLAIMS AGAINST THE DEBTORS WHO ARE ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN AS TO WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE USED BY ANY OTHER PERSON OR FOR ANY OTHER PURPOSE. AS DESCRIBED IN GREATER DETAIL BELOW, NOT ALL HOLDERS OF CLAIMS AGAINST THE DEBTORS ARE ENTITLED TO VOTE ON WHETHER TO ACCEPT OR REJECT THE PLAN. ALSO AS DESCRIBED IN GREATER DETAIL BELOW, HOLDERS OF EQUITY INTERESTS IN THE DEBTORS ARE NOT ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN, EXCEPT INSOFAR AS ANY SUCH HOLDER ALSO HOLDS CLAIMS THAT GIVE RISE TO ANY SUCH VOTING RIGHT.

IN THE EVENT OF ANY INCONSISTENCY OR AMBIGUITY BETWEEN THE TERMS OF THE PLAN ITSELF AND THE SUMMARY OF THE PLAN CONTAINED IN THIS DISCLOSURE STATEMENT, THE TERMS OF THE PLAN SHALL GOVERN. ALL EXHIBITS TO THIS DISCLOSURE STATEMENT ARE INCORPORATED INTO AND ARE A PART OF THIS DISCLOSURE STATEMENT AS IF SET FORTH IN FULL HEREIN.

AS TO CONTESTED MATTERS, EXISTING LITIGATION INVOLVING, OR POSSIBLE ADDITIONAL LITIGATION TO BE BROUGHT BY, OR AGAINST, THE DEBTORS, ADVERSARY PROCEEDINGS, AND OTHER ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, A STIPULATION, OR A WAIVER, BUT RATHER AS A STATEMENT MADE WITHOUT PREJUDICE SOLELY FOR SETTLEMENT PURPOSES, WITH FULL RESERVATION OF RIGHTS, AND IS NOT TO BE USED FOR ANY LITIGATION PURPOSE WHATSOEVER BY ANY PARTY IN INTEREST OR OTHER PERSON. ACCORDINGLY, THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NONBANKRUPTCY PROCEEDING INVOLVING ANY DEBTOR OR ANY OTHER PARTY IN INTEREST, NOR SHALL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, FINANCIAL, OR OTHER EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST THE DEBTORS OR HOLDERS OF EQUITY INTERESTS IN THE DEBTORS.

ON DECEMBER 4, 2017, THE CREDITORS' COMMITTEE FILED AN OBJECTION TO THE DISCLOSURE STATEMENT, ENUMERATING VARIOUS CONCERNS REGARDING THE ADEQUACY OF THE DISCLOSURES CONTAINED IN THE DISCLOSURE STATEMENT AND THE TERMS OF THE PLAN. AS OF THE DATE OF THIS DISCLOSURE STATEMENT, THE CREDITORS' COMMITTEE DOES NOT SUPPORT THE PLAN AND HAS INDICATED ITS INTENTION TO OBJECT TO CONFIRMATION OF THE PLAN.

ARTICLE I.

INTRODUCTION

A. General Background

On October 18, 2017, (the "**Petition Date**"), Mac Acquisition LLC, a Delaware limited liability company ("**Mac Acquisition**"),[3] along with eight (8) direct and indirect affiliates of Mac Acquisition (collectively, referred to herein and in the Plan as the "**Debtors**"), filed voluntary petitions (the "**Petitions**") for relief under chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the "**Bankruptcy Code**") with the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**").[4] Upon the filing of the Petitions, the Debtors' respective reorganization cases under the Bankruptcy Code (the "**Chapter 11 Cases**") commenced. As described in greater detail below, on October 19, 2017, the Bankruptcy Court ordered that the Chapter 11 Cases be consolidated for administrative purposes only.

In addition to Mac Acquisition, the Debtors include the following eight (8) direct and indirect affiliates of Mac Acquisition:

- -- Mac Parent LLC, a Delaware limited liability company ("**Mac Parent**");
- -- Mac Holding LLC, a Delaware limited liability company ("**Mac Holding**");
- -- Mac Acquisition of New Jersey LLC, a New Jersey limited liability company ("**Mac NJ**");
- -- Mac Acquisition of Kansas LLC, a Kansas limited liability company ("**Mac KS**");
- -- Mac Acquisition of Anne Arundel County LLC, a Maryland limited liability company ("**Mac AA**");
- -- Mac Acquisition of Frederick County LLC, a Maryland limited liability company ("**Mac FC**");
- -- Mac Acquisition of Baltimore County LLC, a Maryland limited liability company ("**Mac BC**");[5] and
- -- Macaroni Grill Services LLC, a Delaware limited liability ("**Mac Grill Services**").

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[3] References in this Disclosure Statement to Mac Acquisition or to any other Debtor include such Person, as in existence prior to the commencement of the Chapter 11 Cases and as a debtor and a debtor-in-possession during the pendency of the Chapter 11 Cases.

[4] References in this Disclosure Statement to the "Docket" are to the Docket maintained in the Chapter 11 Cases. Items entered on the Docket can be accessed at www.donlinrecano.com/mg, a website maintained by the Debtors' claims and noticing agent. Alternatively, the Docket can be inspected in the office of the Clerk of the Bankruptcy Court (or on a website maintained by the Bankruptcy Court, which can be accessed at http://www.deb.uscourts.gov/).

[5] Mac NJ, Mac KS, Mac AA, and Mac FC are referred to herein as the "**Debtor Operating Subsidiaries**."

Contemporaneously herewith, the Debtors filed with the Bankruptcy Court the *Debtors' Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code*, dated December 14, 2017 (which is defined herein as the Plan). All capitalized terms used in this Disclosure Statement but not defined herein have the respective meanings ascribed to such terms in the Plan. A complete copy of the Plan is attached as **Exhibit A** to this Disclosure Statement.

This Disclosure Statement is being submitted pursuant to section 1125 of the Bankruptcy Code for use by those entitled to vote on whether to accept or reject the Plan in connection with (a) the solicitation by the Debtors of votes to accept or reject the Plan and (b) the hearing by the Bankruptcy Court to consider confirmation of the Plan (the "**Confirmation Hearing**").

The Plan sets forth the manner in which Claims against the Debtors and Equity Interests in the Debtors are proposed to be treated in connection with the reorganization of the Debtors in the Chapter 11 Cases. This Disclosure Statement describes certain aspects of the Plan, and also provides a general description of the Debtors' business (including certain financial information) as well as information regarding various other matters relevant to the purpose for which this Disclosure Statement has been prepared. This Disclosure Statement is intended to provide sufficient information to enable those who are entitled to vote to accept or reject the Plan, as explained below, to make an informed decision in connection with that vote. Among other things, this Disclosure Statement describes:

- in summary form, how the Plan treats holders of Claims against, and Equity Interests in, the Debtors (Article II);
- how Chapter 11 works (Article III);
- the Debtors' business and prepetition capital structure (Article IV);
- the events leading up to the commencement of the Chapter 11 Cases (Article V);
- significant events in the Chapter 11 Cases (Article VI);
- the matters dealt with under the Plan (Article VII);
- certain projections (Article VIII);
- certain risk factors to be considered before voting on the Plan (Article IX);
- the procedures for confirming the Plan (Article X);
- alternatives to confirmation and consummation of the Plan (Article XI);
- certain securities laws matters regarding the Plan (Article XII); and
- certain U.S. federal income tax consequences of the Plan (Article XIII).

This Disclosure Statement has been carefully prepared in order to, among other things, describe the material aspects of the Plan, but it is not intended to override the Plan or any aspect of it. Accordingly, in the event there are any inconsistencies or ambiguities between the Plan itself and the descriptions of the Plan contained in this Disclosure Statement, the terms of the Plan will govern. The Plan and this Disclosure Statement, along with the other exhibits attached to this Disclosure Statement, and the exhibits attached to the Plan, are the only materials that those who are entitled to vote to accept or reject the Plan should use in determining how to vote.

The Plan is the product of extensive negotiations among the Debtors and certain of their major creditor constituencies. Such negotiations did not include the Creditors' Committee, which does not support the Plan, or any of the Debtors' unsecured trade or landlord creditors prior to the filing of the Plan. The Debtors continue to speak with secured and unsecured creditors regarding their turnaround process. As described in more detail in Article V below, effective as of October 18, 2017, the Debtors entered into the Restructuring Support Agreement with the Supporting Parties. Those Supporting Parties are Bank of Colorado ("**BOC**") and Riesen Funding LLC ("**Riesen Funding**"). Pursuant to the Restructuring Support Agreement, the Supporting Parties agreed to support a financial restructuring of the Debtors' outstanding indebtedness, obligations, and capital structure on the terms set forth in the Plan and described in this Disclosure Statement.

As discussed in more detail in Article VII below, the Plan contemplates that the voting on and confirmation of the Plan, as well as Distributions to holders of Claims in the Chapter 11 Cases, would be effected under the Plan as though the Estates of the Debtors were consolidated for such purposes.

After careful consideration of the Debtors' business and assets, and their prospects for reorganization, as well as the alternatives to reorganization, the Debtors have determined that the recoveries to creditors will be maximized by utilizing the treatment established under the Plan. The Debtors further have determined it is not possible to afford any recovery to holders of Equity Interests in the Debtors on account of the Equity Interests (apart from the pre-existing direct and indirect intercompany ownership interests, which are preserved under the Plan), whether under the reorganization proposed in the Plan or in any liquidation alternative.

The following additional materials are attached as Exhibits to this Disclosure Statement:

1. as "**Exhibit A**," a copy of the Plan, including the exhibits thereto (excluding the Plan Supplement);

2. as "**Exhibit B**," a copy of the Bankruptcy Court's "**Disclosure Statement Order**" [Docket No. __] (excluding the exhibits thereto), dated December 14, 2017, that, among other things, approves this Disclosure Statement, establishes procedures for the solicitation and tabulation of votes to accept or reject the Plan, and schedules the hearing on confirmation of the Plan;

3. as "**Exhibit C**," the "**Financial Projections**" prepared by the Debtors' management for the Reorganized Debtors through 2020;

4. as "**Exhibit D**," the "**Liquidation Analysis**" prepared by the Debtors; and

5. as "**Exhibit E**," a copy of the "**Confirmation Hearing Notice**."

To the extent this Disclosure Statement is being submitted to a holder of a Claim that is entitled to vote to accept or reject the Plan, this Disclosure Statement also is accompanied by a Ballot to be used by such holder in connection with that vote. As further described below, holders of certain categories of Claims against, and Equity Interests in, the Debtors automatically are deemed to have accepted the Plan or to have rejected it, depending on the particular category of Claims or Equity Interests. Holders of Claims and Equity Interests that are deemed to have accepted or rejected the Plan are not entitled to vote to accept or reject the Plan.

In addition to the exhibits attached to this Disclosure Statement and the exhibits attached to the Plan, the Debtors anticipate there will be certain additional materials that are necessary or appropriate to the implementation and/or confirmation of the Plan. Those additional materials are summarized in this Disclosure Statement, to the extent now known or reasonably determinable; and copies of those materials (in final or substantially final form), or summaries thereof, will be contained in the Plan Supplement. The Plan Supplement will be filed by the Debtors with the Clerk of the Bankruptcy Court no later than seven (7) days before the Voting Deadline (as defined below), or such later date as may be approved by the Court. Once so filed, the Plan Supplement will be available free of charge on the website for the Chapter 11 Cases maintained by the Debtor' claims agent (http://www.donlinrecano.com/mg), for inspection at the Office of the Clerk of the Court, 3rd Floor, 824 N. Market Street, Wilmington, Delaware 19801, or on the internet for a fee at the Court's website (http://www.deb.uscourts.gov/) by following directions for accessing the Court's electronic filing system on such website.

On December 14, 2017, after notice and a hearing, the Bankruptcy Court entered the Disclosure Statement Order, determining that this Disclosure Statement contains "adequate information" (as that term is defined in section 1125 of the Bankruptcy Code). Section 1125(a)(1) of the Bankruptcy Code defines "adequate information" as "information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and the history of the debtor and the condition of the debtor's books and records, including a discussion of the potential material U.S. federal income tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor typical of the holders of claims or interests in the case, that would enable such a hypothetical investor of the relevant class to make an informed judgment about the plan, but adequate information need not include such information about any other possible or proposed plan and in determining whether a disclosure statement provides adequate information, the court shall consider the complexity of the case, the benefit of additional information to creditors and other parties in interest, and the cost of providing additional information . . . ." 11 U.S.C. §1125(a)(1). NO STATEMENTS OR INFORMATION CONCERNING THE PLAN AND THE TRANSACTIONS CONTEMPLATED THEREBY HAVE BEEN AUTHORIZED, OTHER THAN THE STATEMENTS AND INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AND THE INFORMATION ACCOMPANYING OR SUPPLEMENTING THIS DISCLOSURE STATEMENT (INCLUDING THE PLAN AND THE PLAN SUPPLEMENT). ALL OTHER STATEMENTS REGARDING THE PLAN AND THE TRANSACTIONS CONTEMPLATED THEREBY, WHETHER WRITTEN OR ORAL, ARE UNAUTHORIZED AND SHOULD NOT BE RELIED UPON.

APPROVAL OF THIS DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT DOES NOT CONSTITUTE THE BANKRUPTCY COURT'S ENDORSEMENT OF THE PLAN. THE BANKRUPTCY COURT MAKES NO DETERMINATION AS TO THE FAIRNESS OR MERITS OF THE PLAN.

The Disclosure Statement Order sets forth in detail the deadlines, procedures and instructions for voting to accept or reject the Plan and for filing objections to confirmation of the Plan, the record dates for voting purposes, and the applicable standards for tabulating Ballots. In the event of any discrepancy between the provisions of the Disclosure Statement Order and the summary thereof contained in this Disclosure Statement, the provisions of the Disclosure Statement Order will govern. In addition, detailed voting instructions will accompany each Ballot. Each person entitled to vote to accept or reject the Plan should read in their entirety this Disclosure Statement (including the exhibits hereto), the Plan (including the exhibits thereto) and Plan Supplement, the Disclosure Statement Order, and the instructions accompanying the Ballot(s) received by such person before voting on whether to accept or reject the Plan. These documents contain, among other things, important information concerning the classification of Claims and Equity Interests for voting purposes and the tabulation of votes. No solicitation of votes to accept or reject the Plan may be made except pursuant to section 1125 of the Bankruptcy Code.

B. Holders Entitled to Vote

Not all holders of claims against a debtor and holders of equity interests in that debtor are entitled to vote to accept or reject a proposed reorganization plan. Rather, the Bankruptcy Code limits the right to vote to holders of claims against that debtor, or holders of equity interests in that debtor, that are regarded as being "allowed" (within the meaning of section 502 of the Bankruptcy Code), and only where those allowed claims or equity interests have been classified in classes of claims or equity interests that are regarded as being "impaired" (within the meaning of section 1124 of the Bankruptcy Code) by the treatment proposed under that reorganization plan, with certain exceptions described below. Where an allowed claim or equity interest is classified in a class that is regarded as unimpaired under the proposed reorganization plan, the holder of that claim or equity interest is not entitled to vote to accept or reject the plan and instead automatically is conclusively presumed to have accepted the plan. Correspondingly, where an allowed claim or equity interest is classified in a class that is regarded as impaired under the proposed reorganization plan and the plan provides that the holders of allowed claims or equity interests in that class will not be entitled to receive or retain any property on account of such claims or equity interests (sometimes known as being "wiped out"), the holder of such claim or equity interest is not entitled to vote to accept or reject the plan and instead automatically is deemed to have rejected the plan. In addition, the Bankruptcy Code provides that certain specific categories of allowed claims against a debtor need not be classified for purposes of a plan of reorganization; and, where those categories of unclassified allowed claims are unimpaired under the reorganization plan, the holders of such claims do not actually vote to accept or reject a plan and instead automatically are conclusively presumed to have accepted that plan.

In the Chapter 11 Cases, the Plan establishes four (4) categories of unclassified Claims against the Debtors, seven (7) classes of Claims against the Debtors, and two (2) classes of

Equity Interests in the Debtors. Of those 13 categories of Claims and Equity Interests, only holders of Claims in three (3) categories are entitled to vote to accept or reject the Plan. The other ten (10) categories are conclusively presumed to have accepted the Plan or are deemed to have rejected it. As more fully summarized in Article II below (and described in detail in Article VII below):

- Administrative Claims, Professional Fee Claims, Priority Tax Claims, and DIP Facility Claims are unclassified under the Plan. Accordingly, holders of Allowed Claims in those categories are not entitled to vote to accept or reject the Plan;

- Class 1 (Other Priority Claims), Class 2 (Other Secured Claims), Class 6 (Intercompany Claims), and Class 9 (Intercompany Interests) are Unimpaired under the Plan. Accordingly, holders of Allowed Claims and Allowed Equity Interests in those Classes are not entitled to vote to accept or reject the Plan and instead are conclusively presumed to have accepted the Plan;

- Class 7 (Subordinated Claims) and Class 8 (Existing Equity Interests) are Impaired under the Plan, and the holders of Claims in Class 7 and Existing Equity Interests in Class 8 will not be entitled to receive or retain any property on account of such Claims and Equity Interests. Accordingly, holders of Claims in Class 7 and Existing Equity Interests in Class 8 are not entitled to vote to accept or reject the Plan and instead are deemed to have rejected the Plan; and

- Class 3 (BOC Claims), Class 4 (Riesen Funding Claims), and Class 5 (General Unsecured Claims) are Impaired under the Plan. Accordingly, to the extent Claims in those Classes are not the subject of an objection or request for estimation which remains pending, holders of Allowed Claims in each of those Classes are entitled to vote to accept or reject the Plan.

A BALLOT TO BE USED IN VOTING TO ACCEPT OR REJECT THE PLAN WILL BE PROVIDED ONLY TO HOLDERS OF CLAIMS IN THE CLASSES THAT ARE ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN, AS FOLLOWS:

- Class 3 (BOC Claims);

- Class 4 (Riesen Funding Claims); and

- Class 5 (General Unsecured Claims).

The Bankruptcy Code defines "acceptance" of a reorganization plan by a class of allowed claims as acceptance by creditors in that class that hold at least two-thirds in aggregate dollar amount of claims in such class and represent more than one-half in number of the allowed claims in such class that cast ballots for acceptance or rejection of that reorganization plan. For a more detailed description of the requirements for confirmation of the Plan, see Article X below.

Two Classes, Class 7 (Subordinated Claims) and Class 8 (Existing Equity Interests), automatically are deemed to have rejected the Plan. Accordingly, the Debtors intend to request confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code. Section 1129(b) permits the Bankruptcy Court to confirm a plan of reorganization notwithstanding the nonacceptance of that plan by one or more impaired classes of claims or equity interests. Under section 1129(b), a plan may be confirmed as long as such plan does not "discriminate unfairly" and is "fair and equitable" with respect to each non-accepting class. The requirements for confirmation of a nonconsensual plan are described more fully in Article X below.

C. Voting Procedures

On December 14, 2017, the Bankruptcy Court entered the Disclosure Statement Order, among other things, approving this Disclosure Statement, setting voting procedures and scheduling the Confirmation Hearing. A copy of the Disclosure Statement Order (excluding the exhibits) is attached as **Exhibit B** to this Disclosure Statement and a copy of the Confirmation Hearing Notice is attached as **Exhibit E** to this Disclosure Statement. The Disclosure Statement Order and Confirmation Hearing Notice set forth in detail, among other things, the voting deadlines and objection deadlines with respect to the Plan. The Confirmation Hearing Notice and the instructions attached to the Ballot should be read in conjunction with this section of the Disclosure Statement.

If you are a holder of an Allowed Claim that is entitled to vote to accept or reject the Plan, a Ballot is enclosed with this Disclosure Statement for the purpose of casting your vote and for making an election whether or not to grant the releases contained in Article IX.F. of the Plan. If you hold an Allowed Claim in more than one Class that is entitled to vote to accept or reject the Plan, you will receive a separate Ballot for each Class in which you hold an Allowed Claim. In order for your Ballot to be counted, you must use the particular Ballot pertaining to the particular Class of Allowed Claims. The Debtors urge you to vote and return your Ballot(s) by no later than 5:00 p.m., prevailing Eastern Time, on January 31, 2018 (the "**Voting Deadline**"), in accordance with the instructions accompanying your Ballot(s) and described in this section.

With the approval of the Bankruptcy Court [Docket No. 40], the Debtors have retained Donlin, Recano & Company, Inc. ("**DRC**") as their claims, balloting, and noticing agent for purposes of the Chapter 11 Cases. If you received a Ballot(s) from the Debtors (or from DRC on behalf of the Debtors), please vote and return your Ballot(s) directly to DRC at the following addresses:

If by regular mail, to:
Donlin, Recano & Company, Inc.
Re: Mac Acquisition LLC
Attention: Voting Department
P.O. Box 199043
Blythebourne Station, New York, NY 11219;

If by hand delivery or overnight mail, to:
Donlin, Recano & Company, Inc.
Re: Mac Acquisition LLC

Attention: Voting Department
6201 15th Avenue
Brooklyn, New York 11219

PLEASE RETURN YOUR *BALLOT*(S) ONLY. DO NOT ALSO RETURN ANY PROMISSORY NOTE OR OTHER INSTRUMENTS OR AGREEMENTS THAT YOU MAY HAVE RELATING TO YOUR CLAIM.

TO BE COUNTED, YOUR DULY COMPLETED *BALLOT*(S)—INDICATING ACCEPTANCE OR REJECTION OF THE PLAN—MUST BE ACTUALLY RECEIVED BY *DRC* NO LATER THAN THE *VOTING DEADLINE*. *BALLOTS* NOT ACTUALLY RECEIVED BY *DRC* BY THE *VOTING DEADLINE* WILL NOT BE COUNTED. Any Ballot not received by DRC by the Voting Deadline shall not be counted unless the Debtors in their discretion (with the consent of the Supporting Parties) determine to extend the deadline to submit votes on the Plan, and except insofar as the Bankruptcy Court may order otherwise.

Any Claim in Class 5 (General Unsecured Claims) to which an objection or request for estimation is filed on or prior to January 4, 2018 at 4:00 p.m. (prevailing Eastern Time) shall not be entitled to vote (unless the holder of such Claim has obtained an order of the Bankruptcy Court temporarily allowing such Claim for the purpose of voting on the Plan). In addition, the Debtors propose that Ballots cast by alleged creditors who have timely filed proofs of claim that include contingent or unliquidated amounts (as may be reasonably determined by the Debtors or DRC) that are not otherwise the subject of an objection filed by the Debtors, will have their Ballots counted towards satisfying the numerosity requirement, but not also toward satisfying the aggregate claim amount requirement (and shall only have their claim tabulated (i) in the amount of $1.00 if the claim is wholly contingent and/or unliquidated or (ii) in the amount of any non-contingent and liquidated amount included in the proof of claim, in each case as may be reasonably determined by the Debtors or DRC), of section 1126(c) of the Bankruptcy Code. The numerosity and aggregate claim amount requirements of section 1126(c) are further described in Article X below.

In the Disclosure Statement Order, the Bankruptcy Court set December 27, 2017 at 5:00 p.m. (prevailing Eastern Time) as the record date for holders of Claims entitled to vote on the Plan (the "**Voting Record Date**"), for purposes of voting on the Plan. Accordingly, only holders of record, as of the Voting Record Date, of Allowed Claims otherwise entitled to vote to accept or reject the Plan will receive a Ballot and be entitled vote on the Plan. If, as of the applicable Voting Record Date, you were a holder of an Allowed Claim entitled to vote on the Plan and did not receive a Ballot(s), received a damaged Ballot(s) or lost your Ballot(s), or if you have any questions concerning the procedures for voting on the Plan, please contact DRC, at (212) 771-1128 from 9:00 a.m. to 5:00 p.m., prevailing Eastern Time, excluding weekends and holidays, sufficiently in advance of the deadline referenced above for receipt back of duly completed Ballots.

D. Recommendation

THE DEBTORS BELIEVE THAT THE PLAN WILL ENABLE THEM TO REORGANIZE SUCCESSFULLY AND TO ACCOMPLISH THE OBJECTIVES OF

CHAPTER 11, AND THAT ACCEPTANCE OF THE PLAN IS IN THE BEST INTERESTS OF THE DEBTORS AND THEIR CREDITORS. THE DEBTORS RECOMMEND THAT CREDITORS VOTE TO ACCEPT THE PLAN. AS NOTED ABOVE, AS OF THE DATE OF THIS DISCLOSURE STATEMENT, THE CREDITORS' COMMITTEE DOES NOT SUPPORT THE PLAN AND HAS INDICATED ITS INTENTION TO OBJECT TO CONFIRMATION OF THE PLAN.

ARTICLE II.

OVERVIEW OF THE PLAN

The following table briefly summarizes how the Plan classifies and treats Allowed Claims and Equity Interests, and also provides the estimated Distributions to be received by the holders of Allowed Claims and Equity Interests in accordance with the Plan:

Class	Designation	Impaired	Treatment of Allowed Claims and Interests	Entitled to Vote	Estimated Claim Amounts	Estimated Recoveries
--	Administrative Claims, including Professional Fee Claims	No	Except to the extent a holder of an Allowed Administrative Claim already has been paid during the Chapter 11 Cases or such holder agrees to less favorable treatment with respect to such holder's Claim, each holder of an Allowed Administrative Claim shall receive, in full satisfaction, settlement, release, and discharge of, and in exchange for, its Administrative Claim, Cash equal to the unpaid portion of its Allowed Administrative Claim, to be paid on the latest of: (a) the Effective Date, or as soon as reasonably practicable thereafter, if such Administrative Claim is Allowed as of the Effective Date; (b) the date such Administrative Claim is Allowed, or as soon as reasonably practicable thereafter; (c) the date such Allowed Administrative Claim becomes due and payable, or as soon as reasonably practicable thereafter; and (d) such other date as may be agreed	No (conclusively presumed to accept)	$250,000[6]	100%

[6] The Debtors estimate that they have approximately $250,000 in claims entitled to priority under section 503(b)(9) of the Bankruptcy Code that will be unpaid as of the Effective Date. The Debtors anticipate that all Allowed Administrative Claims arising from the Debtors' post-petition operations will be paid in the ordinary course of business, and these amounts are reflected as expenses in the Debtors' cash budget. Due to the Court-approved process for allowance and payment of Professional Fee Claims, there will be some amount of Administrative Claims based on Professional Fee Claims that will have been accrued but will remain unpaid as of the Effective Date. However, such Claims are not reflected in this table because the Debtors have assumed for purposes of their cash budget and the anticipated amount of cash on the Effective Date that 100% of Professional Fee Claims are paid when accrued, notwithstanding the fact that they are not actually paid until authorized pursuant to Court order.

Class	Designation	Impaired	Treatment of Allowed Claims and Interests	Entitled to Vote	Estimated Claim Amounts	Estimated Recoveries
			upon between the holder of such Allowed Administrative Claim and the Debtors or the Reorganized Debtors, as the case may be.			
--	Priority Tax Claims	No	Except to the extent a holder of an Allowed Priority Tax Claim agrees to a different treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Priority Tax Claim, each such holder shall be paid, at the option of the Debtors, with the approval of the Supporting Parties and the DIP Agent, (i) in the ordinary course of the Debtors' business, consistent with past practice; provided, however, that in the event the balance of any such Claim becomes due during the pendency of the Bankruptcy Cases and remains unpaid as of the Effective Date, the holder of such Claim shall be paid in full in Cash on the Effective Date, or (ii) in installment payments over a period of time not to exceed five years after the Petition Date, pursuant to section 1129(a)(9)(C) of the Bankruptcy Code.	No (conclusively presumed to accept)	$0	100%
--	DIP Facility Claims	No	Upon the Effective Date, the DIP Facility Claims shall be deemed to be Allowed Claims. The DIP Facility Claims shall be paid in full in Cash by the Debtors on the Effective Date and all commitments under the DIP Facility shall terminate; provided, however, subject to the satisfaction of the terms and conditions of the Exit Facility Term Sheet, the DIP Facility Claims may be indefeasibly satisfied by an in-kind exchange on a dollar-for-dollar basis for obligations of the Reorganized Debtors (and their non-debtor affiliates and guarantors) under the Exit Facility; provided, however, subject to the terms and conditions of, and to the review provisions set forth in, the Final DIP Order, any and all DIP Facility Claims constituting fees and expenses under the DIP Facility shall not be satisfied by the in-kind exchange and shall rather be deemed to be Allowed Claims and indefeasibly paid in full in Cash on the Effective Date. The Debtors' contingent or unliquidated obligations under the	No (conclusively presumed to accept)	$0	100%

Class	Designation	Impaired	Treatment of Allowed Claims and Interests	Entitled to Vote	Estimated Claim Amounts	Estimated Recoveries
			DIP Facility, to the extent not indefeasibly paid in full in Cash on the Effective Date or otherwise satisfied by the Debtors in a manner acceptable to the DIP Facility Agent, any affected DIP Facility Lender, or any holder of a DIP Facility Claim, as applicable, shall survive the Effective Date and shall not be released or discharged pursuant to the Plan or the Confirmation Order, notwithstanding any provision hereof or thereof to the contrary.			
1	Other Priority Claims	No	Except to the extent that a holder of an Allowed Other Priority Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Other Priority Claim, each such holder shall be paid, to the extent such Claim has not already been paid during the Chapter 11 Cases, in full in Cash in the ordinary course of business by the Debtors or the Reorganized Debtors, as applicable, on or as soon as reasonably practicable after the latest of (i) the Effective Date, (ii) the date on which such Other Priority Claim against the Debtor becomes Allowed, or (iii) such other date as may be ordered by the Court.	No (conclusively presumed to accept)	$0	100%
2	Other Secured Claims	No	Except to the extent that a holder of an Allowed Other Secured Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Other Secured Claim, each such holder shall be reinstated, or, at the option of the Debtors or the Reorganized Debtors with the consent of the Supporting Parties and the DIP Agent, each holder of an Allowed Other Secured Claim shall receive, either (i) Cash in the full amount of such Allowed Other Secured Claim, including any postpetition interest Allowed pursuant to section 506(b) of the Bankruptcy Code, (ii) the net proceeds of the sale or disposition of the collateral securing such Allowed Other Secured Claim to the extent of the value of the holder's secured interest in such collateral, (iii) the collateral securing such Allowed	No (conclusively presumed to accept)	$350,000	100%

Class	Designation	Impaired	Treatment of Allowed Claims and Interests	Entitled to Vote	Estimated Claim Amounts	Estimated Recoveries
			Other Secured Claim, or (iv) such other Distribution as necessary to satisfy the requirements of section 1124 of the Bankruptcy Code on account of such Allowed Other Secured Claim.			
3	BOC Claims	Yes	On the Effective Date except to the extent that BOC agrees to less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for the BOC Claims, each holder of a BOC Claim shall receive its Pro Rata share of: a. on the Effective Date payment of $3,500,000 in cash; b. payment of $41,666.67 each month for twenty-four (24) months from and after the Effective Date to be applied to the reduction of the principal portion of the Allowed BOC Claims; c. payment of interest only at the rate of 5.00% per annum on the remaining balance owing to BOC on account of the Allowed BOC Claims after receipt of the payments pursuant to (a) and (b), above, each month for twenty-four (24) months from and after the Effective Date; d. payment of the remaining portion of the Allowed BOC Claims representing principal and any other unpaid interest, fees and charges relating thereto that are part of the Allowed BOC Claims in full in Cash on the first day of the twenty-fourth month after the Effective Date; e. payment of the fees and expenses provided for in Article X.B.6 of the Plan; f. the reinstatement of any letters of credit that remain issued and outstanding as of the Effective Date on the same terms as the BOC Credit Documents or such other terms agreed to by BOC and the Debtors; g. the Liens granted under the BOC Credit Documents shall remain in place to secure payment of the foregoing items (a) through (f) and shall automatically terminate upon the indefeasible payment of all such obligations. The payments and treatment of the BOC	Yes	$13.93 million	100%

Class	Designation	Impaired	Treatment of Allowed Claims and Interests	Entitled to Vote	Estimated Claim Amounts	Estimated Recoveries
			Claims set forth above shall be subject to terms and conditions set forth in BOC Post-Effective Date Documents the form of which shall be reasonably acceptable to the Debtors, BOC, and Raven and included in the Plan Supplement.			
4	Riesen Funding Claim	Yes	On the Effective Date, or as soon thereafter as reasonably practicable, in full and final satisfaction, settlement, release, and discharge of and in exchange for such Claim, each holder of a Riesen Funding Claim shall receive a Pro Rata share of the Equity Interests in the Reorganized Mac Parent. The New Equity Interests will be subject to dilution if the warrants to acquire 5% of the Equity Interests in Reorganized Mac Parent granted under the Exit Facility are exercised, with such Equity Interests having the rights and terms specified in the Exit Facility Documents.	Yes	$5.13 million	Unknown
5	General Unsecured Claims	Yes	On the Effective Date, or as soon thereafter as reasonably practicable, except to the extent that a holder of an Allowed General Unsecured Claim agrees to less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for such Claim, each holder of an Allowed General Unsecured Claim shall receive: a. If Class 5 votes in favor of the Plan, its Pro Rata share of the General Unsecured Claim Cash Pool; or b. If Class 5 rejects the Plan, no distribution on account of its Allowed General Unsecured Claim.	Yes	$23 million	0–2%
6	Intercompany Claims	No	Intercompany Claims shall be reinstated, cancelled or compromised as determined by the Debtors.	No (conclusively presumed to accept)	$23.1 million	0–100%
7	Subordinated Claims	Yes	The holders of Subordinated Claims, if any, shall neither receive Distributions nor retain any property under the Plan for or on account of such Subordinated Claims.	No (deemed to reject)	$0	0%
8	Existing Equity Interests	Yes	Existing Equity Interests shall be discharged, cancelled, released, and extinguished as of the Effective Date and holders of Existing Equity Interests shall neither receive any Distributions nor retain any property under the Plan for or	No (deemed to reject)	N/A	0%

Class	Designation	Impaired	Treatment of Allowed Claims and Interests	Entitled to Vote	Estimated Claim Amounts	Estimated Recoveries
			on account of such Equity Interests.			
9	Intercompany Interests	No	Intercompany Interests shall be cancelled or reinstated, as determined by the Debtors.	No (conclusively presumed to accept)	N/A	100%

ARTICLE III.

OVERVIEW OF CHAPTER 11

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under chapter 11, the entity to which the particular bankruptcy case relates, called the "debtor," is authorized to reorganize its business for its own benefit as well as the benefit of its creditors and equity interest holders. In addition to permitting rehabilitation of a debtor, chapter 11 is intended to promote equality of treatment for similarly situated creditors and equity interest holders, including with respect to the distribution of that debtor's assets.

The debtor commences its chapter 11 case by filing a voluntary bankruptcy petition with an appropriate United States Bankruptcy Court. The commencement of that case immediately creates an "estate" that is comprised of all of the legal and equitable interests of the debtor, including interests in its assets, as of the date of filing of its bankruptcy petition. In addition, the Bankruptcy Code generally provides that a chapter 11 debtor may continue to operate its business and remain in possession of its property as a so-called "debtor in possession", rather than have control of its business and possession of its property instead transferred to an independent bankruptcy trustee.

The principal objective of a chapter 11 reorganization case is to confirm and then consummate a plan of reorganization. A plan of reorganization sets forth the means for satisfying claims against the debtor and equity interests in the debtor. Confirmation of a plan of reorganization by the bankruptcy court makes the plan binding upon the debtor as well as upon various other interested constituencies, including any issuer of securities under the plan, any person acquiring property under the plan, and any holder of claims against, or equity interests in, the debtor. Subject to certain limited exceptions, the bankruptcy court's confirmation order discharges a debtor from any debt that arose prior to the date of confirmation of the plan (including, among other things, debts that arose prior to the filing of the debtor's original bankruptcy petition) and substitutes therefor the obligations specified under the confirmed plan.

Once a plan of reorganization meeting the requirements of the Bankruptcy Code has been filed with the Bankruptcy Court, then, with certain exceptions, the holders of claims against, or equity interests in, the debtor generally are entitled to vote whether to accept or reject that plan. Before the debtor may solicit acceptances of the proposed plan, however, section 1125 of the Bankruptcy Code requires the debtor to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical investor typical of the

holders within the relevant classes to make an informed judgment about whether to accept or reject the plan.

In connection with the Chapter 11 Cases, and to satisfy the requirements of section 1125 of the Bankruptcy Code, the Debtors have prepared this Disclosure Statement and are submitting it to holders of Allowed Claims against the Debtors who, under the Plan, are entitled to vote on whether to accept or reject the Plan.

ARTICLE IV.

COMPANY BACKGROUND

A. History of the Debtors

1. Overview

Mac Acquisition is the primary operating entity for the Romano's Macaroni Grill restaurant group. Mac Acquisition is wholly owned by Debtor affiliates, Mac Parent and Mac Holding. Mac Parent in turn is owned by RedRock Partners, LLC, an Arizona limited liability company ("**RedRock**"), which is not a debtor in the Chapter 11 Cases.

The first Romano's Macaroni Grill restaurant opened in Leon Springs, Texas in 1988. The Romano's Macaroni Grill franchise was then acquired by Brinker International, Inc. (together with certain subsidiaries, "**Brinker**") in 1989. Brinker thereafter sold a majority interest in the franchise to Golden Gate Capital in 2008 for approximately $131.5 million. In 2013, Ignite Restaurant Group, Inc. ("**Ignite**") acquired Romano's Macaroni Grill from Golden Gate Capital for approximately $55 million, subject to certain adjustments. On April 17, 2015, RedRock acquired 100% of the membership interests in Mac Parent (and indirectly in each of the Debtors) for a cash purchase price of $8 million.

The Debtors operate casual dining Italian restaurants throughout the United States. As of the Petition Date, the Debtors operated 93 company-owned restaurants located in 23 states. The Debtors' non-Debtor affiliate, RMG Development, LLC ("**RMG Development**"), also franchises an additional 22 restaurants in Florida, Hawaii, Illinois, Texas, Puerto Rico, Mexico, Bahrain, Egypt, Oman, the United Arab Emirates, Qatar, Germany, and Saudi Arabia. All of the Debtors' company-owned and franchised restaurants operate under the name Romano's Macaroni Grill. During 2016, the Debtors and RMG generated gross revenues through restaurant sales and franchisee payments of approximately $230 million. The Debtors' trailing twelve-month EBITDA as of August 2017 was approximately negative $12 million.

2. Employees

As of the Petition Date, the Debtors employed approximately 4,612 employees, mostly at their restaurant locations. Approximately 342 employees are employed on a salaried basis, with the remainder of employees paid on an hourly basis. None of the Debtors' employees are represented by a union.

3. Pre-Petition Capital Structure of the Debtors

RedRock is the ultimate parent of the Debtors, owning 100% of the membership interests in Mac Parent. RedRock is 100% owned by Riesen Funding. Mac Parent owns 100% of the membership interests in Mac Acquisition IP LLC, a Delaware limited liability company ("**Mac Acquisition IP**"), and Mac Holding. Mac Acquisition IP owns all of the trademarks associated with the Romano's Macaroni Grill franchise, and licenses such intellectual property to RMG Development and Mac Acquisition. Mac Holding owns 100% of the membership interests in Mac Acquisition and Mac Grill Services. Mac Acquisition owns 100% of the equity/voting membership interests in the Debtor Operating Subsidiaries and in non-Debtor RMG Development.

As of the Petition Date, the Debtors had outstanding debt obligations in the aggregate principal amount of about $44.13 million, consisting primarily of approximately (a) $17.9 million in secured loans advanced by BOC, with approximately $4,100,000 of that amount representing undrawn letters of credit, (b) approximately $5,130,000 in principal and interest owing under a junior secured loan advanced by Riesen Funding, (c) approximately $3,100,000 in outstanding payables owing to certain vendors that are purported to be secured by certain assets of the Debtors, and (d) $18 million owed to vendors, former landlords of vacated locations and other unsecured creditors.

(a) Secured Loans From BOC

To provide Mac Acquisition and its subsidiaries with adequate liquidity, the Debtors arranged for a revolving line of credit from BOC on or about April 17, 2015 (the "**BOC Revolving Loan**"), contemporaneously with the acquisition of the Debtors by RedRock. The BOC Revolving Loan is governed by that Business Loan Agreement, dated as of April 17, 2015, by and between Mac Parent and BOC. When the BOC Revolving Loan was entered into, it was guaranteed by Debtors Mac Acquisition and Mac Holding, and by several non-Debtor affiliates. Mac Parent's obligations under the BOC Revolving Loan, as well as Mac Acquisition's and Mac Holding's guarantees, are secured by grants of liens against such entities' "Inventory, Chattel Paper, Accounts, Equipment and General Intangibles," and all products and proceeds thereof. As of the Petition Date, approximately $12,033,000 in principal and accrued interest was outstanding under the BOC Revolving Loan, with approximately $4,100,000 of that amount representing undrawn letters of credit issued under the BOC Revolving Loan.

On or about December 20, 2016, the Debtors also arranged for a term loan in the amount of $2,500,000 (the "**$2.5M Term Loan**"). As with the BOC Revolving Loan, the $2.5M Term Loan is structured as a loan to Mac Parent, guaranteed by Debtors Mac Acquisition and Mac Holding, as well as by non-Debtor affiliates. Mac Parent granted liens on its assets to secure the $2.5M Term Loan. As of the Petition Date, approximately $2,396,065 in principal and accrued interest was outstanding under the $2.5M Term Loan.

On or about September 19, 2017, BOC provided the Debtors with an additional line of credit in the amount of $3,500,000 (the "**$3.5M Loan**"). The $3.5M Loan is structured as a loan to Mac Parent, and is guaranteed by all of the Debtors and by certain non-Debtor affiliates. The Debtors' guarantees are secured by a security interest against such entity's "Inventory, Chattel

Paper, Accounts, Equipment and General Intangibles," and all products and proceeds thereof. As of the Petition Date, approximately $3,500,015 in principal and accrued interest was outstanding under the $3.5M Loan.

In connection with the $3.5M Loan, (i) Mac Grill Services, the Debtor Operating Subsidiaries, and certain non-Debtor entities, guaranteed the BOC Revolving Loan, and pledged certain of their assets to secure such obligations, and (ii) all of the Debtors and certain non-Debtor entities guaranteed and pledged certain of their assets to secure all of the indebtedness owing to BOC, including without limitation the $2.5M Term Loan, to the extent they had not done so already. Certain non-Debtor guarantors of the BOC Claims include Dean Riesen and Richard Monfort, and certain of their affiliates. The family limited partnership established by Mr. Monfort that owned an interest in RedRock when the guarantees were signed has sold that interest to Riesen Funding, an entity 100% owned by Mr. Riesen, and no longer owns any equity in RedRock or indirectly in the Debtors, but Mr. Monfort and the family limited partnership have not been relieved of their obligations as guarantors of the BOC Claims. All of the guarantors of the BOC Claims reaffirmed their obligations when BOC entered into the Restructuring Support Agreement.

It is possible that any guarantees or pledges of security that were not made at the time of the applicable loan may be subject to avoidance under sections 544, 547, or 548 of the Bankruptcy Code, or that certain of the Debtors' assets could not be pledged prepetition as collateral for BOC under applicable state law. For example, the $3.5M Loan was made within 90 days before the Petition Date and certain debtors that had not previously pledged their assets to secure BOC's other Claims pledged their assets to secure both the new $3.5M Loan and the pre-existing debt under the BOC Revolving Loan and the $2.5M Term Loan. BOC provided the Debtors with at least $3,500,000 in new value. While the new liens might be avoidable to the extent they secured pre-existing debt if the value of all new collateral granted to BOC was less than the $3,500,000 in new value that BOC provided to the Debtors, the avoidance of any cross-collateralization may be irrelevant because BOC would still have a lien for new value that equals or exceeds the value of the additional collateral that it received. As explained below, the treatment of the BOC Claims pursuant to the Plan is intended to settle any potential Causes of Action against BOC.

The Creditors' Committee is currently investigating potential claims against BOC, and has reserved all rights with respect thereto. The period during which the Creditors' Committee has the right to investigate claims against BOC expires on December 29, 2017.

(b) Secured Loan from Riesen Funding

On or about July 3, 2017, Mac Parent received a loan in the amount of $5,000,000 (the "**Riesen Funding Loan**") from Riesen Funding. The Riesen Funding Loan was intended to enable the Debtors to meet their obligations on an on-going basis, while they completed their operational improvement plan and sought to negotiate settlements with their former lessors of surrendered locations. The Riesen Funding Loan was guaranteed by Mac Acquisition and by Mac Holding and is secured by security interests in substantially all of Mac Parent's, Mac Acquisition's and Mac Holding's personal property, in which an enforceable security interest could be granted prepetition, including, without limitation, Mac Acquisition's equity interests in

those Debtor Operating Subsidiaries with remaining restaurant locations.[7] The Riesen Funding Loan may be secured by certain assets of Mac Parent, Mac Acquisition and Mac Holding that are not encumbered by the liens securing the BOC Claims, including investment property such as the membership interests in (i) Mac Acquisition, (ii) Mac Holding, (iii) Mac KS, (iv) Mac Acquisition IP, and (v) RMG Development. As of the Petition Date, approximately $5,130,000 in principal and accrued interest was outstanding under the Riesen Funding Loan.

The Creditors' Committee is currently investigating potential claims with respect to the Riesen Funding Claim and the liens granted in connection with the Riesen Funding Loan, including but not limited to (ii) whether the Riesen Funding Claim should be recharacterized as an equity investment; and (ii) whether the Debtors have properly categorized the Risen Funding Claim in its own Class in light of the value of the Debtors and the amount of secured debt that is senior to the Riesen Funding Claim. There is no deadline for the Creditors' Committee investigation with respect to the Riesen Funding Claim.

(c) Security Interests Asserted by Vendors

Two of the Debtors' key suppliers—Sysco Corporation ("**Sysco**") and Edward Don & Company ("**Edward Don**")—have also filed UCC-1 financing statements to perfect security interests they assert against certain assets of Mac Acquisition.

Sysco provides most of the food and beverages served at the Debtors' restaurants, approximately 90% of which is entitled to special rights under PACA and PASA (as defined below), even if Sysco did not have a security interest in the goods it has provided. Sysco asserts a security interest in, among other things, all of Mac Acquisition's goods, inventory, equipment, instruments, chattel paper, documents, accounts, accounts receivable, general intangibles, deposit accounts, investment property, payment intangibles, and intellectual property. The balance owing to Sysco as of the Petition Date was approximately $2,500,000. The Bankruptcy Court has authorized the Debtors to pay Sysco's prepetition claims in the ordinary course of business pursuant to the PACA/PASA Order and the Critical Vendors Order (each as defined below).

Edward Don is a party to a distribution agreement with the Debtors, pursuant to which Edward Don has and continues to deliver certain hard goods necessary to the Debtors' restaurants, such as dinnerware, glassware, and flatware for the Debtors' restaurant tables. Edward Don asserts a security interest in substantially all of Mac Acquisition's personal property assets to secure a balance owing as of the Petition Date was approximately $500,000.

Cisco Systems Capital Corporation ("**Cisco**") has also recorded a UCC-1 financing statement relating to a lease of certain equipment to the Debtors. The Debtors reserve all rights with respect to whether the Cisco lease is a true lease or disguised security device, but do include in their budget the regular monthly payment provided for in the Cisco lease. The balance owing to Cisco as of the Petition Date was approximately $100,000.

[7] Based on restrictions under applicable state law, certain of the Debtors' liquor licenses are not subject to Riesen Funding's security interests.

4. The Debtors' Unsecured Indebtedness.

In addition to the secured debt listed above, the Debtors' estimate that, based on a review of their books and records, they have at least approximately $23.1 million in General Unsecured Claims owed to vendors, landlords, and other claimants as of the Petition Date.[8] This amount includes estimated claims under section 502(b)(6) of the Bankruptcy Code for those leases that were surrendered prior to the Petition Date and/or rejected pursuant to the First Lease Rejection Motion.[9] The total amount of the General Unsecured Claims asserted against the Debtors will not be known until the expiration of the Bar Date, and the amount of General Unsecured Claims may further be increased if the Debtors reject additional unexpired leases or executory contracts, and the counterparties to such unexpired leases or executory contracts assert damages claims.

Further, the Debtors were named as defendants in certain prepetition lawsuits that may be asserted as Claims in these Chapter 11 Cases. In one such lawsuit, Mac Parent and certain non-Debtor affiliated and non-affiliated entities (including certain Released Parties who will be receiving releases under the Plan) were named as defendants in a lawsuit titled *Ekryss v. Ignite Restaurant Group, Inc.*, Case No. 6:15-cv-06742-CJS in the United States District Court for the Western District of New York. The plaintiffs in this litigation, consisting of approximately nine (9) named plaintiffs and approximately 1,200 "opt in" plaintiffs who allege they worked at or were otherwise employed by Ignite Restaurant Group, Romano's Macaroni Grill, Joe's Crab Shack, or other related entities and persons, sought to certify a class action against the defendants. The defendants filed a motion to dismiss the complaint, and to compel arbitration pursuant to arbitration agreements among the plaintiffs and the defendants. The district court granted the defendants' motion to dismiss and compel arbitration. The plaintiffs have appealed the district court's order to the United States Court of Appeals for the Second Circuit, pending under Case No. 16-3408-cv. The Debtors anticipate that the district court's order will be affirmed on appeal and believe that they have no liability to the plaintiffs or the putative claims. The plaintiffs have not quantified the amount of their alleged claims and none of the plaintiffs or members of the putative class have commenced an arbitration proceeding.

The Bankruptcy Court established December 27, 2017 as the Bar Date. As of the Bar Date, _____ claims were filed against the Debtors asserting general unsecured claims in an amount not less than $_____. This amount does not reflect any analysis by the Debtors as to whether the amounts asserted are valid and this amount would not include any amounts attributable to a claim that asserts unliquidated or unknown amounts.

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[8] Schedule F for Mac Acquisition reflected $28,606,406.29 in nonpriority unsecured claims, but that amount includes $23,102,664 that is classified as Intercompany Claims under the Plan. The amounts set forth on Schedule F did not include any claim amounts for damages arising from the rejection or termination of leases of non-residential real property (which are subject to the caps section 502(b)(6) of the Bankruptcy Code) or unliquidated claims held by parties to unresolved potential or pending litigation.

[9] The Debtors have not formulated an estimate of potential claims arising out of the rejections of leases under the Second Lease Rejection Motion, but the Debtors believe that such claims may not be material in light of the fact that each of the premises subject of that motion had a replacement tenant in place.

ARTICLE V.

EVENTS LEADING UP TO THE COMMENCEMENT OF THE CHAPTER 11 CASES

At all times since RedRock acquired the Debtors, the Debtors' operations have failed to produce sufficient cash flow to cover all operating expenses and to service their debt obligations. The Debtors' trailing twelve-month EBITDA as of August 2017 was approximately negative $12 million. This financial performance, however, reflects all restaurants, including a thirty-seven (37) unprofitable stores that have been closed. The Debtors' losses were the product of several factors, including decreases in the Debtors' top line sales and its profit margins as a result of increased costs for both commodities and labor.

The Debtors' operations and financial performance have been adversely affected by a number of economic factors, but perhaps most notably by an overall downturn for the casual dining industry. The preferences of certain of the Debtors' target customers have shifted to cheaper, faster alternatives. On the other end of the spectrum, there is a trend among younger customers to spend their disposable income at non-chain "experience-driven" restaurants, even if slightly more expensive.

The Debtors engaged Mackinac Partners, LLC ("**Mackinac Partners**") to advise the Debtors with respect to needed changes in their operations. The Debtors, with the aid of the Debtors' management and advisors, identified certain restaurants that would need to be closed in order to reduce or eliminate ongoing cash flow losses and formulated a plan to reorganize around the Debtors' better-performing stores. As a result, the Debtors closed 37 unprofitable restaurant locations during the period from approximately January 2017 through approximately July 2017. The Debtors are currently operating 93 Debtor-owned restaurant locations around which the Debtors intend to reorganize. The Debtors' aim to emerge from chapter 11 in early 2018 and anticipate having profitable operations at their remaining locations during 2018.

Prior to commencing the Chapter 11 Cases, the Debtors engaged in negotiations with the lessors for the Debtors' 37 closed locations in an effort to reach consensual resolutions of the damages claims asserted by these lessors. The Debtors were able to reach agreements or tentative agreements with approximately 70% of the lessors of closed locations. Unfortunately, the Debtors were not able to reach agreements with all of these lessors and many of the holdout lessors commenced litigation seeking to enforce their claims against the Debtors. The lessors filed approximately 16 lawsuits across the country seeking to recover damages far in excess of the allowed claim they would be entitled to, as calculated under Bankruptcy Code section 502(b)(6), or anything the Debtors could afford to pay. Unable to resolve the claims of the lessors of the closed stores through an out-of-court process and facing mounting litigation costs, the Debtors were forced to pursue bankruptcy alternatives.

At all times in strategizing for a potential chapter 11 reorganization, the Debtors recognized that a prompt exit from chapter 11 would be critical. The Debtors simply would not have the liquidity and cash flow to fund a drawn-out bankruptcy process. Further, the Debtors recognized that they would require the support of a postpetition lending source that would help fund the Debtors' operational and administrative costs during the Chapter 11 Cases, as well as to potentially provide financing post-confirmation.

The Debtors approached BOC and Riesen Funding, the Debtors' largest secured creditors, to seek their cooperation with the Debtors' restructuring efforts. Based on the likely value of the Debtors' business and assets, the Debtors determined that the only feasible chapter 11 plan that would preserve the Debtors as going-concerns, and save the thousands of jobs provided by the business, would be to agree to restructuring BOC's secured debt, and to convert Riesen Funding's junior secured debt to equity in the reorganized entities. The Debtors, BOC, and Riesen Funding ultimately agreed to terms on the Restructuring Support Agreement, pursuant to which both BOC and Riesen Funding (the Supporting Parties) have agreed to support the Debtors' efforts to confirm the Plan. As explained herein, the Plan will restructure BOC's senior secured indebtedness, and will eliminate the debt owing to Riesen Funding. An executed copy of the Restructuring Support Agreement is attached to the *Declaration of Nishant Machado in Support of the Debtors' Chapter 11 Petitions and Requests for First Day Relief* [Docket No. 2] as Exhibit B thereto.

In further support of the Debtors' reorganization efforts, the Debtors also solicited sources of additional financing, and ultimately entered into negotiations and agreed to terms with Raven Asset-Based Opportunity Fund III, L.P., an affiliate of Raven Capital Management LLC, regarding the terms of additional financing. As explained below, the Debtors and Raven agreed to the terms of the DIP Facility, pursuant to which Raven has committed up to $5 million in additional financing to cover the Debtors' expenses during the Chapter 11 Cases. Further, subject to certain conditions precedent, Raven has agreed that, upon the Effective Date of the Plan, the principal and interest owing under the DIP Facility will be rolled-over into exit financing subject to the terms of the Exit Facility Term Sheet, a copy of which is attached to the DIP Credit Agreement as Annex C (the "Exit Facility"), with Raven agreeing to commit up to an additional $8.5 million to fund the Debtors' restructuring process on a go-forward basis.

While the Debtors believe that the Plan provides the greatest opportunity for the Debtors to promptly emerge from chapter 11 and make distributions to creditors, the Debtors have retained Duff & Phelps to market the Debtors' companies and assets on a parallel path with the Debtors' plan process. If the marketing process identifies a third party that is willing to pay a purchase price that provides greater value to the estate than the Plan, and is sufficient to pay in full the DIP Facility Claims, the BOC Claims, and the Riesen Funding Claims, and any Other Secured Claims, both the Restructuring Support Agreement and the DIP Facility contain "fiduciary outs" that would permit the Debtors to pursue an alternative transaction.

ARTICLE VI.

THE CHAPTER 11 CASES

A. Significant "First Day" Motions

Upon the commencement of a case under chapter 11 of the Bankruptcy Code, the Bankruptcy Code imposes an automatic stay on creditors and others in dealing with the debtor, and also imposes strict limitations on actions that may be taken by the debtor absent authorization by the bankruptcy court. For that reason, a debtor typically files a number of so-called "first day" motions, either on the actual petition date itself or within the first few business

days thereafter, seeking bankruptcy court approval to continue to operate its business and to facilitate its bankruptcy reorganization.

To facilitate a smooth and efficient administration of the Chapter 11 Cases and minimize the impact to daily business operations, the Bankruptcy Court entered certain procedural orders by which it (a) approved the joint administration of the Chapter 11 Cases [Docket No. 39]; (b) authorized the appointment of DRC as claims and noticing agent [Docket No. 40]; and (c) prohibited utilities from altering, refusing or discontinuing service on an interim basis [Docket No. 41].

Recognizing that any interruption to the Debtors' business, even for a brief period of time, would negatively impact their operations, customer relationships, revenue, and profits while seeking to facilitate the stabilization of their business and effectuate a smooth transition into operating as debtors in possession, the Debtors sought and obtained orders authorizing them to:

- Maintain customer programs and honor their prepetition obligations arising under or in relation to those programs [Docket No. 43];
- Pay prepetition wages, salaries and other compensation, reimbursable employee expenses, and employee benefits and other obligations, as discussed in more detail below [Docket No. 46];
- Pay prepetition claims under "**PACA**" (the Perishable Agricultural Commodities Act) and "**PASA**" (the Packers and Stockyards Act) in the ordinary course of business [Docket No. 47] (the "**PACA/PASA Order**"), which was granted on an interim basis and will be heard on a final basis on November 13, 2017;
- Pay prepetition claims of certain critical vendors [Docket No. 48] (the "**Critical Vendor Order**");
- Pay certain prepetition taxes and fees [Docket No. 45];
- Continue prepetition insurance programs and pay all obligations in respect of those programs [Docket No. 44]; and
- Maintain their existing cash management systems [Docket No. 54].

B. Retention of Professionals

The Debtors have filed several applications seeking orders authorizing the retention of certain professionals needed by the Debtors in connection with the Chapter 11 Cases, including the retention of: (i) Gibson, Dunn & Crutcher LLP, as restructuring counsel [Docket No. 85]; (ii) Young Conaway Stargatt & Taylor, LLP, as bankruptcy co-counsel [Docket No. 81]; and (iii) Mackinac Partners, as restructuring financial advisor and to provide Nishant Machado to fulfill certain officer roles [Docket No. 86]. These applications were all approved by separate orders entered by the Bankruptcy Court on November 9, 2017 [Docket Nos. 169, 171, 172]. In

addition, on November 13, 2017, the Bankruptcy Court entered an order approving the Debtors' motion seeking authority to employ and compensate certain professionals utilized by the Debtors in the ordinary course of their business (*nunc pro tunc* to the Petition Date) [Docket Nos. 82, 176]. The Debtors have also retained DRC as their administrative advisor [Docket Nos. 80, 168].

On November 13, 2017, the Debtors filed an application seeking an order authorizing the retention of Duff & Phelps Securities, LLC ("**Duff & Phelps**") as the Debtors' financial advisor and investment banker [Docket No. 181]. On December 1, 2017, the Bankruptcy Court entered an order approving this application [Docket No. 262].

C. Official Committee of Unsecured Creditors

On October 30, 2017, the United States Trustee for the District of Delaware formed an Official Committee of Unsecured Creditors (the "**Creditors' Committee**"), and appointed the following members of the Creditors' Committee: (i) Aramark Uniform & Career Apparel, LLC; (ii) Chas P. Young Company, an RR Donnelley Company; (iii) Darrell Evans; (iv) J. Nazzaro Partnership LP; (v) Casual Dining Cool Springs, LLC; (vi) Simon Property Group, Inc.; and (vii) NCR Corporation. The Creditors' Committee has selected Kelley Drye & Warren LLP and Bayard, P.A. as its counsel and Province, Inc. as its financial advisor, and filed applications seeking orders authorizing retention of these professionals on November 28, 2017 [Docket Nos. 244, 245, 246].

D. The DIP Facility

As one of their "first day" motions the Debtors filed a motion seeking entry by the Bankruptcy Court of the Interim DIP Order and Final DIP Order authorizing the Debtors to enter into the DIP Facility and obtain postpetition financing and grant liens and super-priority administrative expense status to Raven (the "**DIP Motion**") [Docket No. 13].[10]

The DIP Facility is established pursuant to the DIP Credit Agreement, entered into among Mac Acquisition, as borrower, the remaining Debtors and certain non-Debtor entities as guarantors and pledgors, the DIP Lenders from time to time party thereto, and Raven as DIP Agent thereunder. Each of the other Debtors, have guaranteed all of Mac Acquisition's obligations under the DIP Facility. The obligations under the DIP Facility have also been guaranteed in full by non-Debtors RMG Development and Mac Acquisition IP, with such entities also pledging all of their property as collateral for the obligations under the DIP Facility. The obligations under the DIP Facility have also been guaranteed in part by certain non-Debtors, including Dean A. Riesen and Richard L. Monfort, and certain of their related entities.

The DIP Facility consists of a secured superpriority debtor-in-possession DIP Facility in the aggregate principal amount of up to $5 million (the "**DIP Loan**"). The liens securing the DIP Loan are set forth in the DIP Order. These liens are junior to the liens securing the BOC Claim and any Prior Liens (as defined in the Final DIP Order) other than, with the consent of

[10] The DIP Motion also sought adequate protection for BOC, in the form of, among other things, replacement liens and super-priority administrative expense status.

Riesen Funding, the liens securing the Riesen Funding Claim. These liens are senior (i) on any property of the Debtors or Guarantors (or proceeds thereof) to the extent such property was not encumbered by a BOC lien or Prior Liens on the Petition Date and (ii) to the liens securing the Riesen Funding Claim

On October 19, 2017, the Bankruptcy Court approved the DIP Facility, on an interim basis, pursuant to the Interim DIP Order [Docket No. 56]. On November 13, 2017, the Bankruptcy Court approved the DIP Facility, on a final basis, upon the terms and subject to the conditions set forth in the Final DIP Order [Docket No. 179]. The Final DIP Order provides the Creditors' Committee until December 29, 2017 to investigate potential claims related to the liens and claims of BOC.

E. Assumption/Rejection of Leases and Executory Contracts

Under the Bankruptcy Code, the Debtors have 120 days after the Petition Date to assume or reject unexpired leases of nonresidential real property. The Bankruptcy Court may extend such period for 90 days for cause; and may further extend such period only upon prior written consent of the affected lessor. Also under the Bankruptcy Code, the Debtors have until confirmation of the Plan to assume or reject executory contracts. The deadline for assuming or rejecting the Debtors' unexpired leases of nonresidential real property in the Chapter 11 Cases is February 15, 2018. The Debtors reserve the right to seek extensions of that current deadline if necessary.

From January 2017 through the Petition Date, the Debtors closed and vacated 37 restaurant locations. To the extent any leases for such restaurant locations were not assigned or subleased prepetition, the Debtors have filed a motion to reject such leases *nunc pro tunc* to the Petition Date, along with certain burdensome and/or valueless executory contracts [Docket No. 25] (the "**First Lease Rejection Motion**"). The Debtors believe that the leases subject to the First Lease Rejection Motion were effectively surrendered to the subject landlords prior to the Petition Date; however, the Debtors filed the First Lease Rejection Motion out of an abundance of caution so as to cut off the incurrence of unnecessary administrative expense claims if those leases were later determined not to have been terminated pre-petition. On November 13, 2017, the Bankruptcy Court approved the First Lease Rejection Motion [Docket No. 177].

On November 13, 2017, the Debtors filed a second motion to reject 5 additional leases for restaurant locations that the Debtors no longer utilize, and 5 subleases associated with those locations [Docket No. 186] (the "**Second Lease Rejection Motion**"). On December 1, 2017, the Bankruptcy Court entered an order approving the Second Lease Rejection Motion [Docket No. 261].

The Debtors are continuing to review their real estate leases and executory contracts in order to determine if additional leases and contracts should be rejected to best position the Debtors for long-term success and growth. As more fully described in Article VII of this Disclosure Statement, the Plan sets forth a mechanism for dealing with the assumption or rejection by the Debtors of their leases and executory contracts.

F. Employment-Related Compensation

As one of their "first day" motions filed with the Bankruptcy Court, the Debtors sought authority to pay: certain prepetition employee salary, wages, benefits, bonuses, and other compensation; withholding taxes to federal, state and local authorities related to those payments; certain amounts withheld from some employees for insurance programs, savings plans, child support, and garnishments; outstanding claims for reimbursement of business expenses incurred by employees prepetition; and other employee related obligations, including satisfaction of any workers' compensation claims (the "**Employee Motion**") [Docket No. 9]. On October 19, 2017, the Bankruptcy Court entered an order (the "**Employee Order**") [Docket No. 56] granting the Employee Motion. The Employee Order provided, however, that the Debtors were not authorized to pay the bonus program for Restaurant Support Center employees absent further order of the Bankruptcy Court.

G. Claims Process

On October 19, 2017, the Debtors filed a motion (the "**Bar Date Motion**") [Docket No. 60] requesting that the court establish deadlines for the filing of proofs of claim against the Debtors in the Chapter 11 Cases (the "**Bar Dates**"). On November 21, 2017, the Bankruptcy Court entered an order, among other things, establishing the Bar Dates [Docket No. 221] (the "**Bar Date Order**"). The "General Bar Date" (as defined in the Bar Date Order) has been set as December 27, 2017. The Debtors notified known creditors of the deadline for filing proofs of claim against the Debtors by mailing a bar date notice to them on or before November 27, 2017 and published notice of the Bar Dates in the National Edition of *The New York Times* on November 29, 2017. Any person or entity (with certain exceptions, as further set forth in the Bar Date Order) that fails to timely file a Proof of Claim by the applicable Bar Date will not be permitted to vote to accept or reject the Plan, or any other plan filed in the Chapter 11 Cases, or to receive any distribution in the Chapter 11 cases on account of such claim.

The Debtors filed their respective Schedules of Assets and Liabilities and their Statement of Financial Affairs on November 17, 2017, which are in the process of being amended and supplemented.

The Plan provides that, with certain exceptions, the Reorganized Debtors have until the later of (i) one hundred and eighty (180) days after the Effective Date, and (ii) such later date as may be fixed by the Court upon a motion by the Reorganized Debtors to file objections to Claims.

ARTICLE VII.

SUMMARY OF THE PLAN

A. Introduction

The Debtors have proposed the Plan, consistent with the requirements described in Subsection B below, and in consultation with the Supporting Parties. The Debtors believe, and

at the Confirmation Hearing will demonstrate to the Bankruptcy Court,[11] that the Debtors' creditors will receive at least as much, and likely more, in value under the Plan than they would receive were there instead to be a liquidation of the Debtors under chapter 7 of the Bankruptcy Code.

THE FOLLOWING IS A SUMMARY OF SOME OF THE SIGNIFICANT ELEMENTS OF THE PLAN. THIS DISCLOSURE STATEMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE MORE DETAILED INFORMATION SET FORTH IN THE PLAN ITSELF. CREDITORS ARE URGED TO READ THE PLAN IN ITS ENTIRETY.

B. General Rules of Classification

In general, the Bankruptcy Code only permits distributions to be made under a debtor's chapter 11 reorganization plan on account of "allowed" expenses relating to the administration of the debtor's bankruptcy estate, as well as "allowed" prepetition claims against the debtor and "allowed" prepetition equity interests in the debtor. "Allowance" simply means that the debtor has agreed (or, in the event of a dispute, that the Bankruptcy Court has determined) the particular administrative expense, claim, or equity interest, including the amount thereof, in fact is a valid obligation of (or equity interest in) that debtor. Section 502(a) of the Bankruptcy Code provides that a timely filed claim or equity interest is "allowed" automatically unless the debtor (or another party in interest) objects to its allowance. Section 502(b) of the Bankruptcy Code, however, specifies certain types of claims (including, among other things, claims for unmatured interest on unsecured or undersecured obligations, and nonresidential real property lease and employment contract rejection damage claims above specified thresholds) that cannot be "allowed" in the bankruptcy case even where a valid proof of claim has been timely filed in the debtor's bankruptcy case. Section 503(b) of the Bankruptcy Code provides that requests for administrative expenses will be allowed after notice of, and a hearing on, the request for administrative expense and so long as the requirements for allowance of an administrative expense that are enumerated in section 503(b) are met. The Bankruptcy Code requires that, for purposes of treatment and voting, and subject to certain exceptions, a chapter 11 reorganization plan must divide the different "allowed" claims against, and equity interest in, the debtor into separate "classes" based upon the nature of such claims and equity interests. Generally, claims of a substantially similar legal nature would be classified together. The same is true for equity interests having a substantially similar legal nature. This classification process focuses on the legal nature of the particular claims and equity interests, rather than on the holders of those claims and equity interests, making it common for holders of multiple claims and/or equity interests to find themselves as members of multiple classes for purposes of treatment and voting with respect to a debtor's chapter 11 reorganization plan.

[11] The Plan makes reference to "Court" rather than to the "Bankruptcy Court", in order to address also those instances where there is no reference pursuant to section 157 of title 28 of the United States Code, or where some other court has jurisdiction over the Chapter 11 Cases or any proceedings arising therefrom. For ease of reference, this Disclosure Statement refers simply to the "Bankruptcy Court" (with such reference also to reference the more broadly defined term "Court" as and to the extent applicable under the Plan).

The Bankruptcy Code further requires, in this classification process, that classes of claims and equity interests must be designated either as "impaired" (if altered by the reorganization plan in some way) or "unimpaired" (if not). The Bankruptcy Code then provides the holders of impaired claims and impaired equity interests with certain additional rights (such as the right to vote to accept or reject the plan), and the right to receive not less than the value the holder would have received were the debtor instead to liquidate under chapter 7 of the Bankruptcy Code), with certain limited exceptions. The Bankruptcy Code establishes the criteria for determining whether or not a class of claims or equity interests is "impaired" or "unimpaired" for purposes of treatment and voting under the plan.

The classification, treatment, question of impairment, and entitlement to vote of the Allowed Claims against the Debtors and Allowed Equity Interests in the Debtors, were summarized briefly in Article II of this Disclosure Statement, and are described in greater detail below. As provided in the Plan, a Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes. A Claim or Interest is also placed in a particular Class for the purpose of receiving Distributions only to the extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and such Claim or Interest has not been paid, released, or otherwise settled prior to the Effective Date.

C. Treatment of Certain Unclassified Claims

Under section 1123(a)(1) of the Bankruptcy Code, certain categories of claims that must be addressed in the proposed reorganization plan need not be classified (that is, put into one of the specific classes established in that plan) for purposes of such plan. In connection with the Chapter 11 Cases, the Debtors have identified four (4) applicable categories of unclassified Claims.

1. Unclassified – Administrative Claims

Administrative Claims consist of any Claim for costs and expenses of administration of the Estates pursuant to sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code other than the DIP Facility Claims, including: (a) the actual and necessary costs and expenses incurred after the Petition Date and through the Effective Date of preserving and operating the Estates; (b) any indebtedness or obligations incurred or assumed by the Debtors in connection with the conduct of their businesses after the Petition Date, including for wages, salaries, or commissions for services, and payments for goods and other services and leased premises to the extent such indebtedness or obligations provided a benefit to the Debtors' estates; and (c) all fees and charges assessed against the Estates pursuant to section 1930 of chapter 123 of title 28 of the United States Code.

The Plan provides that, except to the extent a holder of an Allowed Administrative Claim already has been paid during the Chapter 11 Cases or such holder agrees to less favorable treatment with respect to such holder's Claim, each holder of an Allowed Administrative Claim shall receive, in full satisfaction, settlement, release, and discharge of, and in exchange for, its Administrative Claim, Cash equal to the unpaid portion of its Allowed Administrative Claim, to

be paid on the latest of: (a) the Effective Date, or as soon as reasonably practicable thereafter, if such Administrative Claim is Allowed as of the Effective Date; (b) the date such Administrative Claim is Allowed, or as soon as reasonably practicable thereafter; (c) the date such Allowed Administrative Claim becomes due and payable, or as soon as reasonably practicable thereafter; and (d) such other date as may be agreed upon between the holder of such Allowed Administrative Claim and the Debtors or the Reorganized Debtors, as the case may be.

The Plan provides that, unless a prior date has been established pursuant to the Bankruptcy Code, the Bankruptcy Rules or a prior order of the Court, the Confirmation Order will establish a bar date for filing notices, requests, Proofs of Claim, applications or motions for allowance of Administrative Claims (other than Professional Fee Claims, DIP Facility Claims, and Claims by any trade creditor or customer of the Debtors whose Claim is on account of ordinary course of business goods or services provided to the Debtors during the course of the Chapter 11 Cases), which date shall be the Administrative Claims Bar Date. Holders of Administrative Claims not paid prior to the Confirmation Date must file with the Court and serve upon the Debtors or Reorganized Debtors, as applicable, a motion requesting payment of such Administrative Claim on or before the Administrative Claims Bar Date or forever be barred from doing so. The notice of entry of the Confirmation Order to be delivered pursuant to Bankruptcy Rules 3020(c) and 2002(f) will set forth the Administrative Claims Bar Date and constitute good and sufficient notice of the Administrative Claims Bar Date.

a. Professional Fee Claims

Professional Fee Claims consist of Administrative Claims Allowed under section 328, 330(a), 331, or 503 of the Bankruptcy Code for reasonable compensation of a Professional or other Person for services rendered or expenses incurred in the Chapter 11 Cases on or prior to the Effective Date (including the reasonable, actual and necessary expenses of the members of the Creditors' Committee incurred as members of the Creditors' Committee in discharge of their duties as such).

The Plan provides that all requests for compensation or reimbursement of Professional Fee Claims pursuant to sections 327, 328, 330, 331, 363, 503, or 1103 of the Bankruptcy Code for services rendered prior to the Effective Date shall be filed and served on the Reorganized Debtors, counsel to the Reorganized Debtors, the United States Trustee, counsel to each of the Supporting Parties, counsel to the Creditors' Committee, and such other entities who are designated by the Bankruptcy Rules, the Confirmation Order or other order of the Court, no later than forty-five (45) days after the Effective Date. Holders of Professional Fee Claims that are required to file and serve applications for final allowance of their Professional Fee Claims and that do not file and serve such applications by the required deadline shall be forever barred from asserting such Claims against the Debtors, the Reorganized Debtors, or their respective properties, and such Professional Fee Claims shall be deemed discharged as of the Effective Date. Objections to any Professional Fee Claims must be filed and served no later than sixty-five (65) days following the Effective Date. Objections must be served on the Reorganized Debtors, counsel for the Reorganized Debtors, counsel to each of the Supporting Parties, counsel to the Creditors' Committee and the holders of Professional Fee Claims requesting payment.

2. Unclassified – Priority Tax Claims

Priority Tax Claims include any unsecured Claim that is entitled to a priority in right of payment under section 507(a)(8) of the Bankruptcy Code.

The Plan provides that, except to the extent a holder of an Allowed Priority Tax Claim agrees to a different treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Priority Tax Claim, each such holder shall be paid, at the option of the Debtors, with the approval of the Supporting Parties and the DIP Agent, (i) in the ordinary course of the Debtors' business, consistent with past practice; provided, however, that in the event the balance of any such Claim becomes due during the pendency of the Bankruptcy Cases and remains unpaid as of the Effective Date, the holder of such Claim shall be paid in full in Cash on the Effective Date or (ii) in installment payments over a period of time not to exceed five years after the Petition Date, pursuant to section 1129(a)(9)(C) of the Bankruptcy Code.

3. Unclassified – DIP Facility Claims

DIP Facility Claims include all Claims arising under or relating to the DIP Facility, whether pursuant to the DIP Credit Agreement, any other DIP Loan Document, any notes, the Final DIP Order, or otherwise.

The Plan provides that, upon the Effective Date, the DIP Facility Claims shall be deemed to be Allowed Claims. The DIP Facility Claims shall be paid in full in Cash by the Debtors on the Effective Date and all commitments under the DIP Facility shall terminate; provided, however, subject to the satisfaction of the terms and conditions of the Exit Facility Term Sheet, the DIP Facility Claims may be indefeasibly satisfied by an in-kind exchange on a dollar-for-dollar basis for obligations of the Reorganized Debtors (and their non-debtor affiliates and guarantors) under the Exit Facility; provided, however, subject to the terms and conditions of, and to the review provisions set forth in, the Final DIP Order, any and all DIP Facility Claims constituting fees and expenses under the DIP Facility shall not be satisfied by the in-kind exchange and shall rather be deemed to be Allowed Claims and indefeasibly paid in full in Cash on the Effective Date. The Debtors' contingent or unliquidated obligations under the DIP Facility, to the extent not indefeasibly paid in full in Cash on the Effective Date or otherwise satisfied by the Debtors in a manner acceptable to the DIP Facility Agent, any affected DIP Facility Lender, or any holder of a DIP Facility Claim, as applicable, shall survive the Effective Date and shall not be released or discharged pursuant to the Plan or the Confirmation Order, notwithstanding any provision hereof or thereof to the contrary.

D. Classification and Treatment of Claims and Equity Interests

1. Class 1 – Other Priority Claims

Other Priority Claims include any Claim against any of the Debtors other than an Administrative Claim, a Professional Fee Claim, a Priority Tax Claim or a DIP Financing Claim that is entitled to priority in payment as specified in section 507(a)(3), (4), (5), (6), (7), or (9) of Bankruptcy Code.

The Plan provides that, except to the extent that a holder of an Allowed Other Priority Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Other Priority Claim, each such holder shall be paid, to the extent such Claim has not already been paid during the Chapter 11 Cases, in full in Cash in the ordinary course of business by the Debtors or the Reorganized Debtors, as applicable, on or as soon as reasonably practicable after the latest of (i) the Effective Date, (ii) the date on which such Other Priority Claim against the Debtor becomes Allowed, or (iii) such other date as may be ordered by the Court.

The Bankruptcy Court entered an order authorizing the Debtors to pay, among other things, unpaid prepetition employee compensation and benefits. Further, pursuant to the PACA/PASA Order and Critical Vendor Order, the Bankruptcy Court authorized the Debtors to pay most of the Debtors' claims that would be entitled to a priority claim under section 503(b)(9) of the Bankruptcy Code. The Debtors estimate that any remaining Allowed Claims in Class 1 that are due and payable pursuant to the Plan on or before the Effective Date are covered by the budget approved pursuant to the DIP Facility.

Class 1 is Unimpaired under the Plan. Holders of Allowed Other Priority Claims in Class 1 are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and, therefore, are not entitled to vote to accept or reject the Plan.

2. Class 2 – Other Secured Claims

Other Secured Claims include any Claim (other than the DIP Facility Claims, the BOC Claims or the Riesen Funding Claims) to the extent reflected in the Schedules or a Proof of Claim filed as a secured Claim, which is (i) secured by a Lien on Collateral to the extent of the value of such Collateral, as determined in accordance with section 506(a) of the Bankruptcy Code or (ii) in the event that such Claim is subject to a right of setoff under section 553 of the Bankruptcy Code, to the extent of such right of setoff.

The Plan provides that, except to the extent that a holder of an Allowed Other Secured Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Other Secured Claim, each such holder shall be Reinstated, or, at the option of the Debtors or the Reorganized Debtors with the consent of the Supporting Parties, each holder of an Allowed Other Secured Claim shall receive, either (i) Cash in the full amount of such Allowed Other Secured Claim, including any postpetition interest Allowed pursuant to section 506(b) of the Bankruptcy Code, (ii) the net proceeds of the sale or disposition of the collateral securing such Allowed Other Secured Claim to the extent of the value of the holder's secured interest in such collateral, (iii) the collateral securing such Allowed Other Secured Claim, or (iv) such other Distribution as necessary to satisfy the requirements of section 1124 of the Bankruptcy Code on account of such Allowed Other Secured Claim.

Class 2 is Unimpaired under the Plan. Holders of Other Secured Claims in Class 2 are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and, therefore, are not entitled to vote to accept or reject the Plan.

3. Class 3 – BOC Claims

BOC Claims in Class 3 include any Claims held by BOC against any of the Debtors as of the Petition Date.

The Plan provides that the BOC Claims shall be Allowed in full without set-off, defense or counterclaim in the aggregate principal amount of not less than $13,829,080 plus (i) all unreimbursed obligations on account of issued letters of credit and (ii) all outstanding fees, accrued and unpaid pre- and post-petition interest, expenses and contingent reimbursement obligations, in each case, pursuant to and as provided in the BOC Credit Documents.

The Plan provides that, except to the extent that BOC agrees to less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for the BOC Claims, each holder of a BOC Claim shall receive its Pro Rata share of:

a. on the Effective Date payment of $3,500,000 in cash;

b. payment of $41,666.67 each month for twenty-four (24) months from and after the Effective Date to be applied to the reduction of the principal portion of the Allowed BOC Claims;

c. payment of interest only at the rate of 5.00% per annum on the remaining balance owing to BOC on account of the Allowed BOC Claims after receipt of the payments pursuant to (a) and (b), above, each month for twenty-four (24) months from and after the Effective Date;

d. payment of the remaining portion of the Allowed BOC Claims representing principal and any other unpaid interest, fees and charges relating thereto that are part of the Allowed BOC Claims in full in Cash on the first day of the twenty-fourth month after the Effective Date;

e. payment of the fees and expenses provided for in Article X.B.6 of the Plan;

f. the reinstatement of any letters of credit that remain issued and outstanding as of the Effective Date on the same terms as the BOC Credit Documents or such other terms agreed to by BOC and the Debtors;

g. the Liens granted under the BOC Credit Documents shall remain in place to secure payment of the foregoing items (a) through (f) and shall automatically terminate upon the indefeasible payment of all such obligations.

The payments and treatment of the BOC Claims set forth above shall be subject to terms and conditions set forth in BOC Post-Effective Date Documents the form of which shall be reasonably acceptable to the Debtors, BOC, and Raven and included in the Plan Supplement.

Class 3 is impaired under the Plan. Holders of Allowed Class 3 Claims are entitled to vote to accept or reject the Plan.

4. Class 4 – Riesen Funding Claims

Riesen Funding Claims in Class 4 include all obligations arising from the $5,000,000 loan made by Riesen Funding to Mac Parent evidenced by that Promissory Note dated as of July 3, 2017, which was guaranteed by, and secured by the assets of, Mac Acquisition and Mac Holding. The Plan provides that the Riesen Funding Claims shall be Allowed in full without set-off, defense, or counterclaim in the aggregate principal amount of not less than $5,130,00 plus all outstanding fees, accrued and unpaid pre- and post-petition interest, expenses and contingent reimbursement obligations, in each case, pursuant to and as provided in the promissory note, guarantees and other loan documents governing the Riesen Funding Claims.

The Plan provides that on the Effective Date, or as soon thereafter as reasonably practicable, in full and final satisfaction, settlement, release, and discharge of and in exchange for such Claim, each holder of a Riesen Funding Claim shall receive a Pro Rata share of the Equity Interests in the Reorganized Mac Parent. The New Equity Interests will be subject to dilution if the warrants to acquire 5% of the Equity Interests in Reorganized Mac Parent granted under the Exit Facility are exercised, with such Equity Interests having the rights and terms specified in the Exit Facility Documents.

Class 4 is Impaired under the Plan. Holders of Class 4 Claims are entitled to vote to accept or reject the Plan.

5. Class 5 – General Unsecured Claims

A General Unsecured Claim consists of any Claim against any of the Debtors that is not a DIP Facility Claim, Administrative Claim (including Professional Fee Claims), Priority Tax Claim, Other Priority Claim, BOC Claim, Riesen Funding Claim, Other Secured Claim, Intercompany Claim, or Subordinated Claim, and shall include, without limitation, any Claims arising from existing or potential litigation against any of the Debtors.

The Plan provides that, on the Effective Date, or as soon thereafter as reasonably practicable, except to the extent that a holder of an Allowed General Unsecured Claim agrees to less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for such Claim, each holder of an Allowed General Unsecured Claim shall receive:

a. If Class 5 votes in favor of the Plan, its Pro Rata share of the General Unsecured Claim Cash Pool; or

b. If Class 5 rejects the Plan, no distribution on account of its Allowed General Unsecured Claim**.**

Class 5 is Impaired under the Plan. Holders of Allowed General Unsecured Claims in Class 5 are entitled to vote to accept or reject the Plan.

6. Class 6 – Intercompany Claims

Intercompany Claims include any Claim held by one of the Debtors against any other Debtor, including (a) any account reflecting intercompany book entries by a Debtor with respect to any other Debtor, (b) any Claim not reflected in book entries that is held by such Debtor against any other Debtor or Debtors, and (c) any derivative Claim asserted or assertable by or on behalf of a Debtor against any other Debtor or Debtors.

The Plan provides that Intercompany Claims shall be reinstated, cancelled, or compromised as determined by the Debtors.

Class 6 is Unimpaired under the Plan. Holders of Allowed Intercompany Claims in Class 6 are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and, therefore, are not entitled to vote to accept or reject the Plan.

7. Class 7 – Subordinated Claims

A Subordinated Claim includes (i) any non-compensatory penalty claims; (ii) any Claim that is subordinated by Final Order of the Court pursuant to section 510(b) or 510(c) of the Bankruptcy Code or pursuant to any other applicable law; and (iii) any Claim against the Debtors arising from the rescission of a purchase or sale of a security of the Debtors, for damages arising from the purchase or sale of such security, or for reimbursement or contribution allowed under section 502 of the Bankruptcy Code on account of such Claim.

The Plan provides that the holders of Subordinated Claims shall neither receive Distributions nor retain any property under the Plan for or on account of such Subordinated Claims.

Class 7 is Impaired under the Plan. Holders of Subordinated Claims in Class 7 are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code and, therefore, are not entitled to vote to accept or reject the Plan.

8. Class 8 – Existing Equity Interests

The Plan defines an Existing Equity Interest as meaning all issued and outstanding Equity Interests in Mac Parent, including any vested or unvested and exercised or unexercised options or warrants to acquire such Equity Interests.

The Plan provides that Existing Equity Interests shall be discharged, cancelled, released, and extinguished as of the Effective Date and holders of Existing Equity Interests shall neither receive any Distributions nor retain any property under the Plan for or on account of such Equity Interests.

Class 8 is Impaired under the Plan. Holders of Existing Equity Interests in Class 8 are presumed and deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code and, therefore, are not entitled to vote to accept or reject the Plan.

9. Class 9 – Intercompany Interests

An Intercompany Interest includes any Interest held by one of the Debtors in any other Debtor.

The Plan provides that Intercompany Interests shall be cancelled or reinstated, as determined by the Debtors.

Class 9 is Unimpaired under the Plan. Holders of Intercompany Interests are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and, therefore, are not entitled to vote to accept or reject the Plan.

E. Provisions Regarding Corporate Governance of the Reorganized Debtors

1. Cancellation of Existing Equity Interests

On the Effective Date, all Existing Equity Interests shall be cancelled in accordance with the Plan.

2. Management of the Reorganized Debtors

On the Effective Date, the term of each member of the current boards of directors or manager of the Debtors shall expire, and the board or manager of each of the Reorganized Debtors, as well as the officers of each of the Reorganized Debtors, shall consist of those individuals that will be identified in the Plan Supplement. Following the Effective Date, the appointment and removal of the members of the board or manager of each of the Reorganized Debtors shall be governed by the terms of each Reorganized Debtor's respective entity governance documents. Raven shall be granted the observation rights set forth in the Exit Facility Documents from and after the Effective Date.

3. Powers of Officers

The officers of the Debtors or the Reorganized Debtors, as applicable, shall have the power to (i) enter into, execute, or deliver any documents or agreements that may be necessary and appropriate to implement and effectuate the terms of the Plan, and (ii) take any and all other actions that may be necessary and appropriate to effectuate the terms of the Plan, including the making of appropriate filings, applications, or recordings, provided that such documents and agreements are in form and substance acceptable to the DIP Agent and the terms of the Exit Facility.

F. Substantive Consolidation of the Debtors

Early into the Chapter 11 Cases, upon the motion of the Debtors, the Bankruptcy Court ordered that the Chapter 11 Cases be administered on a joint rather than individual basis. Joint administration of the bankruptcy reorganization cases of affiliated debtors commonly occurs, as it greatly simplifies that administration, for the bankruptcy court, the debtors, and the debtors' claimants. Joint administration of the bankruptcy cases of affiliated debtors does not, in and of

itself, displace or otherwise impact the substantive rights of any party in interest; nor does it necessarily presage the substantive consolidation of those affiliated debtors for any purpose.

Unlike joint administration, substantive consolidation does affect substantive rights, and is permissible only under certain narrowly prescribed circumstances. "Substantive consolidation, a construct of federal common law, emanates from equity. It 'treats separate legal entities as if they were merged into a single survivor left with all the cumulative assets and liabilities (save for inter-entity liabilities, which are erased). The result is that claims of creditors against separate debtors morph to claims against the consolidated survivor.' Consolidation restructures (and thus revalues) rights of creditors and for certain creditors this may result in significantly less recovery." *In re Owens Corning*, 419 F.3d 195 (3d Cir. 2005), as amended (internal citation omitted).

The United States Supreme Court has not established any set framework, binding nationwide, for determining when substantive consolidation may be appropriate. In the case of the Chapter 11 Cases, the governing analysis is contained in the *Owens Corning* case referenced above. *Owens Corning* was decided by the United States Court of Appeals for the Third Circuit, which circuit includes bankruptcy courts located in the State of Delaware and which decision also constitutes perhaps the most recent full substantive consolidation analysis of any federal circuit court.

In *Owens Corning*, the Third Circuit confirmed that substantive consolidation exists as a remedy available to a bankruptcy court for use in appropriate circumstances over the objections of creditors. *Id*. at 210. In reversing the district court's consolidation of a parent company and a number of its subsidiary guarantors, the Third Circuit established two alternate rationales to be used by a bankruptcy court in this jurisdiction in order to order substantive consolidation, absent the consent of the parties. The bankruptcy court must find that "(i) prepetition [the applicable debtors] disregarded separateness so significantly their creditors relied on the breakdown of entity borders and treated them as one legal entity or (ii) postpetition their assets and liabilities are so scrambled that separating them is prohibitive and hurts all creditors." *Id*. (footnotes omitted).

The Plan provides that, solely for purposes of voting on, confirmation of, and Distributions to be made to holders of Allowed Claims under the Plan, it is a condition precedent to confirmation of the Plan that the Court provide in the Confirmation Order for the limited consolidation of the Estates of the Debtors into a single Estate for such purposes.

As provided in the Plan, pursuant to the Confirmation Order: (i) all assets and liabilities of the consolidated Debtors will be deemed to be merged solely for purposes of Distributions to be made under the Plan, (ii) the obligations of each Debtor will be deemed to be the obligation of the consolidated Debtors solely for purposes of Distributions under the Plan, (iii) any Claims filed or to be filed in connection with any such obligations will be deemed Claims against the consolidated Debtors, (iv) each Claim filed in the Chapter 11 Case of any Debtor will be deemed filed against the Debtors in the consolidated Chapter 11 Cases in accordance with the limited consolidation of the assets and liabilities of the Debtors, (v) all transfers, disbursements and Distributions made by any Debtor hereunder will be deemed to be made by the consolidated Debtors, and (vi) creditors that hold guarantees from the Debtors of the

obligations of any other Debtors shall be allowed a single Claim against the consolidated Estates and any joint or several liability of any of the Debtors shall be deemed to be one obligation of the consolidated Debtors. Holders of Allowed Claims in each Class shall be entitled to their share of assets available for Distribution to such Class without regard to which Debtor was originally liable for such Claim. Intercompany Claims shall be treated as provided in Class 6 of the Plan, and Intercompany Interests shall be treated as provided in Class 9 of the Plan.

The Plan provides that, notwithstanding the limited consolidation provided for in the Plan and described above, such limited consolidation shall not affect (a) any aspects, rights, benefits, privileges, liens, security interests, or claims under the BOC Post-Effective Date Documents, DIP Facility, or Exit Facility or the legal and entity structure of the Reorganized Debtors, (b) any obligations under any contracts, licenses, or leases that were entered into during the Chapter 11 Cases or executory contracts or unexpired leases that have been or will be assumed pursuant to the Plan, (c) distributions from any insurance policies or proceeds of such policies, (d) the revesting of assets in the separate Reorganized Debtors pursuant to Article IX.B of the Plan, or (e) guarantees that are required to be maintained post-Effective Date (i) in connection with executory contracts or unexpired leases that were entered into during the Chapter 11 Cases or that have been, or will hereunder be, assumed, (ii) pursuant to the express terms of the Plan, (iii) in connection with the Exit Facility, or (iv) the BOC Non-Debtor Guarantees. The limited consolidation proposed in the Plan shall not affect each Debtor's obligation to file the necessary operating reports and pay any required fees pursuant to 28 U.S.C. § 1930(a)(6), which obligation shall continue until a Final Order is entered closing, dismissing or converting each such Debtor's Chapter 11 Case.

Unless the Bankruptcy Court has approved the substantive consolidation of the Estates by a prior order, the Plan shall serve as, and shall be deemed to be, a motion for entry of an order consolidating the Estates in the manner and for the limited purposes set forth in the Plan. If no objection to such consolidation is timely filed and served, then the holders of Claims will be deemed to have consented to such consolidation in the manner and for the limited purposes of the Plan only, and the Bankruptcy Court may approve such consolidation of the Estates in the Confirmation Order. If an objection to the limited consolidation described above is timely filed and served, a hearing with respect to such consolidation and the objections thereto shall be scheduled by the Bankruptcy Court, which hearing may coincide with the Confirmation Hearing. The Debtors reserve the right to proceed with confirmation of the Plan on a non-substantively consolidated basis.

The Debtors believe that substantive consolidation, in the manner and for the limited purposes set forth in the Plan, is warranted in the Chapter 11 Cases for several reasons. The Debtors believe that customers and creditors, specifically the parties holding General Unsecured Claims in Class 5, identified the Debtors and dealt with them as one aggregation, by their trade name, rather than on the basis of separate corporate identities, particularly in light of the fact that all company-owned restaurant locations operated under the "Romano's Macaroni Grill" name. The Debtors also believe that their general unsecured creditors viewed the Debtors as one single entity when extending trade credit and other credit terms, and the Debtors capitalized upon the scale and operations of the entirety of the Debtors' business operations to negotiate such agreements and maximize value. Further, with limited exceptions, substantially all of the Debtors' deposit accounts are held in the name of Mac

Acquisition, and Mac Acquisition collected all receivables into, and made all disbursements from, such deposit accounts in the name of Mac Acquisition, notwithstanding the fact that separate entities may be the beneficiaries or obligors under such disbursements or payments. Such transactions were recorded as intercompany claims among the Debtors, generally without the knowledge of the Debtors' customers.

In addition, Mac Acquisition is the primary operating entity, and the other Debtors are either holding companies or have a very narrowly defined role within the Macaroni Grill business. For example, Mac Parent and Mac Holding are exclusively holding companies, and their sole reason for business is to own the equity and voting interests in Mac Acquisition and any affiliates thereof. Similarly, (i) Mac Grill Services only operates the Debtors' gift card program, with all receipts being paid directly to Mac Acquisition; and (ii) the Debtor Operating Subsidiaries were generally established to comply with local liquor license requirements. In addition, the Debtors' lenders have largely viewed the Debtors as one integrated business or entity.

For example, BOC, the Debtors' first lien lender, lent funds directly to Mac Parent, but on the condition that certain of the other Debtors guarantee and pledge their assets to the bank as collateral for their loans. As a result, all of the Debtors are asserted to be obligors under the same secured debt.

Given the relatively nominal amount of assets held by the Debtors other than Mac Acquisition, the small number of creditors of each of the Debtors other than Mac Acquisition, the fact that many of the Debtors are obligors under each of the prepetition secured financings and the obligations thereunder represent the vast majority of Claims in the Chapter 11 cases, the Debtors believe that the overall effect of substantive consolidation will be more beneficial than harmful to creditors and will allow for greater efficiencies and simplification in processing Claims and making distributions to holders of Allowed Claims. Accordingly, the Debtors believe that substantive consolidation of the Debtors' estates, under the terms of the Plan, will not adversely impact the treatment of any of the Debtors' creditors, but rather will reduce administrative expenses by automatically eliminating any duplicative claims asserted against more than one of the Debtors, decreasing the administrative difficulties and costs related to the administration of nine (9) separate Debtors' estates separately, as well as eliminating the need to determine professional fees on a case-by-case basis and streamlining the process of making Distributions.

For the above reasons, the Debtors believe that substantive consolidation is justified in the Chapter 11 Cases. Absent a timely objection to the Debtors' proposed substantive consolidation, substantive consolidation may be ordered by the Bankruptcy Court. If an objection is timely filed and served, a hearing with respect to the substantive consolidation of the Estates in the manner provided for under the Plan may be requested by the Debtors, at which time the Debtors will seek to establish the requisites for substantive consolidation.

G. Provisions Regarding Means of Implementation, Voting, Distributions, and Resolution of Disputed Claims

1. General Settlement of Claims

The Plan provides that, upon the Effective Date, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims, Interests and controversies resolved pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, in consideration for the classification, distributions, releases and other benefits provided under the Plan. Distributions made under the Plan to holders of Allowed Claims in any Class are intended to be final.

Under Bankruptcy Rule 9019, a bankruptcy court can approve a compromise or settlement if it is in the best interests of the debtor's estate. *See Law Debenture Trust Co. of New York v. Kaiser Aluminum Corp. (In re Kaiser Aluminum Corp.),* 339 B.R. 91, 95–96 (D. Del. 2006) ("Pursuant to Bankruptcy Rule 9019, the Bankruptcy Court must determine whether a proposed settlement is in the best interest of the debtor's estate before such a settlement is approved."). In evaluating a settlement, the bankruptcy court must exercise its discretion and make an independent determination that the settlement is fair and reasonable. *See In re Marvel Entm't Grp., Inc.*, 222 B.R. 243, 249 (D. Del. 1998) ("This court has described the ultimate inquiry to be whether 'the compromise is fair, reasonable, and in the interest of the estate.'" (quoting *In re Louise's, Inc.*, 211 B.R. 798, 801 (D. Del. 1997)). In addition, a court must: "'assess and balance the value of the claim that is being compromised against the value to the estate of the acceptance of the compromise proposal' in light of four factors: (1) the probability of success in the litigation, (2) the likely difficulties in collection, (3) the complexity of the litigation involved, and the expense, inconvenience and delay necessarily attending it, and (4) the paramount interests of the creditors." *In re Kaiser Aluminum Corp.*, 339 B.R. at 96 (*quoting In re Martin*, 91 F.3d 389, 392 (3d Cir. 1996)).

The treatment of creditors and distribution of assets under the Plan contemplates a comprehensive agreement under which the Debtors and the other parties to the Restructuring Support Agreement have consensually resolved or agreed not to pursue claims, objections, litigation, or other disputes that otherwise likely would arise and be required to be resolved in the Chapter 11 Cases, including, among other things and solely by way of example, potential disputes related to the amount, validity and scope of secured claims and their attendant liens, the potential avoidance of liens and security interests, the funding of administrative expenses in the Chapter 11 Cases, funds (if any) available to pay unsecured claims, and the valuation of the Debtors and their assets. The Creditors' Committee does not support the proposed treatment of creditors and distribution of assets proposed under the Plan or any proposed settlement embodied in the Plan.

2. The Exit Facility

The terms of the Exit Facility are set forth in the Exit Facility Term Sheet, attached the DIP Credit Agreement as Annex C. Subject to the satisfaction of the terms and conditions of the Exit Facility Term Sheet, (a) the DIP Facility Claims may be indefeasibly satisfied by an in-kind exchange on a dollar-for-dollar basis for obligations of the Reorganized Debtors (and their non-

debtor affiliates and guarantors) under the Exit Facility; provided, however, that fees and expenses due and payable under the DIP Credit Agreement shall be paid in full in cash on the Effective Date, and (b) the Exit Facility Agent and Lenders have committed, subject to the terms and conditions of the Exit Facility Term Sheet, to provide up to an additional $8.5 million in financing. The Exit Facility liens will have the same respective priorities as the DIP Facility (*i.e.*, the Exit Facility liens will be junior to the Liens of BOC and to remaining "Prior Liens" (as defined in the Final DIP Order)).

The Exit Facility, in addition to any Cash on hand at the Effective Date, will be used to fund any unpaid Administrative Claims and other Claims required under the Plan to be paid at or around the Effective Date. Such Claims include, but are not limited to, (i) any cure amounts required to be paid in connection with the assumption of executory contracts or unexpired leases, which are anticipated to be approximately $2.48 million, (ii) any Allowed Claims entitled to priority under section 503(b)(9) of the Bankruptcy Code, which are anticipated to be approximately $250,000, (iii) any Allowed Administrative Claims, of which the Debtors do not expect to have any unpaid as of the Effective Date that will not be paid in the ordinary course of business, (iv) $500,000 to be included in the General Unsecured Claim Cash Pool, and (v) $3.5 million to be paid on account of the BOC Claims pursuant to the terms of the Plan. After satisfaction of such Claims and obligations, the Debtors anticipate that they will have approximately $4.73 million in available financing under the Exit Facility to fund any negative cash flow of the Reorganized Debtors.

Pursuant to the Plan, on the Effective Date, the Exit Facility Documents shall be executed and delivered by the Reorganized Debtors and Exit Facility Agent and Lenders. Confirmation of the Plan shall be deemed to constitute approval of the Exit Facility, and the Exit Facility Documents, and, subject to the occurrence of the Effective Date, authorization for the Reorganized Debtors to enter into and perform their obligations in connection with the Exit Facility without the need for any further action.

On the Effective Date, the Exit Facility Documents shall constitute legal, valid, binding, and authorized obligations of the Reorganized Debtors and the non-Debtor parties to the Exit Facility Documents, enforceable in accordance with their terms. Pursuant to the Plan, the financial accommodations to be extended pursuant to the Exit Facility Documents are being extended, and shall be deemed to have been extended, in good faith, for legitimate business purposes, are reasonable, shall not be subject to avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever, and shall not constitute preferential transfers, fraudulent conveyances, or other voidable transfers under the Bankruptcy Code or any other applicable non-bankruptcy law. On the Effective Date, all of the Liens and security interests to be granted in accordance with the Exit Facility Documents (1) shall be legal, binding, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the Exit Facility Documents, (2) shall be deemed automatically perfected on the Effective Date, subject only to such Liens and security interests as may be permitted under the Exit Facility Documents which include without limitation BOC's security interests in the Debtors' and Reorganized Debtors' assets and in accordance with an Intercreditor Agreement to be executed and delivered as part of the Plan Supplement and (3) shall not be subject to avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever and shall not constitute preferential transfers, fraudulent conveyances,

or other voidable transfers under the Bankruptcy Code or any applicable non-bankruptcy law. The Reorganized Debtors and the entities granted such Liens and security interests are authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect such Liens and security interests under the provisions of the applicable state, provincial, federal, or other law (whether domestic or foreign) that would be applicable in the absence of the Plan and the Confirmation Order (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order, and any such filings, recordings, approvals, and consents shall not be required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law to give notice of such Liens and security interests to third parties.

3. Issuance of New Equity Interests

The Plan provides that the issuance of New Equity Interests by Reorganized Mac Parent is authorized without the need for any further entity action or without any further action by a holder of Claims or Interests. On the Effective Date (or as soon as reasonably practicable thereafter), the New Equity Interests shall be issued, subject to the provisions of the Plan, Pro Rata to the holders of the Riesen Funding Claims. The New Equity Interests will be subject to dilution by any equity in Reorganized Mac Parent issued pursuant to the Exit Facility Documents.

The Plan provides that all of the New Equity Interests issued pursuant to the Plan shall be duly authorized and validly issued. Each Distribution and issuance referred to in Article VII of the Plan shall be governed by the terms and conditions set forth therein applicable to such Distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such Distribution or issuance, including the Reorganized Mac Parent Operating Agreement, which terms and conditions shall bind each Person receiving such Distribution or issuance. Upon the Effective Date, the Reorganized Mac Parent Operating Agreement shall be deemed to become valid, binding and enforceable in accordance with its terms, and each holder of New Equity Interests shall be bound thereby, in each case, without need for execution by any party thereto other than Reorganized Mac Parent.

4. Avoidance Actions

Pursuant to the Plan, on the Effective Date, the Reorganized Debtors shall retain the exclusive right to commence, prosecute, or settle all Causes of Action, including Avoidance Actions, as appropriate in accordance with the best interests of the Reorganized Debtors subject to the releases and exculpations contained in the Plan, the Final DIP Order, and the DIP Credit Agreement.

The Debtors do not believe that there will be material value to Avoidance Actions following the Effective Date. The Debtors' Statements of Financial Affairs disclose approximately $21.98 million in transfers made within the ninety days preceding the Petition Date (the "**90 Day Transfers**"), and approximately $1.06 million in transfers made to insiders within the one year preceding the Petition Date (the "**Insider Transfers**"). Approximately $20.76 million of the 90 Day Transfers were paid to creditors with special rights under PACA or PASA, that were identified as critical vendors, are subject to executory contracts that are being

assumed under the Plan, or that have valid new value and ordinary course of business defenses. All Insider Transfers were on account of salary, regular compensation, or expense reimbursements of officers. As a result, a substantial amount of 90 Day Transfers and Insider Transfers are subject to likely affirmative defenses. Even for any remaining amounts, partial affirmative defenses may exist and, after taking possible defenses into account, the potential available recoveries for pursuing preference actions may not justify the cost or expense necessary to pursue them.

5. Restructuring Transactions

Pursuant to the Plan, on the Effective Date or as soon as reasonably practicable thereafter, the Reorganized Debtors (to the extent permitted under the Exit Facility) may modify their entity structure by eliminating certain entities and may take all actions as may be necessary or appropriate to effect such transactions, including any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan, including: (i) the execution and delivery of appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution or liquidation containing terms that are consistent with the terms of the Plan and that satisfy the applicable requirements of applicable law and any other terms to which the applicable entities may agree; (ii) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt or obligation on terms consistent with the terms of the Plan and having other terms to which the applicable parties may agree; (iii) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion (including related formation) or dissolution pursuant to applicable state law; and (iv) all other actions that the applicable entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law.

6. Approval and Authorization of Corporate and Company Action

Under the Plan, upon the Effective Date, all corporate and limited liability company actions contemplated by the Plan shall be deemed authorized and approved in all respects, including (i) the transactions contemplated by Article VII.C and E of the Plan, (ii) the adoption and filing of appropriate certificates or articles of incorporation, formation, association, reincorporation, merger, consolidation, conversion, or dissolution, and memoranda and amendments thereto, pursuant to applicable law, (iii) the initial selection of managers, directors and officers for the Reorganized Debtors, (iv) the Distributions pursuant to the Plan, (v) the execution and entry into the Exit Facility, and (vi) all other actions contemplated by the Plan (whether to occur before, on, or after the Effective Date), in each case unless otherwise provided in the Plan. All matters provided for under the Plan involving the entity structure of the Debtors and Reorganized Debtors or corporate and company action to be taken by or required of a Debtor or a Reorganized Debtor will be deemed to occur and be effective as of the Effective Date, if no such other date is specified in such documents, and shall be authorized, approved, adopted and, to the extent taken prior to the Effective Date, ratified and confirmed in all respects and for all purposes without any requirement of further action by holders of Claims or Interests, directors of the Debtors or the Reorganized Debtors, as applicable, or any other Person, except to effect the filing of any new entity governance documents respecting the Debtors, as necessary.

7. Effectuating Documents; Further Transactions

In accordance with the Plan, on and after the Effective Date, the Reorganized Debtors, their managers, and the officers and directors of the boards of directors thereof, are authorized to and may issue, execute, deliver, file or record such contracts, securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan and the securities issued pursuant to the Plan in the name of and on behalf of the Reorganized Debtors, without need for any approvals, authorization, or consents except for those expressly required pursuant to the Plan and applicable non-bankruptcy law.

8. Reorganized Debtor Operating Agreements

Pursuant to section 1123(a)(6) of the Bankruptcy Code, the Reorganized Mac Parent Operating Agreement and the operating agreements for the other Debtors will prohibit the issuance of non-voting equity securities. After the Effective Date, Reorganized Mac Parent and the other Reorganized Debtors may amend and restate their respective operating agreements as permitted by the laws of Delaware, and any related governance documents. The Reorganized Mac Parent Operating Agreement and operating agreements for the other Reorganized Debtors shall be substantially in the form set forth in the Plan Supplement.

9. Cancellation of Securities and Agreements

Pursuant to the Plan, on the Effective Date, except as otherwise specifically provided for in the Plan, including as provided for in Articles III.C.3, IV.C., and IX.L of the Plan: (1) the obligations of the Debtors under their prepetition credit agreements and loan documents, and any other certificate, share, note, bond, indenture, purchase right, option, warrant, or other instrument or document directly or indirectly evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors giving rise to any Claim or Equity Interest (except such certificates, notes, or other instruments or documents evidencing indebtedness or obligations of the Debtors that are specifically reinstated pursuant to the Plan), shall be cancelled solely as to the Debtors, and the Reorganized Debtors shall not have any continuing obligations thereunder; and (2) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the membership interests, certificates, notes, bonds, indentures, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtors (except such agreements, certificates, notes, or other instruments evidencing indebtedness or obligations of the Debtors that are specifically reinstated pursuant to the Plan) shall be released and discharged; provided, however, notwithstanding confirmation of the Plan or the occurrence of the Effective Date, any agreement that governs the rights of the holder of a Claim shall continue in effect solely for purposes of allowing holders to receive Distributions under the Plan as provided herein.

10. Distributions in Respect of Allowed Claims

Article VII.J of the Plan sets forth the procedure for making distributions under the Plan, which include provisions for the timing and manner of delivering distributions of claims, the

treatment of unclaimed distributions, the treatment of interest on claims, the rights of the Debtors or Reorganized Debtors to effectuate setoffs against distribution and the certain tax and withholding information.

11. Resolution of Disputed Claims

a. Objections to Claims. From and after the Effective Date, the Reorganized Debtors shall have the right to object to any and all Claims that have not been previously Allowed. Any objections to Claims shall be filed and served on or before the later of (i) one hundred and eighty (180) days after the Effective Date, and (ii) such later date as may be fixed by the Court upon a motion by the Reorganized Debtors, which later date may be fixed before or after the date specified in clause (i) above.

The above-referenced timing and procedures with respect to objections to Claims apply to Claims both accruing pre-petition and post-petition, including Administrative Claims and Priority Tax Claims, but do not apply to objections to Professional Fee Claims. Article III.C of the Plan provides separate procedures regarding the filing and service of objections to Professional Fee Claims.

b. Settlement of Claims. Pursuant to the Plan, and notwithstanding the requirements that may be imposed pursuant to Bankruptcy Rule 9019, from and after the Effective Date, the Reorganized Debtors shall have the authority to settle or compromise any claim or objections or proceedings relating to the allowance of Claims as and to the extent deemed prudent and reasonable without further review or approval of the Court and without the need to file a formal objection. The Plan also provides that nothing in the Plan's provisions dealing with the resolution of Disputed Claim shall be deemed to affect or modify the applicable Bar Dates previously established in the Chapter 11 Cases.

c. No Distributions Pending Allowance. The Plan provides that, notwithstanding any other provision of the Plan, if any portion of a Claim is a Disputed Claim, no payment or Distribution provided thereunder shall be made on account of the disputed portion of such Claim until the disputed portion of such Claim becomes an Allowed Claim.

d. General Unsecured Claim Cash Pool. In accordance with the Plan, if Class 5 votes to accept the Plan, on the Effective Date or as soon as practicable thereafter, the Reorganized Debtors shall establish the General Unsecured Claim Cash Pool. Cash held in the General Unsecured Claim Cash Pool shall be held by the Reorganized Debtors in trust in a segregated account for the benefit of holders of Allowed General Unsecured Claims. Cash held in the General Unsecured Claim Cash Pool shall not constitute property of the Reorganized Debtors. Each holder of a Disputed General Unsecured Claim that becomes an Allowed General Unsecured Claim shall have recourse only to the undistributed Cash in the General Unsecured Cash Pool for satisfaction of such Allowed General Unsecured Claim and not to any Reorganized Debtor.

e. Distributions after Allowance. The Plan provides that, in the event that a Disputed Claim becomes an Allowed Claim, the Disbursing Agent shall distribute to the holder of such Claim such holder's Pro Rata portion of the property distributable with respect to

the Class in which such Claim is classified therein. To the extent that all or a portion of a Disputed Claim is disallowed, the holder of such Claim shall not receive any Distributions on account of the portion of such Claim that is disallowed and any property withheld pending the resolution of such Claim shall be reallocated Pro Rata to the holders of Allowed Claims in the same Class. The Plan also provides that nothing set forth therein is intended to, nor shall it, prohibit the Reorganized Debtors, in their sole discretion, from making a Distribution on account of any Claim at any time after such Claim becomes an Allowed Claim. The Plan provides that, notwithstanding anything to the contrary therein, no distributions shall be made from the General Unsecured Claim Cash Pool until all Disputed General Unsecured Claims are resolved and either become Allowed or disallowed by Final Order or estimated by Final Order for purposes of distribution.

f. Interest on Disputed Claims. Unless otherwise specifically provided for in the Plan or as otherwise required by sections 506(b), 511 or 1129(a)(9)(C)-(D) of the Bankruptcy Code, interest shall not accrue or be paid on any Disputed Claim in respect of the period from the Effective Date to the date a final Distribution is made when and if such Disputed Claim becomes and Allowed Claim.

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

H. Executory Contracts and Unexpired Leases

1. Assumption and Rejection of Executory Contracts and Unexpired Leases

Except as otherwise provided in the Plan or in any contract, instrument, release, indenture or other agreement or document entered into in connection with the Plan, the Plan provides that, as of the Effective Date, all executory contracts and unexpired leases governed by section 365 of the Bankruptcy Code to which any of the Debtors are parties are thereby rejected except for any executory contract or unexpired lease that (i) previously has been assumed or rejected by the Debtors in the Chapter 11 Cases, (ii) previously expired or terminated pursuant to its own terms; (iii) is specifically identified on the Schedule of Assumed Contracts and Leases, or (iv) is the subject of a separate motion to assume or reject such executory contract or unexpired lease filed

by the Debtors under section 365 of the Bankruptcy Code prior to the Confirmation Hearing. Under the Plan, the Debtors reserve the right to amend the Schedule of Assumed Contracts and Leases at any time prior to the Effective Date, subject to the consent of the Supporting Parties and the DIP Agent.

2. Cure

Under the Plan, except to the extent that different treatment has been agreed to by the non-Debtor party or parties to any executory contract or unexpired lease to be assumed pursuant to the Plan, not less than fifteen (15) Business Days prior to the Confirmation Hearing, the Debtors shall, pursuant to the provisions of sections 1123(a)(5)(G) and 1123(b)(2) of the Bankruptcy Code, and consistent with the requirements of section 365 of the Bankruptcy Code, file and serve a notice with the Court listing the cure amounts of all executory contracts or unexpired leases to be assumed. The parties to such executory contracts or unexpired leases to be assumed by the Debtors shall have ten (10) Business Days from service of such pleading to object to the cure amounts listed by the Debtors. If there are any objections filed with respect thereto, the Court shall conduct a hearing to consider such cure amounts and any objections thereto. Under the Plan, the Debtors shall retain their right to reject any of their executory contracts or unexpired leases, if such executory contracts or leases are subject, as of the Effective Date, to an unresolved dispute concerning amounts necessary to cure any defaults, until such date that is five (5) business days after the dispute is resolved by a Final Order or agreement of the Reorganized Debtors and affected counterparty, but only if the resolution results in a cure amount higher than what was listed in the Schedule of Assumed Contracts and Leases or has not otherwise been agreed to by the Debtors. Certain landlords and the Creditors' Committee have asserted that the Debtors' decision to assume or reject an unexpired lease of non-residential real property cannot be made or changed after the Effective Date (or after entry of the Confirmation Order). The Disclosure Statement preserves the right to object to the Plan on this basis, and nothing in the Disclosure Statement is impaired or shall be deemed to impair such right.

The Plan provides the cure amounts fixed in accordance with the provisions therein shall be paid by the Debtors or Reorganized Debtors, as the case may be, as a condition to assumption of the underlying contracts and unexpired leases pursuant to the terms of the Plan. Such amount shall be paid on, or as soon as reasonably practicable after, the Effective Date, but in no event later than seven (7) calendar days after the Effective Date, except that any cure amount that is disputed as of the Effective Date shall be paid as soon as reasonably practicable after the resolution of such dispute.

3. Rejection Damage Claims

The Plan provides that any and all Claims for damages arising from the rejection of an executory contract or unexpired lease under the Plan must be filed with the Court no later than thirty (30) days after the effective date of the rejection of such executory contract or unexpired lease. Any Claim for damages arising from the rejection of an executory contract or unexpired lease pursuant to an order other than the Confirmation Order will be governed by the order authorizing such rejection and will not be extended by the Plan or the Confirmation Order. Any Claims for damages arising from the rejection of an executory contract or unexpired lease that is not filed within such time period will be forever barred from assertion against the Debtors, their

respective Estates and the Reorganized Debtors. Under the Plan, all Allowed Claims arising from the rejection of executory contracts or unexpired leases shall be treated as General Unsecured Claims.

4. Restrictions on Assignment Void

The Plan provides that any executory contract or unexpired lease assumed under this Plan shall remain in full force and effect to the benefit of the Reorganized Debtors in accordance with its terms, notwithstanding any provision in such executory contract or unexpired lease (including those of the type described in section 365(b)(2) of the Bankruptcy Code) that prohibits, restricts, or conditions such transfer or assignment, including based on any change of control provision. Under the Plan, To the maximum extent permitted under section 365 of the Bankruptcy Code, any provision that prohibits, restricts, or conditions the assignment or transfer of any such executory contract or unexpired lease, terminates or modifies such executory contract or unexpired lease or allows the counterparty to such executory contract or unexpired lease to terminate, modify, recapture, impose any penalty, condition renewal or extension, or modify any term or condition thereof (including on account of any change of control provision) on any such transfer or assignment, constitutes an unenforceable anti-assignment provision and is void and of no force or effect.

The Plan provides that no sections or provisions of any executory contract or unexpired lease that purport to provide for additional payments, penalties, charges, rent acceleration, or other financial accommodations in favor of the non-debtor third party thereto shall have any force and effect with respect to the transactions contemplated hereunder, and such provisions constitute unenforceable anti-assignment provisions under section 365(f) of the Bankruptcy Code and are otherwise unenforceable under section 365(e) of the Bankruptcy Code.

5. Benefit Plans

As of and subject to the Effective Date, the Plan provides that all employment agreements and policies, and all employee compensation and benefit plans, policies, and programs of the Debtors applicable generally to their employees, including agreements and programs subject to section 1114 of the Bankruptcy Code, as in effect on the Effective Date, including all savings plans, retirement plans, health care plans, disability plans, incentive plans, and life, accidental death, and dismemberment insurance plans, and senior executive retirement plans, but expressly excluding any nonqualified deferred compensation plans that are treated as unfunded for tax purposes and Title 1 of ERISA, shall be deemed to be, and shall be treated as though they are, executory contracts that are assumed under the Plan, and the Debtors' obligations under all such agreements and programs shall survive the Effective Date of the Plan, without prejudice to the Reorganized Debtors' rights under applicable nonbankruptcy law to modify, amend, or terminate the foregoing arrangements in accordance with the terms and provisions thereof, except for (i) such executory contracts or plans specifically rejected pursuant to the Plan (to the extent such rejection does not violate section 1114 of the Bankruptcy Code), and (ii) such executory contracts or plans as have previously been terminated, or rejected, pursuant to a Final Order, or specifically waived by the beneficiaries of such plans, benefits, contracts, or programs.

6. Workers' Compensation and Insurance Programs

The Plan provides that, all (i) applicable workers' compensation laws in states in which the Reorganized Debtors operate and (ii) of the Debtors' written contracts, agreements, agreements of indemnity, self-insurer workers' compensation bonds and any other policies, programs and plans regarding or relating to workers' compensation, workers' compensation insurance, and all other forms of insurance, unless specified in the Plan Supplement, are treated as executory contracts under the Plan and on the Effective Date will be assumed pursuant to the provisions of sections 365 and 1123 of the Bankruptcy Code, with a cure amount of zero dollars.

I. Effect of Confirmation of the Plan

1. Continued Entity Existence

Pursuant to the Plan, except as otherwise provided therein, including as provided with respect to Reorganized Mac Parent in Article V.B of the Plan, or as may be provided in the Confirmation Order, each Debtor will, as a Reorganized Debtor, continue to exist after the Effective Date as a separate corporate entity, or limited liability company, as the case may be, with all the powers thereof, pursuant to the applicable law in the jurisdiction in which each applicable Reorganized Debtor is incorporated or formed and pursuant to the entity organizational documents in effect prior to the Effective Date, except to the extent such other entity organizational documents are amended by the Plan and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval.

2. Vesting of Assets

The Plan provides that, except as otherwise set forth therein or any agreement, instrument, or other document incorporated herein, on the Effective Date all property in each Estate, all Causes of Action, and any other property acquired by any of the Debtors pursuant to the Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances (except for Liens granted to secure the Exit Facility, any Liens securing the BOC Claim, and any Liens applicable to any capitalized leases existing on the Effective Date). On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized Debtor may operate its business and conduct its affairs, and may use, acquire, or dispose of its property and assets and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Court and free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules.

3. Preservation of Causes of Action

Subject to the releases and exculpations set forth in the Plan, the Final DIP Order, and the DIP Credit Agreement, in accordance with section 1123(b)(3) of the Bankruptcy Code, under the Plan, the Debtors and the Reorganized Debtors shall retain all Litigation Rights, and nothing contained in the Plan or the Confirmation Order shall be deemed to be a waiver or relinquishment of any such Litigation Rights. The Debtors may (but are not required to) enforce all Litigation Rights and all other similar claims arising under applicable state laws, including

fraudulent transfer claims, if any, and all other Causes of Action of a trustee and debtor-in-possession under the Bankruptcy Code. Except as otherwise set forth in the Plan, the Reorganized Debtors, as applicable, in their sole and absolute discretion, shall determine whether to bring, settle, release, compromise, or enforce any such Litigation Rights (or decline to do any of the foregoing), and shall not be required to seek further approval of the Court for such action. The Plan further provides that, except as otherwise set forth therein, the Debtors, the Reorganized Debtors, or any successors thereof may pursue such Litigation Rights in accordance with the best interests of the Reorganized Debtors or any successors holding such rights of action.

4. Discharge of the Debtors

The Plan provides that pursuant to section 1141(d) of the Bankruptcy Code, except as otherwise specifically provided in the Plan or in the Confirmation Order, the Distributions and rights that are provided in the Plan shall be in complete satisfaction, discharge and release, effective as of the Effective Date, of any and all Claims and Causes of Action (whether known or unknown) against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or properties, regardless of whether any property or assets shall have been distributed or retained pursuant to the Plan on account of such Claims, rights, and Interests, including Claims and Interests that arose before the Effective Date, any liability (including withdrawal liability to the extent such Claims relate to services performed by employees of the Debtors prior to the Petition Date and that arise from a termination of employment or a termination of any employee or retiree benefit program which occurred prior to the Effective Date), and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not (a) a Proof of Claim or Interest based upon such Claim, debt, right, or Interest was filed, is filed, or deemed filed under section 501 of the Bankruptcy Code, (b) a Claim or Interests based upon such Claim, debt, right, or Interest is Allowed under section 502 of the Bankruptcy Code, or (c) the holder of such a Claim, right, or Interest accepted the Plan. As provided in the Plan, the Confirmation Order shall be a judicial determination of the discharge of all Claims against and Interests in the Debtors, subject to the terms thereof and the occurrence of the Effective Date.

The Plan further provides NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE PLAN OR OTHERWISE, NOTHING IN THE PLAN SHALL IMPAIR, ALTER OR IN ANY WAY AFFECT ANY OF THE RIGHTS OR REMEDIES OF BOC AGAINST THE NON-DEBTOR BOC GUARANTORS.

5. Releases by the Debtors of Certain Parties

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, PURSUANT TO SECTION 1123(B)(3) OF THE BANKRUPTCY CODE, FOR GOOD AND VALUABLE CONSIDERATION, INCLUDING THE ACTIONS OF THE RELEASED PARTIES[12] TO FACILITATE THE REORGANIZATION OF THE

[12] The "Released Parties" are defined by the Plan to mean (a) each Debtor, (b) the DIP Lenders and the DIP Agent, (c) the Exit Facility Agent and Lenders, (d) BOC, (e) Riesen Funding, and (f) with respect to each of the foregoing entities identified in subsections (a) through (e), such Person's current and former equity holders, including shareholders, partnership interest holders, and limited liability company unit holders, affiliates,

DEBTORS AND THE IMPLEMENTATION OF THE RESTRUCTURING CONTEMPLATED BY THE PLAN, EFFECTIVE AS OF THE EFFECTIVE DATE, EACH DEBTOR, IN ITS INDIVIDUAL CAPACITY AND AS A DEBTOR IN POSSESSION FOR ITSELF AND ON BEHALF OF ITS ESTATE, AND ANY PERSON CLAIMING THROUGH, ON BEHALF OF, OR FOR THE BENEFIT OF EACH DEBTOR AND ITS ESTATE, SHALL RELEASE AND DISCHARGE AND BE DEEMED TO HAVE CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY, AND FOREVER RELEASED AND DISCHARGED ALL RELEASED PARTIES FOR AND FROM ANY AND ALL CLAIMS OR CAUSES OF ACTION EXISTING AS OF THE EFFECTIVE DATE OR THEREAFTER WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, ARISING FROM OR RELATED TO ANY ACTIONS, TRANSACTIONS, EVENTS OR OMISSIONS OCCURRING ON OR BEFORE THE EFFECTIVE DATE RELATING TO THE DEBTORS, THE CHAPTER 11 CASES, THE DIP FACILITY, OR THE CREDIT AGREEMENT; PROVIDED, HOWEVER, THE FOREGOING RELEASE SHALL NOT APPLY TO ANY POST-EFFECTIVE DATE OBLIGATIONS ARISING UNDER THE PLAN OR ANY DOCUMENT, INSTRUMENT OR AGREEMENT (INCLUDING THOSE SET FORTH IN THE PLAN SUPPLEMENT AND THE EXIT FACILITY) EXECUTED TO IMPLEMENT THE PLAN. THE REORGANIZED DEBTORS SHALL BE BOUND, TO THE SAME EXTENT THAT THE DEBTORS ARE BOUND, BY THE RELEASES AND DISCHARGES SET FORTH ABOVE.

For the avoidance of doubt, the releases contemplated under the Plan include releases of any claims or causes of action the Debtors or the estates may have against certain non-debtor persons or entities, including RedRock, The Monfort Family Limited Partnership I ("**MFP**"), Riesen Funding, the current and former officers or directors of such entities, including Dean Riesen and Richard Monfort. The Debtors are unaware of any Causes of Action against the Released Parties that have any value to the Debtors or the estates. No such Causes of Action have been brought to the attention of the Debtors, and the Committee is investigating whether there are potential claims or Causes of Action against BOC or Riesen Funding with respect to their Claims against the Debtors and proposed treatment under the Plan. With respect to Dean Riesen, the Debtors never made any payments to Mr. Riesen except for ordinary course salary and reimbursement of expenses in connection with his positions as an officer and director of the Debtors, and never made any payments to Riesen Funding, RedRock, MFP, or Mr. Monfort. Further, many of the persons or entities receiving releases under the Plan have provided substantial contribution to the Debtors and the estates, both prepetition and postpetition. For example, Riesen Funding, Mr. Riesen, MFP, and Mr. Monfort, have guarantied the BOC Claims, have further guarantied 30% of the outstanding principal amount owing under the DIP Facility, and have agreed to guaranty 30% of the outstanding principal amount under the Exit Facility. The Debtors contend that the releases provided under the Plan are consistent with Third Circuit precedent and are in the best interests of the estates.

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partners, subsidiaries, members, officers, directors, managers serving on a board of managers, principals, employees, agents, managed funds, advisors, attorneys, accountants, investment banks, consultants, representatives, and other professionals, but solely in the foregoing capacities, together with their respective predecessors, successors, and assigns."

6. Releases by Non-Debtors

EXCEPT WHERE A HOLDER OF A CLAIM OR EQUITY INTEREST HAS AFFIRMATIVELY OPTED OUT OF GRANTING THE RELEASES SET FORTH IN ARTICLE IX.F. OF THE PLAN EITHER (i) BY TIMELY ELECTING NOT TO GRANT THIS RELEASE IN ITS BALLOT; (ii) BY TIMELY ELECTING NOT TO GRANT THIS RELEASE BY RETURNING THE OPT-OUT ELECTION CONTAINED IN THE NOTICE TO NON-VOTING HOLDERS; OR (iii) BY FILING AN OBJECTION WITH THE BANKRUPTCY COURT TO THIS RELEASE BY THE INITIAL DEADLINE TO OBJECT TO THE PLAN SET FORTH IN THE CONFIRMATION ORDER, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FOR GOOD AND VALUABLE CONSIDERATION, INCLUDING THE ACTIONS OF THE RELEASED PARTIES TO FACILITATE THE REORGANIZATION OF THE DEBTORS AND THE IMPLEMENTATION OF THE RESTRUCTURING CONTEMPLATED BY THE PLAN, ON THE EFFECTIVE DATE, EACH PERSON WHO DIRECTLY OR INDIRECTLY, HAS HELD, HOLDS, OR MAY HOLD ANY CLAIM AGAINST THE DEBTORS OR INTEREST IN THE DEBTORS SHALL RELEASE AND DISCHARGE AND BE DEEMED TO HAVE CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY, AND FOREVER RELEASED AND DISCHARGED ALL RELEASED PARTIES FOR AND FROM ANY AND ALL CLAIMS OR CAUSES OF ACTION EXISTING AS OF THE EFFECTIVE DATE OR THEREAFTER WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, ARISING FROM OR RELATED TO ANY ACTIONS, TRANSACTIONS, EVENTS OR OMISSIONS OCCURRING ON OR BEFORE THE EFFECTIVE DATE RELATING TO THE DEBTORS, THE CHAPTER 11 CASES OR THE OBLIGATIONS UNDER THE DIP FACILITY AND THE CREDIT AGREEMENT; PROVIDED, HOWEVER, THE FOREGOING RELEASE SHALL NOT APPLY TO (A) THE OBLIGATIONS OF THE BOC NON-DEBTOR GUARANTORS UNDER THE BOC NON-DEBTOR GUARANTEES OR (B) POST-EFFECTIVE DATE OBLIGATIONS ARISING UNDER THE PLAN OR ANY DOCUMENT, INSTRUMENT OR AGREEMENT (INCLUDING THOSE SET FORTH IN THE PLAN SUPPLEMENT AND THE EXIT FACILITY) EXECUTED TO IMPLEMENT THE PLAN.

7. Exculpation

EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THE PLAN, THE PLAN SUPPLEMENT OR RELATED DOCUMENTS, NO EXCULPATED PARTY[13] SHALL HAVE OR INCUR ANY LIABILITY TO ANY ENTITY FOR ANY PREPETITION OR POSTPETITION ACT TAKEN OR OMITTED TO BE TAKEN IN

[13] The "Exculpated Parties" are defined under the Plan to mean "each of the following parties, solely in such capacity: (a) the Debtors; (b) the Creditors' Committee; (c) each member of the Creditors' Committee in its capacity as such; (d) the DIP Agent and DIP Lenders; (e) the Exit Facility Agent and Lenders; (f) with respect to each of the foregoing entities, such entities' successors, assigns, subsidiaries, managed accounts, and funds; and (f) with respect to each of the foregoing entities in (a) through (e), such entity's current and former officers and directors, principals, equity holders, members, partners, managers, employees, subcontractors, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors (and employees thereof), and other Professionals, and such entity's respective heirs, executors, estates, servants, and nominees, in each case in their capacity as such."

CONNECTION WITH, OR RELATED TO, OR ARISING OUT OF THE CHAPTER 11 CASES, THE FILING OF THE CHAPTER 11 CASES, THE FORMULATION, PREPARATION, NEGOTIATION, DISSEMINATION, FILING, IMPLEMENTATION, ADMINISTRATION, CONFIRMATION, OR CONSUMMATION OF THE PLAN, THE DISCLOSURE STATEMENT, THE EXHIBITS TO THE PLAN AND THE DISCLOSURE STATEMENT, THE PLAN SUPPLEMENT DOCUMENTS, ANY EMPLOYEE BENEFIT PLAN, INSTRUMENT, RELEASE OR OTHER AGREEMENT OR DOCUMENT CREATED, MODIFIED, AMENDED OR ENTERED INTO IN CONNECTION WITH THE PLAN, EXCEPT FOR THEIR WILLFUL MISCONDUCT OR GROSS NEGLIGENCE AS DETERMINED BY A FINAL ORDER AND EXCEPT WITH RESPECT TO OBLIGATIONS ARISING UNDER CONFIDENTIALITY AGREEMENTS, JOINT INTEREST AGREEMENTS, OR PROTECTIVE ORDERS, IF ANY, ENTERED DURING THE CHAPTER 11 CASES; PROVIDED, HOWEVER, THAT EACH EXCULPATED PARTY SHALL BE ENTITLED TO RELY UPON THE ADVICE OF COUNSEL WITH RESPECT TO THEIR DUTIES AND RESPONSIBILITIES PURSUANT TO, OR IN CONNECTION WITH, THE ABOVE REFERENCED DOCUMENTS, ACTIONS, OR INACTIONS.

8. Injunction

UNDER THE PLAN, THE SATISFACTION, RELEASE, AND DISCHARGE PURSUANT TO ARTICLE IX OF THE PLAN SHALL ACT AS A PERMANENT INJUNCTION AGAINST ANY ENTITY COMMENCING OR CONTINUING ANY ACTION, EMPLOYMENT OF PROCESS, OR ACT TO COLLECT, OFFSET OR RECOVER ANY CLAIM, INTEREST, OR CAUSE OF ACTION SATISFIED, RELEASED, OR DISCHARGED UNDER THE PLAN TO THE FULLEST EXTENT AUTHORIZED OR PROVIDED BY THE BANKRUPTCY CODE, INCLUDING TO THE EXTENT PROVIDED FOR OR AUTHORIZED BY SECTIONS 524 OR 1141 OF THE BANKRUPTCY CODE.

WITHOUT LIMITING THE FOREGOING, FROM AND AFTER THE EFFECTIVE DATE, ALL ENTITIES THAT HAVE HELD, HOLD, OR MAY HOLD CLAIMS AND INTERESTS THAT HAVE BEEN RELEASED OR DISCHARGED PURSUANT TO ARTICLE IX OF THE PLAN, OR ARE SUBJECT TO EXCULPATION PURSUANT TO ARTICLE IX OF THE PLAN, SHALL BE PERMANENTLY ENJOINED FROM TAKING ANY OF THE FOLLOWING ACTIONS AGAINST, AS APPLICABLE, THE DEBTORS, THE REORGANIZED DEBTORS, THE RELEASED PARTIES, OR THE EXCULPATED PARTIES: (A) COMMENCING OR CONTINUING IN ANY MANNER ANY SUIT, ACTION OR OTHER PROCEEDING, ON ACCOUNT OF OR RESPECTING ANY SUCH CLAIMS OR INTERESTS; (B) ENFORCING, ATTACHING, COLLECTING, OR RECOVERING BY ANY MANNER OR MEANS ANY JUDGMENT, AWARD, DECREE, OR ORDER AGAINST SUCH ENTITIES ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; (C) CREATING, PERFECTING, OR ENFORCING ANY ENCUMBRANCE OF ANY KIND AGAINST SUCH ENTITIES OR THE PROPERTY OR ESTATES OF SUCH ENTITIES ON ACCOUNT OF OR IN CONNECTION WITH

OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; AND (D) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS RELEASED, EXCULPATED, OR SETTLED PURSUANT TO THE PLAN.

9. Term of Bankruptcy Injunction or Stays

Pursuant to the Plan, all injunctions or stays provided for in the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

10. Setoff

Notwithstanding anything herein, in no event shall any holder of a Claim be entitled to setoff any Claim against any claim, right, or Cause of Action of the Debtors or the Reorganized Debtors, unless such holder preserves its right to setoff by filing a motion for authority to effect such setoff on or before the Confirmation Date (regardless of whether such motion is heard prior to or after the Confirmation Date), and notwithstanding any indication in any proof of claim or otherwise that such holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 of the Bankruptcy Code or otherwise.

11. Preservation of Insurance

Under the Plan, except as otherwise provided therein, the Debtors' discharge and release from all Claims as provided therein, except as necessary to be consistent with the Plan, shall not diminish or impair the enforceability of any insurance policy that may cover Claims against the Debtors or the Reorganized Debtors, including their officers and current and former directors, or any other person or entity.

12. Indemnification Obligations

Under the Plan, the Debtors' obligations to indemnify the Indemnified Parties shall survive and shall continue in full force and effect for the benefit of the Indemnified Parties, notwithstanding confirmation of and effectiveness of the Plan, and such indemnification shall include, but not be limited to, all actions taken in connection with the Restructuring Support Agreement, the filing of the Chapter 11 Cases, the DIP Facility, the Final DIP Order, the DIP Credit Agreement and the Plan.

J. Effectiveness of the Plan

1. Conditions Precedent to Confirmation

It is a condition to confirmation of the Plan that the following conditions shall have been satisfied or waived in accordance with the Plan:

a. the Exit Facility Documents in a form acceptable to the Exit Facility Agent and Exit Facility Lenders shall be executed, and, except with respect to those conditions precedent that are contingent on the occurrence of the Effective Date, all conditions precedent to the consummation thereof (including without limitation any conditions in the Exit Facility Term Sheet) shall been satisfied in accordance with the terms thereof (or waived by the Exit Facility Agent and Lenders);

b. an order finding that the Disclosure Statement contains adequate information pursuant to section 1125 of the Bankruptcy Code shall have been entered by the Bankruptcy Court;

c. the Confirmation Order shall be in form and substance reasonably acceptable to the Debtors, BOC, Riesen Funding, the DIP Agent, and the Exit Facility Agent and Lenders;

d. the Restructuring Support Agreement shall be in full force and effect and binding on all parties thereto, and shall not have been terminated by the parties thereto; and

e. the Plan, the Plan Supplement, and all of the schedules, documents, and exhibits contained therein shall have been filed in form and substance reasonably acceptable to the Debtors, BOC, Riesen Funding, and the Exit Facility Agent and Lenders.

2. Conditions Precedent to the Effective Date

It is a condition to the Effective Date of the Plan that the following provisions, terms, and conditions are approved or waived in accordance with the Plan:

a. the Confirmation Order, in form and substance reasonably acceptable to the Debtors, the Supporting Parties, the DIP Agent, and the Exit Facility Agent and Lenders, shall have been entered by the Court;

b. the Confirmation Order shall have become a Final Order;

c. the Confirmation Order shall have approved the limited substantive consolidation of the Debtors provided under Article VI of the Plan;

d. the Exit Facility closing shall have occurred and the loans thereunder shall be funded or scheduled for funding upon consummation of the Plan;

e. the Debtors shall have paid all fees and documented out-of-pocket expenses payable to the DIP Agent, the DIP Lender and BOC, including all documented out-of-pocket fees and expenses of

counsel and other professionals, subject to the terms and review provisions set forth in the Final DIP Order, which shall apply to BOC for purposes of Article X.B.6 of the Plan;

f. all authorizations, consents and regulatory approvals required (if any) for the Plan's effectiveness shall have been obtained;

g. the formation and governance documents for each of the Reorganized Debtors shall be consistent with the Plan, and shall be reasonably acceptable to the Exit Facility Agent and Lenders;

h. the Debtors shall have executed and delivered to BOC the BOC Post-Effective Date Credit Documents;

i. the Non-Debtor Guarantors shall have executed and delivered to BOC new or restated guarantees of the BOC Claims in form acceptable to BOC; and

j. BOC and Exit Facility Agent and Lenders shall have executed and delivered an Intercreditor Agreement in form acceptable to BOC and the Exit Facility Agent and Lenders.

3. Waiver of Conditions

The Plan provides that the conditions to confirmation of the Plan and to the Effective Date set forth in Article X.A and X.B of the Plan may be waived by the Debtors (with the consent of the DIP Agent and the Exit Facility Agent and Lenders) without notice, leave or order of the Court or any formal action other than proceeding to confirm or consummate the Plan.

4. Notice of Confirmation and Effective Date

Pursuant to the Plan, on or before five (5) Business Days after the occurrence of the Effective Date, the Reorganized Debtors shall mail or cause to be mailed to all holders of Claims and Equity Interests a notice that informs such holders of (i) the entry of the Confirmation Order, (ii) the occurrence of the Effective Date, (iii) the occurrence of the Administrative Claims Bar Date and deadline for submission of Professional Fee Claims, and (iv) such other matters as the Debtors deem appropriate.

5. Effect of Failure of Conditions

In the event that the Effective Date does not occur, the Plan provides that: (a) the Confirmation Order shall be vacated; (b) no Distributions under the Plan shall be made; (c) the Debtors and all holders of Claims and Equity Interests shall be restored to the *status quo ante* as of the day immediately preceding the Confirmation Date as though the Confirmation Date had never occurred; and (d) the Debtors' obligations with respect to Claims and Equity Interests shall remain unchanged and nothing contained in the Plan shall (i) constitute or be deemed a waiver or release of any Claims against or any Equity Interests in the Debtors or any other Person, (ii) prejudice in any manner any right, remedy or claim of the Debtors or any Person in any further

proceedings involving the Debtors or otherwise, or (iii) be deemed an admission against interest by the Debtors or any other Person.

6. Vacatur of Confirmation Order

If a Final Order denying confirmation of the Plan is entered, or if the Confirmation Order is vacated, then the Plan provides it shall be null and void in all respects, and nothing contained in the Plan shall (a) constitute a waiver or release of any Claims against or Equity Interests in the Debtors, (b) prejudice in any manner the rights of the holder of any Claim against, or Equity Interest in, the Debtors, (c) prejudice in any manner any right, remedy or claim of the Debtors, or (d) be deemed an admission against interest by the Debtors.

7. Revocation, Withdrawal, Modification, or Non-Consummation

The Debtors reserve the right to revoke, withdraw, amend, or modify the Plan at any time prior to the Confirmation Date (in each case subject to the Debtors' obligations under the Restructuring Support Agreement, the Exit Facility Term Sheet, and Exit Facility Documents, except as otherwise provided in Article XII.C of the Plan or as otherwise consented to in writing by the Exit Facility Agent and Lenders). If the Debtors revoke or withdraw the Plan, the Confirmation Order is not entered, or the Effective Date does not occur, then, under the Plan, (i) the Plan shall be null and void in all respects, (ii) any settlement or compromise embodied in the Plan (including the fixing or limiting the amount of any Claim or Class of Claims), assumption or rejection of executory contracts or leases effected by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null and void, and (iii) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (a) constitute or be deemed a waiver or release of any Claims by or against, or any Equity Interests in, the Debtors or any other Person, (b) prejudice in any manner any right, remedy or claim of the Debtors or any other Person in any further proceeding involving the Debtors or otherwise, or (c) constitute an admission against interest by the Debtors or any other Person.

K. Retention of Jurisdiction

Pursuant to the Plan, the Bankruptcy Court shall have exclusive jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases and the Plan pursuant to, and for the purposes of, section 105(a) and section 1142 of the Bankruptcy Code and for, among other things, the following purposes:

1. to hear and determine motions for the assumption or rejection of executory contracts or unexpired leases pending on the Confirmation Date, and the allowance of Claims resulting therefrom;

2. to determine any other applications, adversary proceedings, and contested matters pending on the Effective Date;

3. to ensure that Distributions to holders of Allowed Claims are accomplished as provided by the Plan;

4. to resolve disputes as to the ownership of any Claim or Equity Interest;

5. to hear and determine timely objections to Claims;

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

7. to issue such orders in aid of execution of the Plan, to the extent authorized by section 1142 of the Bankruptcy Code;

8. to consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any order of the Court, including the Confirmation Order;

9. to hear and determine all applications for compensation and reimbursement of expenses of Professionals under sections 328, 330, 331 and 503(b) of the Bankruptcy Code;

10. to hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan;

11. to hear and determine any issue for which the Plan requires a Final Order of the Court;

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

13. to hear and determine disputes arising in connection with compensation and reimbursement of expenses of professionals for the DIP Agent and BOC for services rendered and expenses incurred during the period commencing on the Petition Date through and including the Effective Date;

14. to hear and determine any Causes of Action preserved under the Plan under Bankruptcy Code sections 544, 547, 548, 549, 550, 551, 553, and 1123(b)(3);

15. to hear and determine any matter regarding the existence, nature and scope of the Debtors' discharge;

16. to hear and determine any matter regarding the existence, nature, and scope of the releases and exculpation provided in Article IX of the Plan; and

17. to enter a final decree closing the Chapter 11 Cases.

The Plan provides that, if the Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under, or related to the Chapter 11 Cases, then Article XI of the Plan shall have no effect upon and shall

not control, prohibit, or limit the exercise of jurisdiction by any other court having jurisdiction with respect to such matter.

L. Miscellaneous Provisions

1. Modification of the Plan

Under the Plan, subject to the limitations contained therein and the Restructuring Support Agreement: (1) the Debtors reserve the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend, modify, revoke or withdraw the Plan prior to the entry of the Confirmation Order, including amendments or modifications to satisfy section 1129(b) of the Bankruptcy Code; and (2) after the entry of the Confirmation Order, the Debtors or the Reorganized Debtors, as the case may be, may, upon order of the Court, amend or modify the Plan, in accordance with Section 1127(b) of the Bankruptcy Code.

The Plan provides that entry of a Confirmation Order shall result in all modifications or amendments to the Plan occurring after the solicitation of the Plan being approved pursuant to section 1127(a) of the Bankruptcy Code.

The Plan provides that, notwithstanding anything to the contrary therein, the Debtors may revoke or withdraw the Plan upon the occurrence of an unwaived "Termination Event" under (and as defined in) the Restructuring Support Agreement (other than a Termination Event caused by a breach by the Debtors); provided, however, that the Debtors reserve the right to fully or conditionally waive, on a prospective or retroactive basis, the effects of this paragraph in respect of any such Termination Event, with any such waiver effective only if in writing and signed by the Debtors.

2. Dissolution of Creditors' Committee

Under the Plan, the Creditors' Committee shall continue in existence until the Effective Date to exercise those powers and perform those duties specified in section 1103 of the Bankruptcy Code. On the Effective Date, the Creditors' Committee shall be dissolved and its members shall be deemed released of all their duties, responsibilities and obligations in connection with the Chapter 11 Cases or the Plan and its implementation, and the retention or employment of the Creditors' Committee's attorneys, financial advisors, and other agents shall terminate as of the Effective Date; provided, however, that following the Effective Date, the Creditors' Committee shall continue in existence and have standing and a right to be heard for the following limited purposes: filing and prosecuting applications for (x) allowance of compensation for professional services rendered and reimbursement of expenses incurred; or (y) reimbursement of expenses of members of the Creditors' Committee.

3. Votes Solicited in Good Faith

The Plan stipulates that the Debtors have, and upon confirmation of the Plan shall be deemed to have, solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code. The Plan also provides that the Debtors (and each of their respective affiliates, agents, directors, managers, officers, members, employees, advisors,

and attorneys) have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code in the offer and issuance of the securities offered and sold under the Plan and, therefore, are not, and on account of such offer and issuance will not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or the offer or issuance of the securities offered and distributed under the Plan.

4. Obligations Incurred After the Effective Date

Under the Plan (and except as otherwise specifically provided for in the Plan), from and after the Effective Date, the Reorganized Debtors shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Court, pay in Cash all obligations, including the reasonable legal, professional, or other fees and expenses related to the implementation of the Plan, incurred by the Reorganized Debtors. The Plan provides that, upon the Effective Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code in seeking retention or compensation of services rendered after such date shall terminate, and the Reorganized Debtors may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Court.

5. Request for Expedited Determination of Taxes

The Reorganized Debtors shall have the right, under the Plan, to request an expedited determination under section 505(b) of the Bankruptcy Code with respect to tax returns (other than federal tax returns) filed by any of them, or to be filed by any of them, for any and all taxable periods ending after the Petition Date through the Effective Date.

6. Determination of Tax Filings and Taxes

The Plan provides that: (a) for all taxable periods ending on or prior to, or including, the Effective Date, the Reorganized Debtors shall prepare and file (or cause to be prepared and filed) on behalf of the Debtors, all combined, consolidated or unitary tax returns, reports, certificates, forms or similar statements or documents for any group of entities that include the Debtors (collectively, "**Group Tax Returns**") required to be filed or that the Reorganized Debtors otherwise deem appropriate, including the filing of amended Group Tax Returns or requests for refunds; and (b) the Reorganized Debtors shall be entitled to the entire amount of any refunds and credits (including interest thereon) with respect to or otherwise relating to any taxes of the Debtors, including for any taxable period ending on or prior to, or including, the Effective Date.

7. Governing Law

The Plan provides that, unless a rule of law or procedure is supplied by Federal law (including the Bankruptcy Code and Bankruptcy Rules), the laws of the State of Delaware shall govern the construction and implementation of the Plan, any agreements, documents, and instruments executed in connection with the Plan (except as otherwise set forth in those agreements or instruments, in which case the governing law of such agreements shall control).

Entity governance matters shall be governed by the laws of the state of incorporation or formation of the applicable Debtor.

8. Filing or Execution of Additional Documents

On or before the Effective Date, the Debtors (with the consent of the DIP Agent) or the Reorganized Debtors, shall file with the Court or execute, as appropriate, such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

9. Exemption From Transfer Taxes

As provided in the Plan, and pursuant to section 1146(c) of the Bankruptcy Code, a) the issuance, transfer or exchange under the Plan of the New Equity Interests, (b) the making or assignment of any lease or sublease, or (c) the making or delivery of any other instrument whatsoever, in furtherance of or in connection with the Plan shall not be subject to any stamp, real estate transfer, mortgage, recording sales or use or other similar tax.

10. Exemption for Issuance of New Equity Interests

The Plan provides that the issuance of the New Equity Interests and Distribution thereof to holders of the Riesen Funding Claim and the warrants issued pursuant to the Exit Facility, to the extent that they are deemed Securities (as defined in the Securities Act of 1933, as amended), shall be authorized and exempt from registration under the securities laws solely to the extent permitted under section 1145 of the Bankruptcy Code, as of the Effective Date without further act or action by any person, unless required by provision of the relevant governance documents or applicable law, regulation, order or rule; and all documents evidencing the same shall be executed and delivered as provided for in the Plan or the Plan Supplement.

11. Waiver of Federal Rule of Civil Procedure 62(a)

Under the Plan, the Debtors may request that the Confirmation Order include (a) a finding that Fed. R. Civ. P. 62(a) shall not apply to the Confirmation Order, and (b) authorization for the Debtors to consummate the Plan immediately after entry of the Confirmation Order.

12. Exhibits/Schedules

The Plan provides that all Exhibits and schedules to the Plan and the Plan Supplement are incorporated into and constitute a part of the Plan as if set forth therein.

13. Notices

In accordance with the Plan, all notices, requests, and demands under the Plan, to be effective, shall be in writing and, unless otherwise expressly provided in the Plan, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

To the Debtors:

Mac Acquisition LLC
1855 Blake Street
Suite 200
Denver, CO 80202
Attention: Nishant Machado, President, CEO & CRO
nmachado@mackinacpartners.com

with copies to:

Young Conaway Stargatt & Taylor, LLP
1000 North King Street
Wilmington, DE 19801
Attention: Edmon L. Morton, Esq. and Michael R. Nestor, Esq.
emorton@ycst.com
mnestor@ycst.com

- and -

Gibson Dunn & Crutcher LLP
333 South Grand Avenue
Los Angeles, CA 90071
Attention: Jeffrey C. Krause, Esq. and Michael S. Neumeister, Esq.
jkrause@gibsondunn.com
mneumeister@gibsondunn.com

14. Plan Supplement

The Plan provides that the Plan Supplement will be filed with the Clerk of the Bankruptcy Court no later than seven (7) calendar days prior to the Voting Deadline, unless such date is further extended by order of the Bankruptcy Court on notice to parties in interest. The Plan Supplement may be inspected in the office of the Clerk of the Court during normal court hours and shall be available online at https://ecf.deb.uscourts.gov. Holders of Claims or Equity Interests may obtain a copy of the Plan Supplement upon written request to counsel to the Debtors at their address set forth above, or by accessing the website maintained by DRC (the Debtors' claims and noticing agent) at www.donlinrecano.com/mg.

15. Further Actions; Implementations

As provided in the Plan, the Debtors shall be authorized to execute, deliver, file or record such documents, contracts, instruments, releases and other agreements and take such other or further actions as may be necessary to effectuate or further evidence the terms and conditions of the Plan. From and after the Confirmation Date, the Debtors shall be authorized to take any and all steps and execute all documents necessary to effectuate the provisions contained in the Plan.

16. Severability

As provided in the Plan, if, prior to the entry of the Confirmation Order, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court, at the request of the Debtors (with the consent of the DIP Agent), shall have

the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the Plan provides that the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Plan stipulates that the Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

17. Entire Agreement

The Plan states that, except as otherwise indicated, the Plan and the Plan Supplement supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

18. Binding Effect

The Plan, by its terms, shall be binding on and inure to the benefit of the Debtors, the holders of Claims against and Equity Interests in the Debtors, and each of their respective successors and assigns, including each of the Reorganized Debtors, and all other parties in interest in the Chapter 11 Cases.

Under the Plan, subject to Article X of the Plan and notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan, the Plan Supplement, and the Confirmation Order shall be immediately effective and enforceable and deemed binding upon the Debtors and any and all holders of Claims or Interests (regardless of whether such Claims or Interests are deemed to have accepted or rejected the Plan), all entities that are parties to or are subject to the settlements, compromises, releases, and injunctions described in the Plan, and any and all non-Debtor parties to the executory contracts and unexpired leases with the Debtors. Under the Plan, all Claims and debts shall be as fixed, adjusted, or compromised, as applicable, pursuant to the Plan regardless of whether any holder of a Claim or debt has voted on the Plan.

19. No Change in Ownership or Control

The Plan provides that consummation of the Plan is not intended to and shall not constitute a change in ownership or change in control, as defined in any employment or other agreement or plan in effect on the Effective Date to which a Debtor is a party.

20. Substantial Consummation

Under the Plan, on the Effective Date the Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code. However, the Plan further provides nothing in the Plan shall prevent the Debtors or any other party in interest from arguing that substantial consummation of the Plan has occurred prior to the Effective Date.

21. Conflict

The terms of the Plan shall govern in the event of any inconsistency with the summary of the Plan set forth in this Disclosure Statement. The Plan also provides that, in the event of any inconsistency or ambiguity between and among the terms of the Plan, this Disclosure Statement, and the Confirmation Order, the terms of the Confirmation Order shall govern and control.

ARTICLE VIII.

FINANCIAL PROJECTIONS

A. Financial Projections

In connection with the planning and development of the Plan and the implementation of their restructuring and turn-around initiatives, the Debtors prepared projections for the fiscal years 2017 through 2020 to present the anticipated impact of the Debtors' restructuring, which are attached hereto as **Exhibit C**. The projections assume that the Plan will be implemented in accordance with its stated terms. The projections are based on forecasts of key economic variables and may be significantly impacted by, among other factors, changes in the competitive environment, regulatory changes, and/or a variety of other factors, including the factors listed in this Disclosure Statement and in the projections.

The Financial Projections are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Factors that could cause actual results to differ materially include, but are not limited to: the ability of the Reorganized Debtors to operate their business consistent with their projections generally, including the ability to maintain or increase revenue and cash flow to satisfy their liquidity needs, service their indebtedness and finance the ongoing obligations of their business, and to manage their future operating expenses and make necessary capital expenditures; the ability of the Reorganized Debtors to comply with the covenants and conditions under their credit facilities and their ability to borrow thereunder; increases in costs including, without limitation, wages, insurance, provisions, changes in rules and regulations applicable to the industry; actions by the courts, the U.S. Department of Justice or other governmental or regulatory authorities, and the results of the legal proceedings to which the Reorganized Debtors or any of their affiliates may be subject; changes in the condition of the Debtors' assets; the Reorganized Debtors' ability to attract and maintain key executives, managers and employees; and changes in customer preferences and other key macroeconomic trends affecting the Reorganized Debtors' business.

B. Operational Changes Supporting the Financial Projections

In addition to the assumptions supporting the Financial Projections discussed above in Article VIII.A., the Debtors' Financial Projections are based in part on certain revenue-enhancing and cost-reducing initiatives that the Debtors implemented prior to and during the Chapter 11 Cases. The Debtors contemplate that the Reorganized Debtors will continue implementing and/or continuing appropriate operational changes after the Effective Date, including those described in this Article VIII.B. The more significant initiatives are summarized below.

1. Revenue Enhancement Initiatives

The Debtors have shown consistent improvement in same-store-sales ("SSS") performance compared to the same month of the prior calendar year since the Debtors began the implementation of their "Turnaround Plan" in August 2017. From January through August 2017, the Debtors experienced negative SSS of approximately (-6.7%). Since the Debtors implemented a revised sales and marketing strategy as part of the Turnaround Plan, the average SSS decline in September, October and November slowed to approximately 5%. Building on this momentum and the initiatives described below, the Debtors project SSS in 2018 compared to same month in 2017 to continually improve: (i) negative SSS of (-3%) for the first quarter of 2018; (ii) negative SSS of (-2%) for the second quarter of 2018; (iii) negative SSS of (-1%) for the third quarter of 2018; and (iv) negative SSS of (-1%) for the fourth quarter of 2018.

The Debtors have implemented the following revenue improvement initiatives beginning in late third quarter 2017, which will continue through the fourth quarter 2017 and into early 2018: (a) targeted social media strategy; (b) consistent messaging through menu programming for the entire year; (c) radio advertising; (d) improve aided brand awareness through paid search ads; (e) outdoor ads near key restaurants; (f) FSI (coupon) offers, (g) happy hour programming; (h) modifications to core menu; (i) creation of lunch menu; (j) updated brunch menu; (k) third party delivery; and (l) improved quality controls.

The Debtors have further implemented increased training of restaurant employees to enhance customer experience, and to improve repeat business and referrals. The Debtors have hired approximately 53 new managers to upgrade onsite supervision and enhance consistent messaging to employees and customers.

The Debtors replaced their online ordering software in 2017, which should improve online sales during 2018. Since implementation of the new software, online sales have already improved over the last two periods ended before the date hereof from a weekly average of approximately 2% of net sales to 3.1% of net sales. In 2018, the Company expects to realize an improvement in online sales of approximately $2 million compared to 2017.

In November 2017, the Debtors restored a dedicated catering and special events team that includes 9 regional sales managers. The Debtors also upgraded systems to improve operations and guest experience. The Debtors' Financial Projections assume catering and special events to contribute $7,500,000 to total sales in 2018.

The Debtors began a program with proprietary gift cards in 2017. This program is projected to generate additional revenue throughout the entire calendar year in 2018. The Debtors assume $1,500,000 in gift card sales during 2018.

2. Cost Reduction Initiatives

The economic losses the Debtors' previously suffered from their 37 closed locations will be eliminated from the Debtors' go-forward operations and financial results. The "four wall losses" at these locations on a trailing twelve-month basis as of July 2017 (when closures were

completed) totaled approximately $6 million per year. These closed units significantly underperformed and as a result consumed a lot of management's time that could otherwise have been focused on higher performing store.

New cost management initiatives at restaurants will reduce expenses by approximately $9,500,000. These initiatives include: (a) reduction in food costs through menu engineering, purchasing controls and increased efficiency, with weekly comparison of theoretical costs to actual costs; (b) reduction in labor costs through new software and training of managers to achieve optimal staffing levels; (c) reduction in liquor costs through mix of product and implementation of product controls at each restaurant; (d) reduction in operational costs such as IT/telecom, waste and utilities management and standardization and/or replacement of vendors whose price is not competitive; and (e) reduction in non-operational charges such as banking charges.

Through the Debtors' cost reduction initiatives, the Debtors have reduced "Selling, General and Administrative Expenses" by approximately $1 million per year.

The Debtors project that, after accounting for the funding of the Exit Facility, the Reorganized Debtors will not have less than $2.2 million in Cash at any point in the 2018 calendar year.

C. Post-Petition Marketing Process for Alternative Proposals to Plan

The Debtors believe the Plan realizes the greatest value for the Debtors' assets and business. However, the Debtors are conducting a marketing process to determine whether there are any alternative transactions available to the Debtors and, if so, whether such transactions might provide greater value and recoveries for creditors. The Debtors have retained Duff & Phelps as their investment banker to run the Debtors' marketing process, and are in the process of selecting an independent director for Mac Parent (the "**Independent Director**") who will oversee the marketing process for the Debtors, and will have sole decision-making authority in determining whether to pursue an Alternative Transaction (as defined below) in lieu of the Plan.

As of December 8, 2017, Duff & Phelps had contacted 171 potential buyers, including 132 financial buyers and 39 strategic buyers. Duff & Phelps has created a data room with information regarding the Debtors' business and assets. Potential buyers must execute a confidentiality agreement acceptable to the Debtors in order to obtain access to the Debtors' data room. As of December 8, 2017, 5 potential buyers have executed confidentiality agreements and have gained access to the Debtors' data room, and the Debtors are negotiating confidentiality agreements with several other buyers.

Duff & Phelps has requested expressions of interest in connection with an alternative transaction (an "Alternative Transaction") on or before January 5, 2018. If the Debtors' marketing process yields at least one valid Alternative Transaction that the Independent Director determines, in consultation with the Debtors' management and the Creditors' Committee, is superior to this Plan and that the pursuit of that Alternative Transaction is otherwise in the best

interest of the Debtors and their estates, the Debtors will take appropriate action consistent with such determination and, if multiple bids are received, this may include seeking to conduct an auction process among such parties submitting bids for an Alternative Transaction.

The Debtors will file with the Plan Supplement a report prepared by Duff & Phelps summarizing the results of the Debtors' marketing process.

ARTICLE IX.

CERTAIN RISK FACTORS TO BE CONSIDERED

HOLDERS OF CLAIMS AGAINST THE DEBTORS THAT ARE ENTITLED TO VOTE ON WHETHER TO ACCEPT OR REJECT THE PLAN SHOULD READ AND CONSIDER CAREFULLY THE RISK FACTORS SET FORTH BELOW, ALONG WITH THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT (AND THE DOCUMENTS DELIVERED TOGETHER HEREWITH AND/OR INCORPORATED HEREIN BY REFERENCE), PRIOR TO VOTING WHETHER TO ACCEPT OR REJECT THE PLAN. THESE RISK FACTORS ARE NOT NECESSARILY THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN AND ITS IMPLEMENTATION.

A. Certain Risks Relating to the New Equity Interests

The receipt and ownership of the New Equity Interests entails substantial risk. Only some of that risk relates to the value of the Reorganized Debtors. The Debtors have identified certain significant risks, as described below:

The Debtors may not be able to meet their projected financial results or achieve the revenue or cash flow that the Debtors have assumed in projecting their future business prospects. If the Debtors do not achieve these projected revenue or cash flow levels, the Debtors may lack sufficient liquidity to continue operating as planned after emergence and may not be able to satisfy claims of creditors that arise after the Effective Date. The Financial Projections represent management's view based on currently known facts and hypothetical assumptions about their future operations. They do not, however, guarantee the Debtors' future financial performance.

B. Projected Financial Information

The Financial Projections attached to this Disclosure Statement are dependent upon the successful implementation of the Reorganized Debtors' business plan and the validity of the assumptions contained therein. Those projections reflect numerous assumptions, including, without limitation, confirmation and consummation of the Plan in accordance with its terms, the Reorganized Debtors' anticipated future performance, the future performance of the restaurant industry, certain assumptions with respect to the Reorganized Debtors' competitors, general business and economic conditions, and other matters. Many or most of those matters are beyond the control of the Reorganized Debtors. In addition, unanticipated events and circumstances occurring subsequent to the preparation of the Financial Projections may affect the Reorganized Debtors' actual financial results. Although the Reorganized Debtors believe that the Financial Projections are reasonably attainable, variations between the actual financial results and those projected may occur and, if they do occur, they may be material and adverse.

C. Risks Related to the Debtors' Business and Operations

1. Operational Restructuring Efforts

The Debtors are in the process of implementing a number of measures to revitalize the Romano's Macaroni Grill brand and reduce operating costs. There can be no assurance that these measures will be successful. The Debtors intend to improve customer experience around consistency of execution of exceptional food and service. The Debtors' also expect to implement certain changes in their marketing approach in order to attract new customers and increase frequency of customer visits. However, these measures may not increase customer traffic or improve the performance of the Debtors' restaurants. Accordingly, it is possible that the trend of declining comparable restaurant sales will continue. In addition, this transformation may result in unexpected expenses and losses. If the Debtors are unable to improve the performance of their restaurants, the financial position and operating results of the Debtors may be adversely impacted. Even if the Debtors' efforts are successful, it may take a significant period of time to realize increased revenues or comparable store sales growth.

2. Competition

The Debtors' restaurants operate in an intensely competitive industry. The Debtors compete with other well-established restaurant companies on the basis of type and quality of menu offerings, pricing, customer service, atmosphere, location and overall customer experience. The Debtors' competitors include a large and diverse group from independent local operators to well-capitalized national restaurant companies. In addition, the Debtors face growing competition from the supermarket industry, with the improvement of their "convenience meals" in the form of improved entrees and side dishes from the deli section. Many of the Debtors' competitors are larger and have significantly greater financial resources, a greater number of restaurants, have been in business longer, have greater brand recognition, and are better established in the markets where the Debtors' restaurants are located. As a result, the Debtors' competitors may be able to invest greater resources than the Debtors in attracting customers and succeed in attracting customers. If the Debtors are unable to continue to compete effectively, competition could have a material adverse effect on the Debtors' operations or earnings.

3. Vendors; Raw Material Costs

The Debtors are dependent on timely deliveries of ingredients, including fresh produce, dairy products and meat. The cost, availability and quality of the ingredients used to prepare food are subject to a range of factors, many of which are beyond the Debtors' control. For example, fluctuations in weather, supply and demand, as well as economic and political conditions, could adversely affect the cost, availability and quality of ingredients. Significant menu items that could be subject to price fluctuations include beef, pork, poultry, coffee, eggs, dairy products, wheat products, and corn products. The Debtors may not be able to recover increased costs through menu price increases because competition may limit the ability to implement those increases or may preclude them entirely. In many cases, the Debtors have only one supplier for a product or supply, including their beef and chicken supply. The Debtors' dependence on single source suppliers subjects them to the possible risks of shortages, interruptions and price fluctuations. In addition, the Debtors rely on a contract with one primary

distributor to deliver products to their restaurants. If any of these vendors, suppliers, or primary distributor is unable to fulfill their obligations, or if the Debtors are unable to find replacement providers in the event of a supply or service disruption, the Debtors may experience supply shortages and incur higher costs, which would materially harm their business.

The Debtors' profitability depends in part on their ability to anticipate and react to changes in food and supply costs. Commodity pricing is volatile and can change unpredictably and over short periods. The impact of changes in commodity prices is also affected by the term and duration of the Debtors' supply contracts, which are typically one-year contracts. These contracts are negotiated at each renewal, and the Debtors cannot guarantee that such contracts will be available in the future on favorable terms or at all. Any increase in food prices, particularly for beef, chicken, produce, and seafood, could adversely affect the Debtors' operating results. If beef prices rise to high levels, the Debtors' restaurant operating margins will be negatively impacted. In addition, the Debtors are susceptible to increases in food costs as a result of factors beyond their control, such as weather conditions, food safety concerns, costs of distribution, production problems, delivery difficulties, product recalls, and government regulations. The Debtors cannot predict whether they will be able to anticipate and react to changing food costs by adjusting purchasing practices, menu items, and prices. In addition, because the Debtors' menu items are moderately priced, they may not seek to or be able to pass along price increases to customers. If the Debtors do adjust pricing there is no assurance that they will realize the benefit of any adjustment due to changes in customers' menu item selections and customer traffic.

4. Seasonality and Macroeconomic Conditions

As is the case with all restaurant companies, weather conditions can have a strong influence on the Debtors' business, and result in seasonal fluctuations in net sales. Severe weather may also affect seasonal sales volumes in certain markets. Many operating costs are fixed or semi-fixed, which means that the loss of sales during these periods of lower sales could adversely impact profitability.

Additionally, general economic conditions may adversely affect the Debtors' results of operations. Recessionary economic cycles, a protracted economic slowdown, a worsening economy, increased unemployment, increased energy prices, rising interest rates, or other industry-wide cost pressures could affect consumer behavior and spending for restaurant dining and lead to a decline in sales and earnings. Job losses, foreclosures, bankruptcies, and falling home prices could cause customers to make fewer discretionary purchases, and any significant decrease in their customer traffic or average profit per transaction will negatively impact the Debtors' financial performance. If gasoline, natural gas, electricity, and other energy costs increase, and credit card, home mortgage, and other borrowing costs increase with rising interest rates, customers may have lower disposable income and reduce the frequency with which they dine out, spend less on each dining out occasion, or choose more inexpensive restaurants.

Furthermore, the effects that actual or threatened armed conflicts, terrorist attacks, efforts to combat terrorism, heightened security requirements, or failures to protect information systems for critical infrastructure, such as the electrical grid and telecommunications systems, could have on the Debtors' operations, the economy, or consumer confidence generally, are unpredictable.

Any of these events could affect consumer spending patterns or result in increased costs for the Debtors.

Unfavorable changes in the above factors or in other business and economic conditions could increase costs, reduce restaurant traffic, or impose practical limits on pricing, any of which could lower the Debtors' profit margins and have a material adverse effect on their financial condition and results of operations.

5. Health Concerns, Customer Preferences, and Government Regulation

The restaurant industry is affected by consumer preferences and perceptions. If consumers seek out other dining alternatives rather than visit the Debtors' restaurants, whether due to shifts in dietary trends, nutrition, health emphasis or otherwise, the Debtors' business could be materially impacted. Changes in the dining concept and/or menu by the Debtors in response to changes in economic conditions and consumer tastes or dining patterns could result in the loss, rather than gain, of customers. In addition, negative publicity about the Debtors' products or dining experience could materially harm their business, results of operations and financial condition.

6. Information Technology and Data Breach

The Debtors will rely heavily on information systems, including point-of-sale processing in restaurants, management of supply chain, payment of obligations, collection of cash, credit, and debit card transactions, and other processes and procedures, some of which are licensed from third parties. The Debtors' ability to efficiently and effectively manage their business will depend significantly on the reliability and capacity of these systems. The failure of these systems to operate effectively, problems with transitioning to upgraded or replacement systems, or a breach in security of these systems could cause delays in customer service and reduce efficiency in operations, and significant capital investments could be required to remediate the problem.

The majority of restaurant sales are by credit or debit cards. Other retailers have experienced security breaches in which credit and debit card information has been stolen. Despite mechanisms in place to protect information transmitted by credit or debit card, there is no guarantee that such mechanisms will be effective to prevent such information from being compromised by unscrupulous third parties. The techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and are often difficult to detect for long periods of time, which may cause a breach to go undetected for an extensive period of time. Advances in computer and software capabilities and encryption technology, new tools, and other developments may increase the risk of such a breach. Further, the systems used for transmission and approval of electronic payment transactions, and the technology utilized in electronic payment themselves, all of which can put electronic payment at risk, are determined and controlled by the payment card industry. In addition, franchisees, contractors, or third parties with whom the Debtors do business or to whom they outsource business operations may attempt to circumvent security measures in order to misappropriate such information, and may purposefully or inadvertently cause a breach involving such information. The Debtors may become subject to claims for purportedly fraudulent transactions arising out of the actual or alleged theft of credit or debit card information, and may also be subject to lawsuits or other

proceedings relating to these types of incidents. Any such claim or proceeding could result in significant unplanned expenses, which could have an adverse impact on the Debtors' financial condition and results of operations. Further, adverse publicity resulting from these allegations may have a material adverse effect on the Debtors and their restaurants.

7. Government Regulations

The restaurant industry is subject to extensive federal, state and local laws and regulations, including those relating to minimum wage and other labor issues, health care, building and zoning requirements and those relating to the preparation and sale of food. The development and operation of restaurants depend to a significant extent on the selection and acquisition of suitable sites, which are subject to zoning, land use, environmental, traffic and other regulations and requirements. The Debtors will also be subject to licensing and regulation by state and local authorities relating to health, sanitation, safety and fire standards, and liquor licenses, federal and state laws governing the Debtors' relationships with employees (including the Fair Labor Standards Act of 1938, the Immigration Reform and Control Act of 1986 and applicable requirements concerning the minimum wage, overtime, family leave, tip credits, working conditions, safety standards, immigration status, unemployment tax rates, workers' compensation rates and state and local payroll taxes), federal and state laws which prohibit discrimination and other laws regulating the design and operation of facilities, such as the Americans With Disabilities Act of 1990, or the ADA.

The Debtors are subject to a variety of federal, state and local laws and regulations relating to the use, storage, discharge, emission, and disposal of hazardous materials. There also has been increasing focus by U.S. and overseas governmental authorities on other environmental matters, such as climate change, the reduction of greenhouse gases and water consumption. This increased focus may lead to new initiatives directed at regulating an as yet unspecified array of environmental matters, such as the emission of greenhouse gases, where "cap and trade" initiatives could effectively impose a tax on carbon emissions. Legislative, regulatory or other efforts to combat climate change or other environmental concerns could result in future increases in the cost of raw materials, taxes, transportation, and utilities, which could decrease the Debtors' operating profits and necessitate future investments in facilities and equipment. Compliance with these laws and regulations can be costly, and any failure or perceived failure to comply with those laws could harm the Debtors' reputation or lead to litigation, which could adversely affect the Debtors' financial condition.

Various state laws that govern the offer and sale of franchises, as well as the rules and regulations of the Federal Trade Commission. Additionally, many state laws regulate various aspects of the franchise relationship, including the nature, timing and sufficiency of disclosures to franchisees upon the initiation of the franchisor-potential franchisee relationship, conduct during the franchisor-franchisee relationship, and renewals and terminations of franchises. Any failures by the Debtors or RMG Development to comply with their obligations (if any) under these laws and regulations in any jurisdiction or to obtain required government approvals could result in franchisee-initiated lawsuits, a ban or temporary suspension on future franchise sales, civil and administrative penalties or other fines, or require offers of rescission, disgorgement, or restitution, any of which could adversely affect the their business and operating results. The Debtors and RMG Development could also face lawsuits by the franchisees based upon alleged

violations of these laws. In the case of willful violations, criminal sanctions could be brought against the Debtors or RMG Development.

The impact of current laws and regulations, the effect of future changes in laws or regulations that impose additional requirements, and the consequences of litigation relating to current or future laws and regulations, or an insufficient or ineffective response to significant regulatory or public policy issues, could increase the Debtors' cost structure, decrease operational efficiencies and talent availability, and therefore have an adverse effect on the Debtors' operations and profitability.

Failure to comply with the laws and regulatory requirements of federal, state and local authorities could result in, among other things, revocation of required licenses, administrative enforcement actions, fines, and civil and criminal liability. Compliance with these laws and regulations can be costly and could increase the Debtors' exposure to litigation or governmental investigations or proceedings.

8. Intellectual Property

The Debtors, through non-Debtor Mac Acquisition IP, own certain common law trademark rights and federal trademark and service registrations, including for the "Romano's Macaroni Grill" trade name and logo, as well as proprietary rights related to methods of operation and certain core menu offerings. The Debtors, through non-Debtor Mac Acquisition IP, also currently own the exclusive rights to various domain names containing or related to their brand. These intellectual property rights are important to the Debtors' success and their competitive position. If the Debtors are required to commence litigation to enforce their intellectual property rights, such proceedings could be burdensome and costly and would carry the risk that the Debtors may not prevail.

The Debtors cannot ensure that their intellectual property does not and will not infringe on the intellectual property rights of others, or that third parties will not claim infringement in the future. Any such claim, whether or not it has merit, could be time consuming and distracting for the Debtors' management, result in costly litigation, and potentially cause changes to the Debtors' menu items or result in a requirement to enter into royalty or licensing agreements. As a result, any intellectual property claim against the Debtors could have a material adverse impact on their business, financial conditions, and operations.

9. Labor and Employment

The loss of services of certain executives or other employees could adversely impact the Debtors' business if they are unable to quickly find suitable replacements. Future growth also depends on the Debtors' ability to recruit and retain high-quality employees to work in and manage their restaurants. A loss of key employees or shortage of restaurant workers could harm the Debtors' business.

Federal and state laws govern such matters as minimum wages, working conditions, overtime, and tip credits. As federal and state minimum wage rates increase, the Debtors may need to increase their employees' wages. Labor shortages and health care mandates could also increase labor costs. In addition, if restaurant management and staff turnover trends increase, the

Debtors could suffer higher direct costs associated with recruiting, training, and retaining replacement personnel. Moreover, the Debtors could suffer from significant indirect costs, including restaurant disruptions due to management changeover, potential delays in new restaurant openings, or adverse customer reactions to inadequate customer service levels due to staff shortages. Competition for qualified employees exerts upward pressure on wages paid to attract such personnel, resulting in higher labor costs, together with greater recruitment and training expense. The Debtors may not be able to completely offset increased labor costs with increased menu pricing. Increased labor costs could result in adverse impacts to the Debtors' business and declines in profitability.

10. Risk of Food-Borne Illness Incidents

Claims of illness or injury relating to food quality or food handling are common in the food service industry, and a number of these claims may exist at any given time. Furthermore, reliance on third-party food suppliers and distributors increases the risk that food-borne illness incidents could be caused by factors outside of the Debtors control and would affect multiple locations rather than single restaurants.

Food-borne illnesses spread at restaurants have generated significant negative publicity at other restaurant chains in the past, which has had a negative impact on their results of operations. Any report or publicity linking the Debtors' restaurants to instances of food-borne illness or other food safety issues, including food tampering or contamination, could adversely affect the Debtors' brand and reputation as well as their revenue and profits. Even instances of food-borne illness, food tampering, or food contamination occurring solely at other restaurant brands could result in negative publicity about the food service industry generally and adversely impact the Debtors' restaurants, operations, and business.

If any of the Debtors' customers become ill from food-borne illnesses, the Debtors may be forced to temporarily close some restaurants. Furthermore, any instances of food contamination, whether or not at the Debtors' restaurants, could subject the Debtors' restaurants or suppliers to a food recall pursuant to the Food and Drug Administration Food Safety Modernization Act. Even the prospect of a food safety issue could change consumer perceptions of the safety of the Debtors' food, disrupt their supply chain, and impact their ability to supply certain menu items or adequately staff restaurants. To the extent that a virus is food-borne, future outbreaks may adversely affect the price and availability of certain food products and cause customers to eat less of a product that is critical (or a critical component) in the Debtors' menu or avoid eating in the Debtors' restaurants.

Furthermore, the United States and other countries have experienced, and may experience in the future, outbreaks of viruses, such as avian influenza, SARS, H1N1, various other forms of influenza, enterovirus, and Ebola. To the extent that a virus is transmitted by human-to-human contact, the Debtors' customers or employees could become infected or could choose, or be advised, to avoid gathering in public places and avoid eating in restaurant establishments, which could adversely affect the Debtors' business. In addition, certain jurisdictions may impose mandatory closures, seek voluntary closures, or impose restrictions on operations. Any of these events or any related negative publicity would adversely affect the Debtors' business.

11. Complaints or Litigation

From time to time, the Debtors may be subject to employee claims alleging injuries, wage and hour violations, discrimination, harassment or wrongful termination, as well as customer and third party claims. In recent years, a number of restaurant companies have been subject to lawsuits, including class and collective action lawsuits, alleging violations of federal and state law regarding workplace, employment, and similar matters. The outcome of litigation, particularly class action lawsuits and regulatory actions, is difficult to assess or quantify. Plaintiffs in these types of lawsuits may seek recovery of very large or indeterminate amounts, and the magnitude of the potential loss relating to such lawsuits may remain unknown for substantial periods of time. The cost to defend litigation may be significant. There may also be adverse publicity associated with litigation that could decrease customer acceptance of the Debtors' brand, regardless of the validity of the claims or the ultimate determination of liability. Regardless of whether any claims against the Debtors are valid or whether they are ultimately determined to be liable, claims may be expensive to defend and may divert time and money away from the Debtors' operations and hurt the Debtors' financial performance. A significant judgment for any claim could materially adversely affect the Debtors' financial condition or results of operations.

The Debtors may also be subject to state and local "dram shop" statutes, which may subject them to uninsured liabilities. These statutes generally allow a person injured by an intoxicated person to recover damages from an establishment that wrongfully served alcoholic beverages to the intoxicated person. Because a plaintiff may seek punitive damages, which may not be fully covered by insurance, this type of action could have an adverse impact on the Debtors' financial condition and results of operations.

12. Insurance

The Debtors may incur certain types of losses that cannot be insured against or that they believe are not economically reasonable to insure. In addition, the Debtors may not be able to obtain adequate insurance in the future and premiums for insurance may increase over time and such increases may be significant. Uninsured losses could have a material adverse effect on the Debtors' business and results of operations. Unanticipated changes in the actuarial assumptions and management estimates underlying the Debtors' reserves for losses under self-insured workers' compensation, general liability, employee health, and property insurance programs could result in materially different amounts of expense under these programs, which could have a material adverse effect on the Debtors' business, financial condition and results of operations.

13. Goodwill and Intangible Assets

The Debtors are required to evaluate goodwill and other intangibles for impairment whenever changes in circumstances indicate that the carrying amount may not be recoverable from estimated future cash flows or at least annually. This evaluation requires the use of projections of future cash flows from the reporting segment. These projections are based on growth rates, anticipated future economic conditions, the appropriate discount rates relative to risk and estimates of residual values. If changes in growth rates, future economic conditions, discount rates or estimates of residual values were to occur, goodwill and other intangibles may

become impaired. This could result in material charges that could be adverse to the Debtors' operating results and financial position.

14. Risk of Termination of Surety Bonds

The Debtors are currently required to provide certain governmental entities and utility providers with surety bonds to secure the Debtors' payment obligations to those entities that are incurred in the course of operating certain of their restaurants. On October 19, 2017, the Bankruptcy Court entered an order authorizing the Debtors to continue performing under their bond program [Docket No. 44]. If the Debtors' existing surety bonds issued to governmental entities are cancelled and the Debtors do not timely obtain replacement surety bonds or make alternative arrangements, the applicable governmental entities may prohibit the Debtors from operating the impacted restaurants until they receive replacement surety bonds or the Debtors make other acceptable arrangements.

D. Financial Risks

The Reorganized Debtors' working capital needs are anticipated to be funded by operating cash flow and the Exit Facility. The credit agreement establishing the Exit Facility will be on the terms described in the Exit Facility Term Sheet and will be in substantially the form included as an exhibit to the Plan Supplement. Further, the Plan contemplates the documentation and execution of secured debt documents setting forth BOC's treatment under the Plan. It is likely that the loan documents with respect to the Exit Facility and the treatment of the BOC Claims will include, among other things, restrictions on the Reorganized Debtors' ability to incur additional indebtedness, consummate certain asset sales, create liens on assets, make investments, loans or advances, consolidate or merge with or into any other Person, or convey, transfer, or lease all or substantially all of their assets, or change the business to be conducted by them. It is possible that the Exit Facility will not be funded by the Exit Facility Agent and Lenders. The closing of the Exit Facility is a condition precedent to the Effective Date, and is anticipated to be used to fund certain payments required to be paid on or about the Effective Date pursuant to the Plan.

Further, based on the Reorganized Debtors' level of secured funded indebtedness, the treatment accorded general unsecured creditors under the Plan, and other factors affecting the Reorganized Debtors or their business, one or more suppliers, including suppliers material to the business of the Reorganized Debtors, could decline to continue shipping products to the Reorganized Debtors or, as a condition to such shipments, could require more restrictive payment terms than had existed previously. The occurrence of the foregoing could affect the Reorganized Debtors in a material and adverse manner.

There can be no assurance that the Reorganized Debtors will be able to generate sufficient cash flow from operations to enable them, along with the availability under the Exit Facility, to maintain operations at a sufficient level, or to repay their indebtedness as such indebtedness becomes due and payable and may not be able to satisfy claims of creditors that arise after the Effective Date; and the Reorganized Debtors may not be able to extend the maturity of or refinance such indebtedness on commercially reasonable terms or at all.

E. Certain Bankruptcy Law Considerations

1. Risk of Non-Confirmation of the Plan

Although the Debtors believe that the Plan satisfies all of the requirements necessary for confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court will reach the same conclusion. Moreover, there can be no assurance that modifications of the Plan will not be required for confirmation, or that any such modifications would not necessitate the resolicitation of votes to accept the modified Plan.

The Debtors believe that the classification of Claims and Equity Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtors created nine (9) Classes of Claims and Equity Interests, each encompassing Claims or Equity Interests, as applicable, that are substantially similar to the other Claims and Equity Interests in each such Class. However, a Claim or Equity Interest holder could challenge the Debtors' classification.

As of the date of this Disclosure Statement, the Creditors' Committee has asserted that the Plan may not satisfy the confirmation requirements of the Bankruptcy Code. Among other things, the Creditors' Committee asserts that (i) the BOC liens may be subject to challenge; (ii) it may be appropriate to treat the Riesen Funding Claims as equity or as General Unsecured Claims, and that the Riesen Funding Claims may not be entitled to receive different treatment than what is provided for General Unsecured Claims; and (iii) the proposed Exit Facility may not be sufficient to sustain the Reorganized Debtors' operations, including debt service, following the Effective Date.

If there are objections to confirmation of the Plan, the cost of the Chapter 11 Cases and the time needed to confirm the Plan may increase, and there can be no assurance that the Bankruptcy Court will agree with the Debtors' classification. If the Bankruptcy Court concludes that the classifications of Claims and Equity Interests under the Plan do not comply with the requirements of the Bankruptcy Code, the Debtors may need to modify the Plan. The Plan may not be confirmed if the Bankruptcy Court determines that the Debtors' classification of Claims and Equity Interests is not appropriate.

If votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Debtors may seek, as promptly as practicable thereafter, Confirmation. If the Plan does not receive the required support from the Voting Classes, the Debtors may elect to amend the Plan (with the consent of the Supporting Parties), seek to sell their assets pursuant to section 363 of the Bankruptcy Code, or proceed with liquidation.

The Debtors cannot ensure that the Plan will be confirmed by the Bankruptcy Court. Section 1129 of the Bankruptcy Code, which sets forth the requirements for confirmation of a plan of reorganization, requires, among other things, a finding by the Bankruptcy Court that the plan of reorganization is "feasible," that all claims and interests have been classified in compliance with the provisions of section 1122 of the Bankruptcy Code, and that, under the plan of reorganization, each holder of a claim or interest within each impaired class either accepts the plan of reorganization or receives or retains cash or property of a value, as of the date the plan of reorganization becomes effective, that is not less than the value such holder would receive or

retain if the debtor were liquidated under chapter 7 of the Bankruptcy Code. There can be no assurance that the Bankruptcy Court will conclude that the feasibility test and other requirements of section 1129 of the Bankruptcy Code have been met with respect to the Plan. There can be no assurance that modifications to the Plan would not be required for Confirmation.

If the Plan is not confirmed, the Chapter 11 Cases may be converted into cases under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be appointed or elected to liquidate the Debtors' assets for distribution in accordance with the priorities established by the Bankruptcy Code. A discussion of the effects that a chapter 7 liquidation would have on the recoveries of holders of Claims and Equity Interests and the Liquidation Analysis are set forth in the Liquidation Analysis. The Debtors believe that liquidation under chapter 7 of the Bankruptcy Code would result in, among other things, smaller distributions being made to holders of Claims and Equity Interests than those provided for in the Plan because of:

- the absence of a market for the Debtors' assets on a going concern basis;
- additional administrative expenses involved in the appointment of a trustee; and
- additional expenses and Claims, some of which would be entitled to priority, which would be generated during the liquidation and from the rejection of leases and other executory contracts in connection with a cessation of the Debtors' operations.

2. Risk of Objection to Claim or Equity Interest

Except as otherwise provided in the Plan, the Debtors and other parties in interest reserve the right to object to the amount or classification of any Claim or Equity Interest under the Plan. The estimates set forth in this Disclosure Statement cannot be relied on by any holder of a Claim or Equity Interest where such Claim or Equity Interest is subject to an objection. Any holder of a Claim or Equity Interest that is subject to an objection thus may not receive its expected share of the estimated distributions described in this Disclosure Statement.

3. Risk of Non-Occurrence of the Effective Date

Although the Debtors believe that the Effective Date will occur prior to February 15, 2018, there can be no assurance as to such timing or that the conditions to the Effective Date, as contained in the Plan, will occur on a timely basis or at all. Moreover, both the Restructuring Support Agreement and the DIP Facility contain milestones relating to, among other things, the timely occurrence of the Effective Date; and there can be no assurance that the timely occurrence of the Effective Date will occur within the respective time frames set forth in the Restructuring Support Agreement and the DIP Facility, if at all. Failure to meet the milestones with respect to the occurrence of the Effective Date constitutes an event of default under both the Restructuring Support Agreement and the DIP Facility.

4. Contingencies May Affect Distributions

The distributions available to holders of Allowed Claims under the Plan can be affected by a variety of contingencies, including whether the Bankruptcy Court orders certain Allowed Claims to be subordinated to other Allowed Claims. The occurrence of any and all such contingencies could affect distributions under the Plan to holders of Claims.

5. Risk of Amendment, Waiver, Modification, or Withdrawal of Plan

The Debtors, or the Reorganized Debtors, as applicable, reserve the right, in accordance with the Bankruptcy Code, the Bankruptcy Rules, and the Restructuring Support Agreement, and consistent with the terms of the Plan, to amend the terms of the Plan or waive any conditions thereto if and to the extent that such amendments or waivers are consistent with the terms of the Restructuring Support Agreement and necessary or desirable to consummate the Plan, subject to the requisite consent of the Supporting Parties. The potential impact of any such amendment or waiver on the holders of Claims and Equity Interests cannot presently be foreseen but may include a change in the economic impact of the Plan on some or all of the proposed Classes or a change in the relative rights of such Classes. All holders of Claims and Equity Interests will receive notice of such amendments or waivers required by applicable law and the Bankruptcy Court. If, after receiving sufficient acceptances, but prior to Confirmation of the Plan, the Debtors seek to modify the Plan, the previously solicited acceptances will be valid only if (1) all adversely affected Classes accept the modification in writing, or (2) the Bankruptcy Court determines, after notice to designated parties, that such modification was *de minimis* or purely technical or otherwise did not adversely change the treatment of holders of accepting Claims and Equity Interests or is otherwise permitted by the Bankruptcy Code.

6. Risk of Material Adverse Effects on the Debtors' Operations

The commencement of the Chapter 11 Cases could adversely affect the relationships between the Debtors and their customers, employees, partners, and other parties. Such adverse effects could materially impair the Debtors' operations, including their ability to serve their customers.

7. Risk of Lengthy Bankruptcy Proceedings

The Debtors estimate that the process of obtaining Confirmation of the Plan by the Bankruptcy Court will last approximately 120 days from the Petition Date—February 15, 2018—but it could last considerably longer if, for example, Confirmation is contested or the conditions to Confirmation or consummation are not satisfied or waived.

Although the Debtors' restructuring strategy is designed to minimize the length of the Chapter 11 Cases, it is impossible to predict with certainty the amount of time that the Debtors may spend in bankruptcy, and the Debtors cannot be certain that the Plan will be confirmed. Even if confirmed on a timely basis, the Chapter 11 Cases could themselves have an adverse effect on the Debtors' business. There is a risk, due to uncertainty about the Debtors' futures that, among other things:

- customers could frequent the Debtors' competitors instead of the Debtors;

- employees could be distracted from performance of their duties or more easily attracted to other employment opportunities; and

- suppliers, vendors, or other business partners could terminate their relationship with the Debtors or demand financial assurances or enhanced performance, any of which could impair the Debtors' prospects.

A lengthy bankruptcy proceeding also would involve additional expenses and divert the attention of management from the operation of the Debtors' business, which could also result in the potential loss of new business opportunities for the Debtors.

The disruption that the bankruptcy process could have on the Debtors' business may increase with the length of time it takes to complete the Chapter 11 Cases. If the Debtors are unable to obtain Confirmation of the Plan on a timely basis, because of a challenge to the Plan or otherwise, the Debtors may be forced to operate in bankruptcy for an extended period of time while they try to develop a different plan of reorganization that can be confirmed. A protracted bankruptcy case could increase both the probability and the magnitude of the adverse effects described above.

8. Risk of Other Plan Proposals

Other parties in interest could seek authority from the Bankruptcy Court to propose an alternative plan of reorganization to the Plan. Under the Bankruptcy Code, a debtor in possession initially has the exclusive right to propose and solicit acceptances of a plan of reorganization for a period of 120 days from the Petition Date. However, such exclusivity period can be reduced or terminated upon order of the Bankruptcy Court. If such an order were to be entered, other parties in interest would then have the opportunity to propose alternative plans of reorganization.

If another party in interest were to propose an alternative plan of reorganization following expiration or termination of the Debtors' exclusivity period, such a plan may be less favorable to existing holders of Claims and Equity Interests, including the holders of Claims in the Voting Classes. If there were competing plans of reorganization, the Chapter 11 Cases likely would become longer, more complicated, and much more expensive. If this were to occur, or if the Debtors' employees or other constituencies important to the Debtors' business were to react adversely to an alternative plan of reorganization, the adverse consequences discussed in the preceding section may also occur.

9. Contract and Lease Assumption Risks

An executory contract is a contract on which performance remains due to some extent by both parties to the contract. If the Debtors elect to assume an executory contract or unexpired lease, with respect to some limited classes of executory contracts, including licenses with respect to patents or trademarks, the Debtors may need to obtain the consent of the counterparty to maintain the benefit of the contract. There is no guarantee that such consent either would be forthcoming or that conditions would not be attached to any such consent that makes assuming the contracts unattractive. The Debtors then would be required to either forego the benefits

offered by such contracts or to find alternative arrangements to replace them. Further, with respect to non-residential leases of real property the Plan currently contemplates that: the Debtors retain the ability to modify the Schedule of Assumed Contracts and Leases until the Effective Date; assumptions and rejections of such leases will become effective on the Effective Date; if a cure dispute exists with respect to any such lease as of the Effective Date, the Debtors retain their right to change their election to allow them to reject such lease until after resolution of the cure dispute. The Court may find that the election to assume or reject a lease of non-residential real property must be made at the time of Confirmation of the Plan or the lease will be deemed rejected.

10. Fraudulent Conveyances and Preferential Transfers

Certain payments received by stakeholders prior to the Petition Date could be challenged under applicable debtor/creditor or bankruptcy laws as either a "fraudulent conveyance" or a "preferential transfer." A fraudulent conveyance occurs when a transfer of a debtor's assets is made with the intent to defraud creditors or in exchange for consideration that does not represent reasonably equivalent value to the property transferred. A preferential transfer occurs upon a transfer of property of the debtor while the debtor is insolvent for the benefit of a creditor on account of an antecedent debt owed by the debtor that was made on or within 90 days before the petition date or one year before the petition date, if the creditor, at the time of such transfer, was an "insider" as such term is defined in section 101(31) of the Bankruptcy Code. If any transfer were challenged in the Bankruptcy Court and found to have occurred with regard to any of the Debtors' material transactions, the Bankruptcy Court could order the recovery of all amounts received by the recipient of the transfer.

11. Availability of the DIP Facility

Upon commencing the Chapter 11 Cases, the Debtors asked the Bankruptcy Court to authorize the Debtors to enter into the DIP Credit Agreement and use cash collateral to fund the Chapter 11 Cases and to provide customary adequate protection to the DIP Lenders under the DIP Credit Agreement and to provide adequate protection to BOC and Riesen Funding, which requests were granted on an interim basis. Such access to postpetition financing and cash collateral will provide liquidity during the pendency of the Chapter 11 Cases. The Bankruptcy Court approved the DIP Credit Agreement on November 13, 2017. However, if the Chapter 11 Cases take longer than expected to conclude, the Debtors may exhaust their available financing or their obligations under the DIP Facility may mature. There is no assurance that the Debtors will be able to obtain an extension of the right to obtain further postpetition financing or use cash collateral, in which case, the liquidity necessary for the orderly functioning of the Debtors' business may be impaired materially.

12. The Debtors' Estimates and Assumptions Regarding's Secured, Administrative, and Priority Claims May Be Understated

In preparing their business plan and the Financial Projections, the Debtors have made certain estimates and assumptions regarding obligations that will need to be paid in full, in cash as of the Effective Date of the Plan. Among the obligations that will be paid in full, in cash as of the Effective Date of the Plan are Administrative Claims, Priority Tax Claims, Other Priority

Claims, and, at the Debtor's election, Other Secured Claims, and the cash requirements of the Reorganized Debtors as of the Effective Date are derived from, among other things, the Debtors' estimates and assumptions about the cash required to pay these Claims. For instance, Other Priority Claims include claims entitled to priority under Section 507(a)(4) of the Bankruptcy Code relating to wages, salaries, or commissions earned within 180 days before the Petition Date.

13. The Debtors' Estimations and Assumptions Regarding General Unsecured Claims May be Understated

The estimated amount of Claims in this Disclosure Statement are based on the Debtors' books and records, and certain reasonable assumptions. However, the actual Allowed amount of Claims may differ from the Debtors' estimates. The estimated amounts are subject to certain risks, uncertainties and assumptions. Should one or more of these risks of uncertainties materialize or should the underlying assumptions of the Debtors prove incorrect, the actual Allowed amounts of Claims may vary from the estimated amounts herein.

Distributions to Holders of Allowed General Unsecured Claims will be affected by the pool of Allowed General Unsecured Claims. Upon completion of further analysis of Filed Claims, which will likely lead to Claims objection litigation, the total amount of General Unsecured Claims that ultimately become Allowed General Unsecured Claims may differ from the Debtors' estimates, which are reflected in this Disclosure Statement, and such difference could be material. As a result, the amount of Pro Rata Distributions that may be received by a particular Holder of an Allowed General Unsecured Claim may be adversely affected by the aggregate amount of General Unsecured Claims ultimately Allowed.

14. Risk of Termination of the Restructuring Support Agreement

Pursuant to the Restructuring Support Agreement, the Supporting Parties are obligated to support the restructuring transaction discussed above and the Plan. Nevertheless, the Restructuring Support Agreement is subject to termination upon the occurrence of a Termination Event (as such term is defined in the Restructuring Support Agreement). Accordingly, the Restructuring Support Agreement may be terminated after the date of this Disclosure Statement, and such a termination would present a material risk to Confirmation of the Plan because the Plan may no longer have the support of the Supporting Parties.

ARTICLE X.

CONFIRMATION PROCEDURE

Under the Bankruptcy Code, the following steps must be taken to confirm the Plan:

A. Solicitation of Votes

In accordance with sections 1126 and 1129 of the Bankruptcy Code, the Claims and Equity Interests in five (5) of the Classes of the Plan are Impaired. Those Classes are Class 3 (BOC Claims), Class 4 (Riesen Funding Claims), Class 5 (General Unsecured Claims), Class 7 (Subordinated Claims), and Class 8 (Existing Equity Interests). However, only the holders of

Allowed Claims in three of those Classes (Classes 3, 4, and 5) are entitled to vote to accept or reject the Plan. Holders of Claims and Equity Interests in Classes 7 and 8 are Impaired and are deemed to have rejected the Plan; and, therefore, are not entitled to vote to accept or reject the Plan. Further, the Claims in Classes 1, 2, 6, and 9 are Unimpaired and are conclusively presumed to have accepted the Plan; and, therefore, they are not entitled to vote to accept or reject the Plan.

As to Classes of Claims entitled to vote on the Plan, section 1126(c) of the Bankruptcy Code defines "acceptance" of a reorganization plan by a class of creditors as acceptance by holders of at least two-thirds in dollar amount (commonly referred to as the "aggregate claim amount" requirement) and more than one-half in number (commonly referred to as the "numerosity" requirement) of the Claims of that class that have timely voted to accept or reject a plan.

A vote to accept or reject a reorganization plan may be disregarded if the bankruptcy court determines, after notice and a hearing, that acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

Any Claim to which an objection or request for estimation is pending, or which is on the Schedules and reflected as unliquidated, disputed or contingent and for which no proof of claim has been filed, is not entitled to vote on whether to accept or reject the Plan unless the holder of such Claim has obtained an order of the Bankruptcy Court temporarily allowing such Claim for the purpose of voting on the Plan. In addition, the Debtors propose that Ballots cast by alleged creditors of the Debtors whose Claims (x) are not listed on the Schedules or (y) are listed on the Schedules as disputed, contingent and/or unliquidated, but who in either case have timely filed proofs of claim in unliquidated or unknown amounts that are not the subject of an objection filed by the Debtors, will have their Ballots counted towards satisfying the numerosity requirement of section 1126(c) of the Bankruptcy Code, but will only have their Ballots counted in the amount of $1.00 toward satisfying the aggregate claim amount requirements of that section.

B. The Confirmation Hearing

The Bankruptcy Code requires that a bankruptcy court, after notice, hold a confirmation hearing prior to determining whether to confirm the proposed plan of reorganization. The Confirmation Hearing is scheduled for 11:30 a.m., prevailing Eastern Time, on February 7, 2018, but may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement of the adjourned date made at the Confirmation Hearing or filed on the Docket. The Bankruptcy Court, in its discretion and prior to the Confirmation Hearing, may put in place additional procedures governing the Confirmation Hearing. Subject to section 1127 of the Bankruptcy Code and the Restructuring Support Agreement, the Plan may be modified, if necessary, prior to, during, or as a result of the Confirmation Hearing, without further notice to parties in interest.

Additionally, section 1128(b) of the Bankruptcy Code provides that any party in interest may object to Confirmation. The Bankruptcy Court has established January 31, 2018 at 4:00 p.m., prevailing Eastern Time, as the deadline for parties in interest to file Plan objections (the "**Objection Deadline**"). All objections to the Plan must be filed with the Bankruptcy Court and

served on the Debtors and certain other parties in interest so that they are received on or before the Objection Deadline.

C. Confirmation

At the Confirmation Hearing, the Bankruptcy Court will confirm the Plan only if all of the requirements of section 1129 of the Bankruptcy Code are met. Among those requirements are that the Plan is (i) accepted by all Impaired Classes of Claims and Equity Interests (or, if rejected by an Impaired class, that the plan "does not discriminate unfairly" and is "fair and equitable" as to such Class), (ii) feasible, and (iii) in the "best interests" of creditors and equity interest holders that are Impaired under the Plan. These three concepts are described below.

1. Acceptance

Under the Bankruptcy Code, certain classes are not entitled to vote to accept or reject a proposed plan because those classes are conclusively presumed to have voted to accept that plan or are deemed to have rejected that plan. In the case of Class 1 (Other Priority Claims), Class 2 (Other Secured Claims), Class 6 (Intercompany Claims), and Class 9 (Intercompany Interests), those Classes are Unimpaired under the Plan and, therefore, are conclusively presumed to have accepted the Plan. In the case of Class 7 (Subordinated Claims) and Class 8 (Existing Equity Interests), those Classes are deemed to reject the Plan because, under the Plan, those Classes are Impaired and the members of those Classes will not receive any Distribution or be entitled to retain any property on account of those Claims or Equity Interests. Consequently, only holders of Allowed Claims in Class 3 (BOC Claims), Class 4 (Riesen Funding Claims), and Class 5 (General Unsecured Claims) are entitled to vote to accept or reject the Plan.

Because Classes 7 and 8 are Impaired and also are deemed to reject the Plan, the Debtors will seek nonconsensual confirmation of the Plan under section 1129(b) of the Bankruptcy Code, with respect to such Classes; *provided* that the Debtors will only seek the nonconsensual confirmation of the Plan under section 1129(b) of the Bankruptcy Code, if at least one (1) Class of Claims Impaired under the Plan has accepted the Plan (and which Class's acceptance is determined without inclusion of Claims of insiders).

2. Confirmation Without Acceptance of All Impaired Classes

Section 1129(b) of the Bankruptcy Code establishes a procedure to obtain the nonconsensual confirmation of a proposed plan. This procedure is known as a "cram down." To obtain nonconsensual confirmation, it must be demonstrated to the bankruptcy court that the proposed plan (x) "does not discriminate unfairly" and (y) is "fair and equitable" with respect to each non-accepting class that is impaired under the proposed plan. The Debtors believe that the Plan does not discriminate unfairly, and they also believe it is fair and equitable.

a. <u>No Unfair Discrimination</u>

This test applies to classes of claims or equity interests that are of equal priority and are receiving different treatment under the Plan. The test does not require that the treatment be the same or equivalent, but that such treatment be fair. In general, bankruptcy courts consider

whether a plan discriminates unfairly in its treatment of classes of claims of equal rank (e.g., classes of the same legal character). Bankruptcy courts will take into account a number of factors in determining whether a plan discriminates unfairly, and, accordingly, a plan could treat two classes of unsecured creditors differently without unfairly discriminating against either class.

b. Fair and Equitable Test

This test applies to classes of different priority and status (e.g., secured vs. unsecured) and includes the general requirement that no class of claims receive more than 100% of the amount of the allowed claims in such class. As to the dissenting class, the test sets different standards depending on the type of claims or equity interests in such class, which are as follows:

(1) Secured Creditors. In the case of a class of secured creditors, either: (i) each impaired creditor retains its liens securing its secured claim and receives on account of its secured claim deferred cash payments having a present value equal to the amount of its allowed secured claim; or (ii) each impaired secured creditor realizes the "indubitable equivalent" of its allowed secured claim; or (iii) the property securing the claim is sold free and clear of Liens (with such Liens instead attaching to the proceeds of the sale and the treatment of such Liens on proceeds satisfying clause (i) or (ii) above. The Plan establishes two Classes of Impaired secured Claims: Class 3 (BOC Claims) and Class 4 (Riesen Funding Claims). The Claims in each of those Classes are held by the Supporting Parties, who will vote in favor of the Plan in accordance with the Restructuring Support Agreement.

(2) Unsecured Creditors. In the case of a class of unsecured creditors, either: (i) each impaired unsecured creditor receives or retains under the proposed plan property of a value equal to the amount of its allowed claim; or (ii) the holders of claims and equity interests that are junior to the claims or equity interests of the particular non-accepting class will not receive any property under the plan. The Plan establishes one Class of Impaired unsecured Claims, Class 5 (General Unsecured Claims); no holders of Claims or Interests junior to holders of Claims in Class 5 are receiving anything on account of their Claims or Interests; provided that for administrative convenience, Intercompany Claims may be reinstated, cancelled or compromised and Intercompany Interests will remain in place.

(3) Equity Interests. In the case of a class of equity holders, either: (i) each holder of an equity interest will receive or retain under the plan property of a value equal to the fixed liquidation preference to which such holder is entitled, the fixed redemption price to which such holder is entitled or the value of its interest (whichever is highest); or (ii) the holder of an equity interest that is junior to the particular non-accepting class will not receive or retain any property under the Plan. Here, with respect to holders of Equity Interests there are no junior classes receiving any recovery under the Plan; *provided* that Intercompany Interests will remain in place for administrative convenience.

3. Feasibility

For a reorganization plan to be confirmed, section 1129(a)(11) of the Bankruptcy Code requires that confirmation of that plan is not likely to be followed by the liquidation of the debtor, or by the need for further financial reorganization of that debtor. The Debtors believe the

Plan satisfies this confirmation requirement. The Debtors have analyzed their ability to meet their obligations under the Plan and, based upon the Financial Projections attached as **Exhibit C** to this Disclosure Statement and the assumptions set forth therein, including (among other things) the anticipated liquidity to be provided under the Exit Facility, the Debtors believe they will be able to make all Distributions required by the Plan and also will be able to fund their corporate and working capital needs going forward.

4. Best Interests Test

For a reorganization plan to be confirmed, section 1129(a)(7) of the Bankruptcy Code requires, in general, with respect to each Impaired class of claims and equity interests, that each holder of an allowed claim or equity interest either (i) accept the plan or (ii) receive or retain under the plan, on account of such claim or equity interest, property of a value, as of the plan's effective date, that is not less than the value such holder would so receive or retain if the debtors instead were liquidated under chapter 7 of the Bankruptcy Code.

To determine what each holder of an Allowed Claim or Equity Interest in an impaired class would receive if the Debtors were to be liquidated under chapter 7, the Bankruptcy Court must determine the dollar amount that would be generated from the liquidation of the Debtors' assets in the context of a chapter 7 liquidation case. The Cash amount that would be available for satisfaction of Claims and Equity Interests would consist of the proceeds resulting from the disposition of the unencumbered assets of the Debtors (if any), plus the unencumbered Cash (if any) held by the Debtors at the time of the commencement of the liquidation case and litigation recoveries. That aggregate amount then would be reduced by the amount of the costs and expenses of liquidation, plus any additional administrative and priority Claims that might result from the termination of the Debtors' business and the use of chapter 7 for the purposes of liquidation.

The costs and expenses of any liquidation under chapter 7 would include, among other things, the fees payable to a chapter 7 trustee, as well as the fees and expenses that might be payable to attorneys and other professionals that such a chapter 7 trustee might engage. In addition, additional Claims would arise in a chapter 7 that would not arise if the Plan was conferred by reason of the breach or rejection of obligations incurred and leases and executory contracts assumed or entered into by the Debtors during the pendency of the Chapter 11 Cases. All of these Claims, as well as other Claims that might arise in a liquidation case or result from the Chapter 11 Cases, including any unpaid expenses incurred by the Debtors and the Creditors' Committee during the Chapter 11 Cases (such as compensation for legal and financial advisors and accountants), would need to be paid in full from the liquidation proceeds before the balance of those proceeds would be made available to pay prepetition Allowed General Unsecured Claims. In addition, the pool of unsecured claims will likely increase substantially in a chapter 7 because the Debtors would not be assuming executory contracts and unexpired leases nor would it be paying as cure pre-petitions amounts outstanding under such agreements.

The value of those net distribution proceeds from the Debtors' unencumbered assets are then compared to the value of the property offered to such Classes of Claims and Equity Interests under the Plan, to determine if the Plan is in the best interests of each such Impaired Class.

The Debtors have considered the impact that a chapter 7 liquidation would have on the ultimate proceeds available for Distribution to holders of Claims and Equity Interests in the Chapter 11 Cases, as detailed in the Liquidation Analysis being prepared by the Debtors (with the assistance of their financial advisor). A copy of that Liquidation Analysis is attached as **Exhibit D** to this Disclosure Statement.

It is important to emphasize that a liquidation analysis, like any other type of financial projection, must be based on a series of estimates and assumptions that, although developed and considered reasonable at the time that analysis is undertaken, are inherently subject to significant economic and competitive uncertainties and contingencies, mostly beyond the control of the Debtors. Moreover, liquidation involves a sequence of steps, with each step involving potentially multiple alternate decisions. The sequence of steps, and decision made at each applicable step, as assumed for purposes of the analysis may or may not be the sequence and decisions that ultimately would have been taken and made, or even available, had an actual liquidation been undertaken. For these reasons, there can be no assurance that an aggregate value at least equal to the valuation reflected in the Liquidation Analysis in fact would be achieved in any such actual liquidation.

ARTICLE XI.

ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

The Debtors would have two principal alternatives if the Plan is not to be confirmed and consummated. First, the Debtors could seek the confirmation and consummation of an alternative plan of reorganization under chapter 11 of the Bankruptcy Code. Second, the Debtors could seek liquidation under chapter 7 or chapter 11 of the Bankruptcy Code. These two alternatives are discussed below.

A. Alternative Plan of Reorganization Under Chapter 11

If the Plan is not confirmed, the Debtors (or, after the expiration of the Debtors' exclusive period in which to propose and solicit a plan of reorganization, any other party in interest in the Chapter 11 Cases) could propose a different plan or plans of reorganization under chapter 11 of the Bankruptcy Code. Such plans might involve a reorganization and continuation of the Debtors' business, an orderly liquidation of the Debtors' assets, a transaction, or a combination of such alternatives. As of the date of this Disclosure Statement, there is no feasible alternative plan of reorganization that has been developed by the Debtors. Moreover, the Debtors believe that the Plan, as described in this Disclosure Statement, enables creditors to realize the highest and best value available under the circumstances, and that any liquidation of the Debtors' assets, or alternative form of chapter 11 plan, would result in substantially more delay, risk and uncertainty to the Debtors and their creditors.

Additionally, any alternative plan of reorganization would need to provide for payment of DIP Facility Claims in Cash, because the agreement to roll those Claims into the Exit Facility is contingent upon confirmation of the Plan. Moreover, the proposal of any alternative plan is a Termination Event (as defined by the Restructuring Support Agreement) under the Restructuring

Support Agreement, and would relieve the Supporting Parties from their obligations thereunder. Additionally, termination of the Restructuring Support Agreement is an Event of Default under the DIP Credit Agreement.

B. Liquidation Under Chapter 7 or Chapter 11

If no plan of reorganization is confirmed, the Chapter 11 Cases may be converted to a case under chapter 7 of the Bankruptcy Code. In a chapter 7 case, a trustee or trustees would be appointed to liquidate the assets of the Debtors. It is impossible to predict precisely how the proceeds of the liquidation, if any, would be distributed to the respective holders of Claims against the Debtors.

The Debtors believe, however, that creditors would lose the substantially higher going concern value if the Debtors were forced to liquidate. In addition, the Debtors believe that in a liquidation under chapter 7, before creditors would receive any distribution, additional administrative expenses involved in the appointment of a trustee or trustees and attorneys, accountants, and other professionals to assist such trustees would cause a substantial diminution in the value of the Estates. The assets available for distribution to creditors would be reduced by such additional expenses and by Claims, some of which would be entitled to priority, which would arise by reason of the liquidation and from the rejection of leases and other executory contracts in connection with the cessation of operations and the failure to realize the greater going concern value of the Debtors' assets.

The Debtors may also be liquidated pursuant to a liquidation plan under chapter 11 of the Bankruptcy Code. In a liquidation under chapter 11, the Debtors' assets could be sold in an orderly fashion, a process that may be conducted over a more extended period of time than a liquidation under chapter 7. Thus, a chapter 11 liquidation might result in larger recoveries than a chapter 7 liquidation, but still would be subject to the potential delay in distributions that could result in lower present values received and higher administrative costs. Because a trustee is not required in a chapter 11 case, expenses for professional fees could be lower than in a chapter 7 case, in which a trustee must be appointed. Any distribution to holders of Claims or Equity Interests under a chapter 11 liquidation plan may be delayed substantially.

The Liquidation Analysis is premised upon a hypothetical liquidation in a chapter 7 case. As described in Article X above, the Debtors believe that a liquidation under chapter 7 is a substantially less attractive alternative to the Debtors and their creditors.

ARTICLE XII.

SECURITIES LAWS MATTERS

The Plan provides that New Equity Interests will be issued to holders of Allowed Riesen Funding Claims in Class 4 (for purposes of this Article XII, referred to as New Equity Interests issued under the Plan). Further, the Exit Facility Term Sheet contemplates that the lender under the Exit Facility will receive warrants to acquire up to 5% of the New Equity Interests in Reorganized Mac Parent (the "**Warrants**", and together with the New Equity Interests issued upon exercise of the Warrants, the "**Warrant Securities**").

The New Equity Interests issued under the Plan, as well as the Warrants and the Warrant Securities will be "securities" within the meaning of the Securities Act of 1933, as amended (the "**Securities Act**"). The Debtors do not intend to file a registration statement under the Securities Act, or any corresponding state securities laws, in connection with the offer and Distribution of the New Equity Interests under the Plan nor the Warrants or Warrant Securities.

A. New Equity Interests Issued Under the Plan.

The Debtors believe that the provisions of section 1145(a)(1) of the Bankruptcy Code exempt the Debtors' offer and Distribution of the New Equity Interests under the Plan from federal and state securities registration requirements (including, but not limited to, Section 5 of the Securities Act or any corresponding state law requiring the registration for offer or sale of a security).

Section 1145(a)(1) of the Bankruptcy Code exempts the offer and sale of securities under a plan of reorganization from the registration requirements the Securities Act and corresponding state laws if certain criteria are satisfied, principally that: (i) the securities must be offered and sold under a plan of reorganization and must be securities of the debtor, of an affiliate participating in a joint plan with the debtor, or of a successor to the debtor under the plan; (ii) the recipients of the securities must each hold a prepetition claim against (or equity interest in), or a claim for administrative expense in the reorganization case concerning, the debtor or such affiliate; and (iii) the securities must be issued entirely in exchange for the recipient's claim against or equity interest in the debtor or such affiliate, or principally in such exchange and partly for cash or property. As indicated above, the Debtors believe that the offer and sale of the New Equity Interests under the Plan satisfies the requirements of section 1145(a)(1) and thus is entitled to the exemption from registration afforded by that section. However, section 1145(a)(1), by its terms, would not be available to any entity deemed a statutory underwriter under section 1145.[14] You should confer with your own legal advisors to help determine whether or not you are an "underwriter."

[14] Section 1145(b)(1) of the Bankruptcy Code defines an "underwriter" as any entity who "(A) purchases a claim against, interest in, or claim for an administrative expense in the case concerning, the debtor, if such purchase is with a view to distribution of any security received or to be received in exchange for such a claim or interest; (B) offers to sell securities offered or sold under the plan for the holders of such securities; (C) offers to buy securities offered or sold under the plan from the holders of such securities, if such offer to buy is (i) with a view to distribution of such securities; and (ii) under an agreement made in connection with the plan, with the

Section 1145 stipulates that the offer and sale of securities in accordance with section 1145(a)(1) is deemed to be a public offering. To the extent a creditor of the Debtors receives any New Equity Interests under the Plan in accordance with section 1145, the subsequent transfer of such New Equity Interests typically would be exempt from registration under the Securities Act, pursuant to section 4(1) of the Securities Act, unless such holder was deemed to be an "issuer", "underwriter," or "dealer" with respect to such securities.

In light of the complexities of the foregoing provisions, the Debtors are unable to offer any assurance concerning the right of any Person to trade in the New Equity Interests issued under the Plan; nor will the Debtors seek any no-action advice from the SEC or any applicable state securities commissioner. Creditors are urged to consult with their own counsel regarding the securities laws implications of obtaining, holding, and trading in such New Equity Interests.

B. Warrant Securities

The provisions of section 1145(a)(1) of the Bankruptcy Code will not be available to provide an exemption for the Debtors' offer and Distribution of the Warrant Securities. The Warrant Securities will be offered and sold only in certain private transactions exempt from registration under the Securities Act pursuant to Section 4(a)(2) or Regulation D thereunder. Consequently, the Warrant Securities will be "restricted securities" (within the meaning of Rule 144 under the Securities Act) and may only be reoffered and resold in certain transactions exempt from registration under that Act.

ARTICLE XIII.

TAX MATTERS

THE FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. ALL HOLDERS OF CLAIMS AGAINST THE DEBTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN, INCLUDING THE APPLICABILITY AND EFFECT OF ANY FEDERAL, STATE, LOCAL, OR FOREIGN TAX LAWS AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

This discussion is a summary of certain U.S. federal income tax consequences of the consummation of the Plan to the Debtors and to U.S. holders (as defined below) of Claims that are entitled to vote to accept or reject the Plan. This discussion is provided for information purposes only, and is based on provisions of the Internal Revenue Code of 1986, as amended (the "**IRC**"), Treasury Regulations promulgated thereunder, judicial authorities, and current published administrative rulings and practice of the United States Internal Revenue Service (the "**IRS**") and other applicable authorities, all as in effect on the date hereof. Legislative, judicial, or administrative changes or interpretations enacted or promulgated after the date hereof could

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consummation of the plan, or with the offer or sale of securities under the plan; or (D) is an issuer, as used in such section 2(a)(11) [of the Securities Act], with respect to such securities."

alter or modify the analyses set forth below with respect to the United States federal income tax consequences of the Plan. Any such changes or interpretations may be retroactive and could significantly, and adversely, affect the United States federal income tax consequences of the Plan.

The following summary is limited to holders of Claims that are U.S. holders (as defined herein). For purposes of the following discussion, a "**U.S. holder**" is any of the following:

- An individual who, for U.S. income tax purposes, is a citizen or resident of the United States;

- A corporation (or other entity classified as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia;

- An estate, the income of which is subject to federal income taxation regardless of its source; or

- A trust that (a) is subject to the primary supervision of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust, or (b) has a valid election in effect under applicable Treasury Regulations to be treated as a United States person.

This discussion does not address all aspects of U.S. federal income taxation that may be relevant to the Debtors or a particular U.S. holder in light of its particular facts and circumstances, or to certain types of U.S. holders subject to special treatment under the IRC or other applicable tax rules or regulations, and does not address any tax consequences related to the holding or disposition of interests in Reorganized Mac Parent. Examples of U.S. holders subject to special treatment under the IRC are governmental entities and entities exercising governmental authority, banks and certain other financial institutions, broker-dealers, insurance companies, tax-exempt organizations and retirement accounts, real estate investment trusts, small business investment companies, regulated investment companies, U.S. holders that are or hold their Claims through a partnership or other pass-through entity (including a subchapter S corporation), persons using a mark-to-market method of accounting, persons who are related to the Debtors within the meaning of various provisions of the IRC, U.S. holders of Claims who are themselves in bankruptcy, dealers in securities or foreign currency, persons that have a functional currency other than the U.S. dollar, and persons holding or that will hold Claims or interests in Reorganized Mac Parent as part of a hedge, straddle, constructive sale, conversion transaction or other integrated transaction. This discussion does not address state, local or foreign tax consequences of the Plan, and does not discuss federal tax consequences other than income tax, for example estate, gift, or the 3.8% tax on certain investment income. Except as stated otherwise, this summary also assumes that the various debt and other arrangements to which the Debtors are a party will be respected for U.S. federal income tax purposes in accordance with their form. Furthermore, this summary only applies to U.S. holders that hold their Claims as capital assets for U.S. federal income tax purposes (generally, property held for investment).

The tax treatment of holders of Claims and the character, amount and timing of income, gain or loss recognized as a consequence of the Plan and the Distributions provided for by the Plan may vary, depending upon the following factors, among others: (i) whether the Claim or portion thereof constitutes a Claim for principal or interest; (ii) the type of consideration, if any, received by the holder in exchange for the Claim, and whether the holder receives Distributions under the Plan in more than one taxable year; (iii) whether the holder is a U.S. holder or falls into any special class of taxpayers, such as those that are excluded from this discussion as noted above; (iv) the manner in which the holder acquired the Claim; (v) the length of time that the Claim has been held; (vi) whether the Claim was acquired at a discount; (vii) whether the holder has taken a bad debt deduction or a worthless securities deduction with respect to the Claim or any portion thereof; (viii) whether the holder has previously included in gross income accrued but unpaid interest with respect to the Claim; (ix) the method of tax accounting of the holder; (x) whether the Claim is an installment obligation for U.S. federal income tax purposes; and (xi) whether the "market discount" rules apply to the holder. In addition, if a partnership (including any entity or arrangement treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of a Claim, the treatment of a person treated as a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Entities treated as partnerships and their partners should consult their tax advisors about the U.S. federal income tax consequences of participating in the Plan. Additionally, this discussion does not address the net investment income tax imposed by Section 1411 of the IRC. Therefore, each holder should consult such holder's own tax advisor for tax advice with respect to that holder's particular situation and circumstances, and the particular tax consequences to such holder of the transactions contemplated by the Plan.

Several months will elapse between the date of the Disclosure Statement and the receipt of Distributions under the Plan. Events occurring after the date of the Disclosure Statement, such as new or additional tax legislation, court decisions, or administrative changes, could affect the U.S. federal income tax consequences of the Plan and the transactions contemplated thereunder. Due to the lack of definitive judicial and administrative authority in a number of areas, substantial uncertainty may exist with respect to some of the tax consequences described below. No ruling has been or will be sought from the IRS with respect to any of the tax consequences of the Plan, and no opinion of counsel has been or will be obtained by the Debtors with respect thereto. No representations are being made regarding the particular tax consequences of the confirmation or implementation of the Plan as to any holder of a Claim. This discussion is not binding upon the IRS or other taxing authorities or the Bankruptcy Court. No assurance can be given that the IRS or another authority would not assert, or that a court would not sustain, a different position from any discussed herein.

THE FOLLOWING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN, AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE FOLLOWING DISCUSSION IS FOR INFORMATION PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A U.S. HOLDER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, EACH U.S. HOLDER IS STRONGLY URGED TO CONSULT SUCH U.S. HOLDER'S TAX ADVISOR

REGARDING THE FEDERAL, STATE, LOCAL AND FOREIGN INCOME TAX CONSEQUENCES OF THE PLAN.

A. Certain U.S. Federal Income Tax Consequences of the Plan to U.S. Holders of Claims

1. Receipt of Debt in Exchange for an Allowed DIP Facility Claim or BOC Claim

The exchange of an Allowed DIP Facility Claim or Allowed BOC Claim for new debt pursuant to the Plan could be treated as a taxable sale or exchange of the applicable Allowed Claim for a debt instrument bearing the terms of the new obligations issued to the holder pursuant to the Plan. If the exchange is a taxable exchange, a U.S. holder of an Allowed Claim will generally realize gain or loss equal to the difference between the "amount realized" by such U.S. holder in exchange for its Claim and such U.S. holder's adjusted tax basis in the Claim. In general, any such gain or loss should be capital in nature and should be a long term capital gain (or loss) if the U.S. holder's holding period for the Claim (as determined for U.S. federal income tax purposes) at the time of confirmation of the Plan exceeds one year. However, any such gain would be treated as ordinary income to the extent attributable to any (a) market discount such U.S. holder had accrued with respect to its surrendered Claim, unless the U.S. holder has elected to include market discount in income currently as it accrues (see discussion of market discount below), (b) accrued but unpaid interest (see discussion of interest below), or (c) recovery of any amount previously deducted as an ordinary loss or deduction (with certain exceptions).

The post-confirmation obligations of the Debtors to a U.S. holder of an Allowed DIP Facility Claim or BOC Claim, or any other U.S. holder whose payment could be deferred, could be treated as a debt instrument subject to the "original issue discount" or "imputed interest" rules of the IRC and as an "installment obligation" subject to the rules under the IRC applicable to the installment method of reporting gain. These rules are complex, and each U.S. holder of an Allowed DIP Facility Claim, BOC Claim or other Claim where payment is being deferred is urged to consult its tax advisor regarding the consequences to such holder of the Plan, including the possible ability to elect out of the installment method of reporting any gain and the possible application of the original discount or imputed interest rules to the payment obligations owed to such U.S. holder under the Plan.

The tax consequences of the Plan and to the U.S. holders of Allowed DIP Claims and Allowed BOC Claims are uncertain and depend on the application of complex rules to facts that are not clearly addressed by such rules. Such U.S. holders should consult their tax advisors regarding, all applicable federal, state, local and other income and other tax consequences of the Plan.

2. Receipt of New Equity Interests for a Riesen Funding Claim

Inasmuch as Mac Parent is, and immediately following the confirmation of the Plan Reorganized Mac Parent will be, a disregarded entity for U.S. federal income tax purposes and, therefore, the assets of Mac Parent are treated for such purposes as owned by the same person

that is treated for such purposes as owning the Riesen Funding Claim immediately before confirmation of the Plan, the Riesen Funding Claim and the interests in Mac Parent currently are disregarded for U.S. federal income tax purposes. Therefore, the issuance of the New Equity Interests to Riesen Funding in satisfaction of the Riesen Funding Claim is expected to be a disregarded transaction for U.S. federal income tax purposes with no consequences to the holder of the Riesen Funding Claim.

3. Receipt of Cash in Satisfaction of a Claim

Except to the extent attributable to accrued and unpaid interest (as discussed below), a U.S. holder who receives cash in exchange for its Allowed Claim will generally recognize income, gain or loss for U.S. federal income tax purposes in an amount equal to the difference between (i) the amount of cash received in exchange for its Allowed Claim, and (ii) the U.S. holder's adjusted tax basis in its Allowed Claim that is treated as exchanged for cash. While the treatment of such gain or loss as capital gain or loss depends on numerous factors, such gain or loss generally will be capital gain if the Claim is a "capital asset" in the hands of the U.S. holder and any gain is not attributable to (a) market discount a U.S. holder had accrued with respect to its surrendered Claim, unless the U.S. holder has elected to include market discount in income currently as it accrues (see discussion of market discount below), (b) accrued but unpaid interest (see discussion of interest below), or (c) recovery of any amount previously deducted as an ordinary loss or deduction (with certain exceptions). There are other possible exceptions to this treatment however, depending on the specific nature of the Allowed Claim (e.g., compensation for services or the like), and each U.S. holder of a Claim should consult its own tax advisor regarding the character of any income, gain, loss or deduction resulting from the Plan.

The tax consequences of the Plan and to the U.S. holders receiving cash in consideration of their Claims are uncertain and depend on the application of complex rules to facts that are not clearly addressed by such rules. Such U.S. holders should consult their tax advisors.

4. Receipt of Other Consideration

If a U.S. holder of a Claim receives consideration other than cash, New Equity Interests or new debt in satisfaction of its Claim, the federal income tax consequences of the exchange will depend on many factors, including the type and mix of such consideration and the tax characterization of the Claim in the hands of the U.S. holder. Because the specifics of any such transaction are unknowable at this time, this summary does not address the tax consequences of such transactions. Accordingly, any such U.S. holder should explore such tax consequences with its tax advisor.

5. Accrued but Unpaid Interest

In general, to the extent a U.S. holder of a debt instrument receives cash or property in satisfaction of interest accrued but unpaid during the holding period of such instrument, the amount of such cash or the value of such property will be taxable to the U.S. holder as ordinary interest income (if not previously included in the U.S. holder's gross income). Conversely, such U.S. holder may recognize a deductible loss to the extent that any accrued interest was

previously included in its gross income and is not paid. The extent to which cash or property received by a U.S. holder of a debt instrument will be attributable to accrued but unpaid interest is unclear. Pursuant to the Plan, all distributions in respect of any Allowed Claim will be allocated first to the principal amount of such Allowed Claim (as determined for U.S. federal income tax purposes), and thereafter, to the extent permitted under the Bankruptcy Code, to accrued but unpaid interest, if any. However, the provisions of the Plan are not binding on the IRS or a Bankruptcy Court with respect to the appropriate tax treatment for creditors. Certain legislative history indicates that an allocation of consideration between principal and interest provided in a chapter 11 plan of reorganization generally is binding for U.S. federal income tax purposes. However, regulations issued by the IRS require, in general, that payments made on a debt instrument first be allocated to accrued but untaxed interest. Application of this rule to a final payment on a debt instrument being discharged at a discount in bankruptcy is unclear.

Each U.S. holder of an Allowed Claim is urged to consult its tax advisor regarding the inclusion in income of amounts received in satisfaction of accrued but unpaid interest, the allocation of consideration between principal and interest, and the deductibility of previously included unpaid interest for tax purposes.

6. Market Discount

Under the "market discount" provisions of Sections 1276 through 1278 of the IRC, some or all of any gain realized by a U.S. holder exchanging the debt instruments constituting its Allowed Claim may be treated as ordinary income (instead of capital gain), to the extent of the amount of accrued "market discount" on the debt constituting the surrendered Allowed Claim.

In general, a debt instrument is considered to have been acquired with "market discount" if it is acquired other than on original issue and if its U.S. holder's adjusted tax basis in the debt instrument is less than (a) the sum of all remaining payments to be made on the debt instrument, excluding "qualified stated interest" or, (b) in the case of a debt instrument issued with "original issue discount," its adjusted issue price, by at least a *de minimis* amount (equal to 0.25% of the sum of all remaining payments to be made on the debt instrument, excluding qualified stated interest, multiplied by the number of remaining whole years to maturity).

Any gain recognized by a U.S. holder on the taxable disposition (determined as described above) of debts that it acquired with market discount will generally be treated as ordinary income to the extent of any market discount that accrued thereon while such debts were considered to be held by the U.S. holder (unless the U.S. holder elected to include market discount in income as it accrued). If a U.S. holder did not elect to include market discount in income as it accrued and, thus, under the market discount rules, was required to defer all or a portion of any deductions for interest on debt incurred or maintained to purchase or carry the obligations constituting its Allowed Claim, such deferred amounts would become deductible at the time of such taxable disposition. The market discount rules in the IRC are complex, and any holder of an Allowed Claim acquired other than at original issue should consult its own tax advisor regarding the application of these rules to the consideration to be received under the Plan.

7. Backup Withholding Tax and Information Reporting Requirements

The applicable withholding agent will withhold all amounts required by law to be withheld from payments of interest or otherwise as required under applicable law. The applicable withholding will comply with all applicable information reporting requirements of the IRC. Payments and other distributions in respect of Allowed Claims under the Plan may be subject to applicable information reporting and backup withholding. Unless the payee otherwise establishes an exemption, backup withholding of taxes will generally apply to payments in respect of an Allowed Claim under the Plan if the U.S. holder of such Allowed Claim fails to provide an accurate taxpayer identification number or otherwise fails to comply with the applicable requirements of the backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules may be credited against a U.S. holder's U.S. federal income tax liability, and a U.S. holder may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing an appropriate claim for credit or refund with the IRS.

In addition, from an information reporting perspective, U.S. Treasury Regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of specified thresholds. U.S. holders are urged to consult their tax advisors regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the U.S. holders' tax returns.

B. Certain U.S. Federal Income Tax Consequences of the Plan to the Debtors and their Members

1. The Debtors Are Disregarded Entities, Not Taxpayers

All of the Debtors, potentially other than three of the Debtor Operating Subsidiaries,[15] are single member limited liability companies that have not elected to be treated as corporations for U.S. income tax purposes and, therefore, are disregarded entities for such purposes. They do not file U.S. federal income tax returns or pay U.S. federal income taxes and their income and expenses have historically been reflected directly on the tax returns of RedRock, in its capacity as the sole "regarded" member of Mac Parent. RedRock is now itself a single member LLC, and thus is also a disregarded entity for U.S. federal income tax purposes. The other three of the Debtor Operating Subsidiaries have been and are expected to continue to be treated as partnerships for U.S. federal income tax purposes. As a result of the status of the Debtors as disregarded entities or partnerships for U.S. federal income tax purposes, the Debtors are not subject to U.S. federal income tax. Instead, any income (including COD Income discussed below), gain, loss or deduction of the Debtors for U.S. federal income tax purposes arising from the from implementation of the Plan will generally be reflected in the computation of the taxable

[15] Three of the Debtor Operating Subsidiaries have historically been taxed as partnerships, delivering a K-1 reflecting their gains or losses to RedRock as the sole member of Mac Parent

income or loss of the direct or indirect owner(s) of the Debtors that are subject to U.S. federal income tax (such person or persons, collectively, the "**Responsible Taxpayer**"). Such income, gain, loss or deduction will have no impact on the Debtors or the Debtors' ability to make payments required under the Plan.

2. Cancellation of Debt and Reduction of Tax Attributes of Responsible Taxpayer

In general, absent an exception, the Responsible Taxpayer will realize and recognize cancellation of debt income for U.S. federal income tax purposes ("**COD Income**") upon satisfaction of the Debtors' outstanding indebtedness for total consideration less than the amount of such indebtedness. COD Income is generally treated as ordinary income. The amount of COD Income, in general, is the excess of (a) the adjusted issue price of the indebtedness satisfied, over (b) the sum of (x) the amount of cash paid, (y) the issue price of any new debt instrument issued by the debtor and (z) the fair market value of any other consideration given in satisfaction of such indebtedness at the time of the exchange. (But see above re the expected U.S. federal income tax treatment of the Riesen Funding Claim.) The issue price of any such new debt instrument (which is expected to include the obligations under the Exit Facility and the obligations in respect of BOC Claims) is determined under either Section 1273 or 1274 of the IRC. Generally, these provisions treat the fair market value of a debt instrument treated as publicly traded for U.S. federal income tax purposes as its issue price and the stated principal amount of any other debt instrument as its issue price if its terms provide for interest not less than the applicable federal rate. Amounts owed and paid in respect of accrued interest are treated separately, as discussed below.

The Responsible Taxpayer may not, however, be required to include any amount of COD Income in gross income if the insolvency exception applies. Whether the insolvency exception applies depends in part on whether the Responsible Taxpayer is a taxable person or entity--versus a pass-through entity such as a partnership—for U.S. federal income tax purposes, and the Responsible Person should consult its own tax advisor regarding the availability and consequences of the insolvency exception.

If the insolvency applies to the Responsible Taxpayer, the Responsible Taxpayer would be required to reduce U.S. federal income tax attributes by the amount of COD Income that it excluded from gross income, although the amount of the basis reduction is generally limited to the excess of the applicable person's basis over liabilities immediately after the liability discharge. In general, tax attributes will be reduced in the following order: (a) net operating losses ("**NOLs**"); (b) most tax credits; (c) capital loss carryovers; (d) tax basis in assets (but not below the amount of liabilities to which the debtor remains subject); and (e) foreign tax credits. Special basis rules apply to interests in entities treated as partnerships for U.S. federal income tax purposes. An election may be made to first reduce the basis of depreciable assets pursuant to Section 108(b)(5) of the IRC, in which case the limitation on the amount of basis reduction discussed above would not apply. Any attribute reduction will be applied as of the first day following the taxable year in which COD Income is recognized.

Because the Plan provides that holders of certain Claims will receive less than the amount of the Allowed Claim, the Plan could give rise to COD Income. Application of the insolvency

exception to any COD Income resulting from the Plan is complex and depends on a multitude of facts, including facts relating to the Responsible Taxpayer and, possibly, its direct and indirect owners. The Responsible Taxpayer should consult its own tax advisor regarding the availability and effect of this exception.

Other exceptions to the inclusion of COD Income in taxable income may also be available. For instance, in certain cases cancellation of an obligation the payment of which would have given rise to a deduction will not give rise to COD Income. In addition, the cancellation of an obligation of a buyer of property to the seller that arose out of such purchase may also qualify for an exception to the inclusion of COD Income from taxable income. The Responsible Taxpayer should consult its own tax advisors regarding the availability of these and any other exceptions to including COD Income in taxable income.

3. Accrued Interest and Original Issue Discount

To the extent that amounts paid in respect of Allowed Claims are treated as payments of interest for U.S. federal income tax purposes, a deduction may arise to the extent such interest has not already been deducted. No U.S. federal income tax consequences should arise from the payment of accrued interest that has previously been deducted for such purposes (see above discussion regarding for attributing payments to interest).

As mentioned above, any accrued and unpaid interest that would have been deductible for U.S. federal income tax purposes if paid but that is not paid pursuant to the Plan should not give rise to COD Income includible in taxable income. If a Claim that includes accrued and unpaid interest for U.S. federal income tax purposes that has been deducted for such purposes is not paid, the excess could give rise to COD Income treated as described above.

Certain post-confirmation obligations of the Debtors to under the Plan could be treated as a debt instruments subject to the "original issue discount" or "imputed interest" rules of the IRC, and the Responsible Taxpayer may be entitled to claim a deduction with respect to such obligations prior to payment. These rules are complex, and the Responsible Taxpayer should consult its own advisor regarding the application of these rules to the Plan.

4. The Debtors Do Not Have Operating Loss Carryforwards

Because the Debtors are all tax flow-through entities for U.S. federal income tax purposes (either disregarded entities or partnerships), they have no current net operating losses or net operating loss carryforwards of their own for U.S. federal income tax purposes. All U.S. federal income tax losses of the Debtors generally pass through to the Responsible Taxpayer.

THE FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN TO THE RESPONSIBLE TAXPAYER ARE COMPLEX. THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR U.S. HOLDER IN LIGHT OF SUCH HOLDER'S CIRCUMSTANCES AND INCOME TAX SITUATION. ALL HOLDERS OF CLAIMS AND INTERESTS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE

PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN, INCLUDING THE APPLICABILITY AND EFFECT OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. TAX LAWS, AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

ARTICLE XIV.

CONCLUSION

The Debtors believe the Plan is in the best interest of all holders of Claims against the Debtors and, accordingly, urge those who are entitled to vote on whether to accept or reject the Plan to vote to accept the Plan.

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(Signature Page Follows)

IN WITNESS WHEREOF, each Debtor has executed this Disclosure Statement this 14th day of December, 2017.

MAC ACQUISITION LLC

/s/ Nishant Machado
Nishant Machado
President, Chief Executive Officer
and Chief Restructuring Officer

MACARONI GRILL SERVICES LLC

/s/ Nishant Machado
Nishant Machado
President, Chief Executive Officer
and Chief Restructuring Officer

MAC PARENT LLC

/s/ Nishant Machado
Nishant Machado
President, Chief Executive Officer
and Chief Restructuring Officer

MAC HOLDING LLC

/s/ Nishant Machado
Nishant Machado
President, Chief Executive Officer
and Chief Restructuring Officer

MAC ACQUISITION OF NEW JERSEY LLC

/s/ Nishant Machado
Nishant Machado
President, Chief Executive Officer
and Chief Restructuring Officer

MAC ACQUISITION OF KANSAS LLC

/s/ Nishant Machado
Nishant Machado
President, Chief Executive Officer
and Chief Restructuring Officer

MAC ACQUISITION OF ANNE ARUNDEL COUNTY LLC

/s/ Nishant Machado
Nishant Machado
President, Chief Executive Officer
and Chief Restructuring Officer

MAC ACQUISITION OF FREDERICK COUNTY LLC

/s/ Nishant Machado
Nishant Machado
President, Chief Executive Officer
and Chief Restructuring Officer

MAC ACQUISITION OF BALTIMORE COUNTY LLC

/s/ Nishant Machado
Nishant Machado
President, Chief Executive Officer
and Chief Restructuring Officer

EXHIBIT A

Debtors' Joint Plan of Reorganization

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
MAC ACQUISITION LLC, *et al.*,[1]	Case No. 17-12224 (MFW)
Debtors.	(Jointly Administered)

DEBTORS' AMENDED JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

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-and-

GIBSON DUNN & CRUTCHER LLP
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Michael S. Neumeister (Admitted *Pro Hac Vice*)
333 So. Grand Avenue
Los Angeles, California 90071
Tel: (213) 229-7000
Fax: (213) 229-7520

Dated: December 14, 2017
Wilmington, Delaware

[1] The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Mac Acquisition LLC (6362); Mac Parent LLC (6715); Mac Holding LLC (6682); Mac Acquisition of New Jersey LLC (1121); Mac Acquisition of Kansas LLC (3910); Mac Acquisition of Anne Arundel County LLC (6571); Mac Acquisition of Frederick County LLC (6881); Mac Acquisition of Baltimore County LLC (6865); and Macaroni Grill Services LLC (5963). The headquarters for the above-captioned Debtors is located at 1855 Blake St., Ste. 200, Denver, CO 80202.

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INTRODUCTION

Mac Acquisition LLC, Mac Parent LLC, Mac Holding LLC, Macaroni Grill Services LLC, Mac Acquisition of Anne Arundel County LLC, Mac Acquisition of Baltimore County LLC, Mac Acquisition of Frederick County LLC, Mac Acquisition of Kansas LLC, and Mac Acquisition of New Jersey LLC, the above-captioned debtors and debtors in possession, propose the following joint plan of reorganization under section 1121(a) of the Bankruptcy Code.[1]

The Chapter 11 Cases are being jointly administered pursuant to an order of the Court, and this Plan is being presented as a joint plan of reorganization of the Debtors. Claims against, and Interests in, the Debtors (other than DIP Facility Claims, Administrative Claims, Professional Fee Claims, and Priority Tax Claims) are classified in Article II hereof and treated in Article IV hereof.

Reference is made to the Disclosure Statement accompanying this Plan, including the exhibits thereto, for a discussion of the Debtors' history, business, properties, financial projections of future operations, and risk factors, together with a summary and analysis of this Plan. All Claim and Interest holders entitled to vote on this Plan are encouraged to review the Disclosure Statement and to read this Plan carefully before voting to accept or reject this Plan.

NO SOLICITATION MATERIALS, OTHER THAN THE DISCLOSURE STATEMENT AND RELATED MATERIALS TRANSMITTED THEREWITH AND APPROVED BY THE COURT, HAVE BEEN AUTHORIZED BY THE COURT FOR USE IN SOLICITING ACCEPTANCES OR REJECTIONS OF THIS PLAN.

Subject to certain restrictions and requirements set forth herein and section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, the Debtors reserve the right to alter, amend, modify, revoke or withdraw this Plan prior to its substantial consummation (as such term is defined in section 1101 of the Bankruptcy Code).

[1] Capitalized terms used in this Introduction shall have the meanings ascribed to them below.

I.

DEFINITIONS AND CONSTRUCTION OF TERMS

A. Definitions.

Unless otherwise defined herein, or the context otherwise requires, the following terms shall have the respective meanings set forth below:

1. "***Administrative Claim***" means a Claim for costs and expenses of administration of the Estates pursuant to sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code other than DIP Facility Claims, including: (a) the actual and necessary costs and expenses incurred after the Petition Date and through the Effective Date of preserving and operating the Estates; (b) any indebtedness or obligations incurred or assumed by the Debtors in connection with the conduct of their businesses after the Petition Date, including for wages, salaries, or commissions for services, and payments for goods and other services and leased premises to the extent such indebtedness or obligations provided a benefit to the Debtors' estates; and (c) all fees and charges assessed against the Estates pursuant to section 1930 of chapter 123 of title 28 of the United States Code.

2. "***Administrative Claims Bar Date***" means the first Business Day that is thirty (30) days after the Effective Date.

3. "***Allowed***" means, with reference to a Claim, (i) a Claim against a Debtor that has been listed by such Debtor in the Schedules, as such Schedules may be amended by the Debtors from time to time in accordance with Bankruptcy Rule 1009, as liquidated in amount and not Disputed or contingent and for which no contrary Proof of Claim has been timely filed, (ii) a Claim with respect to which a Proof of Claim that has been timely filed by the applicable Bar Date (or for which Claim under this Plan, the Bankruptcy Code or Final Order of the Court a Proof of Claim is or shall not be required to be filed), which Proof of Claim has not been withdrawn and as to which Proof of Claim no objection to allowance, request for estimation, or motion or other effort to subordinate or reclassify has been interposed prior to the expiration of the time for filing any such objection, or (iii) any Claim expressly Allowed by a Final Order or Allowed under this Plan, provided that any Claim that is Allowed for the limited purpose of voting to accept or reject this Plan pursuant to an order of the Court shall not be considered "Allowed" for the purpose of Distributions hereunder.

4. "***Avoidance Actions***" means any Causes of Action pursuant to chapter 5 of the Bankruptcy Code.

5. "***Ballots***" means each of the ballot forms distributed with the Disclosure Statement to each holder of an Impaired Claim (other than to holders not entitled to vote on this Plan) for, among other things, voting on the acceptance or rejection of this Plan.

6. "***Bankruptcy Code***" means chapter 11 of title 11 of the United States Code.

7. "***Bankruptcy Rules***" means the Federal Rules of Bankruptcy Procedure promulgated under section 2075 of the Judicial Code and the general, local and chambers rules of the Court.

8. "***Bar Date***" means the applicable date on which a Proof of Claim must be filed as may be specifically fixed by an order of the Court.

9. "***BOC***" means Bank of Colorado.

10. "***BOC Claims***" means all Claims held by BOC against any of the Debtors as of the Petition Date.

11. "***BOC Credit Documents***" means those promissory notes, guarantees, security agreements and related documents, including guarantees, security agreements, and all exhibits, amendments, and supplements thereto, in each case related to (i) that Business Loan Agreement dated as of April 17, 2015, by and between Mac Parent and BOC, (ii) that Business Loan Agreement dated as of December 20, 2016, by and between Mac Parent and BOC, and (iii) that Business Loan Agreement dated as of September 19, 2017, by and between Mac Parent and BOC.

12. "**BOC Non-Debtor Guarantees**" means the guarantees executed by the BOC Non-Debtor Guarantors in favor of BOC.

13. "**BOC Non-Debtor Guarantors**" means all entities and individuals who have previously signed guarantees in favor of BOC and that are not Debtors.

14. "**BOC Post-Effective Date Credit Documents**" means the amended and restated business loan agreements, promissory notes, guarantees, security agreements and related documents and exhibits, memorializing the treatment of BOC Claims under the Plan

15. "***Budget***" has the meaning set forth in the DIP Credit Agreement.

16. "***Business Day***" means any day, other than a Saturday, Sunday or Legal Holiday (as defined in Bankruptcy Rule 9006(a)(6)).

17. "***Business Plan***" means the business plan incorporated in the Disclosure Statement.

18. "***Cash***" means the legal tender of the United States of America.

19. "***Causes of Action***" means any and all actions, proceedings, causes of action, suits, accounts, demands, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payment, and claims, whether known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, non-contingent, matured, unmatured, now-owned, hereafter acquired, disputed, undisputed, secured, or unsecured, and whether asserted or assertable directly or derivatively in law, equity, or otherwise, including Avoidance Actions or any other cause of action arising under the

Bankruptcy Code, unless otherwise waived or released by the Debtor(s) or by the Reorganized Debtor(s).

20. "***Chapter 11 Cases***" means (a) when used with reference to a particular Debtor, the case pending for that Debtor under chapter 11 of the Bankruptcy Code and (b) when used with reference to all Debtors, the procedurally consolidated chapter 11 cases pending for the Debtors in the Court.

21. "***Claim***" means any claim, as such term is defined in section 101(5) of the Bankruptcy Code, against a Debtor.

22. "***Claims Agent***" means Donlin, Recano & Company, Inc., or any successor thereto.

23. "***Class***" means a class of Claims or Equity Interests as classified under this Plan.

24. "***Collateral***" means any property or interest in property of the Estates subject to a Lien to secure the payment or performance of a Claim, which Lien has not been avoided or is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or applicable state law.

25. "***Confirmation Date***" means the date upon which the Court enters the Confirmation Order on the docket of the Chapter 11 Cases, within the meaning of Bankruptcy Rules 5003 and 9021.

26. "***Confirmation Hearing***" means the confirmation hearing held by the Court pursuant to section 1129 of the Bankruptcy Code, as such hearing may be continued from time to time.

27. "***Confirmation Order***" means the order of the Court in form and substance satisfactory to the Supporting Parties and the DIP Agent confirming this Plan pursuant to section 1129 of the Bankruptcy Code.

28. "***Court***" means, (a) the United States Bankruptcy Court for the District of Delaware, having jurisdiction over the Chapter 11 Cases; (b) to the extent there is no reference pursuant to section 157 of title 28 of the United States Code, the United States District Court for the District of Delaware; and (c) any other court having jurisdiction over the Chapter 11 Cases or proceedings arising therein.

29. "***Creditors' Committee***" means the Official Committee of Unsecured Creditors appointed by the United States Trustee in the Chapter 11 Cases, as constituted from time to time.

30. "***Debtors***" means Mac Acquisition LLC, Mac Parent LLC, Mac Holding LLC, Macaroni Grill Services LLC, Mac Acquisition of New Jersey LLC, Mac Acquisition of Kansas LLC, Mac Acquisition of Anne Arundel County LLC, Mac Acquisition of Baltimore County LLC, and Mac Acquisition of Frederick County LLC.

31. "***DIP Agent***" means Raven, in its capacity as Administrative Agent and Collateral Agent under the under the DIP Credit Agreement.

32. "***DIP Credit Agreement***" means that certain Debtor-in-Possession Credit, Guaranty and Security Agreement, dated as of October 20, 2017, by and among Mac Acquisition LLC, the guarantors from time to time party thereto, the DIP Lenders and the DIP Agent, and all exhibits, amendments, and supplements thereto.

33. "***DIP Facility***" means the debtor-in-possession financing provided to the Debtors during the Chapter 11 Cases pursuant to the DIP Credit Agreement in an amount not less than $5 million; provided that, for the avoidance of doubt, the DIP Facility does not include the Exit Facility.

34. "***DIP Facility Claims***" means all Claims arising under or relating to the DIP Facility, whether pursuant to the DIP Credit Agreement, any other DIP Loan Document, any notes, the Final DIP Order, or otherwise.

35. "***DIP Lenders***" means the lender(s) under the DIP Facility.

36. "***DIP Loan Documents***" means the DIP Credit Agreement, the Credit Documents (as defined in the DIP Credit Agreement) and all related documents, including guarantees, security agreements, and the Agent Fee Letter (as defined in the DIP Credit Agreement), the Interim DIP Order, and the Final DIP Order.

37. "***Disbursing Agent***" means the Reorganized Debtors, or any Person designated by the Reorganized Debtors, to serve as a disbursing agent or to assist the Reorganized Debtors in the making of Distributions, under this Plan.

38. "***Disclosure Statement***" means the written disclosure statement that relates to this Plan in form and substance reasonably satisfactory to the Supporting Parties and the DIP Agent, as approved by the Court pursuant to section 1125 of the Bankruptcy Code and Bankruptcy Rule 3017, as such disclosure statement may be amended, modified or supplemented from time to time subject to the prior written consent of the Supporting Parties and the DIP Agent.

39. "***Disputed***" means, with reference to any Claim, any Claim that has not been Allowed.

40. "***Distributions***" means the distribution in accordance with this Plan of (a) Cash, (b) New Equity Interests, (c) the amended and restated loan documents contemplated with respect to the Allowed BOC Claims, (d) rights and obligations with respect to the Exit Facility, or (e) other forms of consideration, as the case may be.

41. "***Effective Date***" means the date on which all conditions to the effectiveness of this Plan are either (a) satisfied or (b) waived by each of the Debtors, the Supporting Parties, and the DIP Agent, and on which this Plan is declared effective.

42. "***Equity Interest***" or "***Interest***" means any equity security within the meaning of section 101(16) of the Bankruptcy Code or any other instrument evidencing an ownership

interest in any of the Debtors (or Reorganized Debtors, as applicable), whether or not transferable, any option, warrant, or right, contractual or otherwise, to acquire, sell or subscribe for any such interest, and any and all Claims that are otherwise determined by the Court to be an equity interest, including any Claim or debt that is recharacterized as an equity interest.

43. "***Estates***" means the chapter 11 estates of the Debtors, individually or collectively, as is appropriate in the context created by the commencement of and in the Chapter 11 Cases pursuant to section 541 of the Bankruptcy Code.

44. "***Exculpated Party***" means each of the following parties, solely in such capacity: (a) the Debtors; (b) the Creditors' Committee; (c) each member of the Creditors' Committee in its capacity as such; (d) the DIP Agent and DIP Lenders; (e) the Exit Facility Agent and Lenders; (f) with respect to each of the foregoing entities, such entities' successors, assigns, subsidiaries, managed accounts, and funds; and (g) with respect to each of the foregoing entities in (a) through (e), such entity's current and former officers and directors, principals, equity holders, members, partners, managers, employees, subcontractors, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors (and employees thereof), and other Professionals, and such entity's respective heirs, executors, estates, servants, and nominees, in each case in their capacity as such.

45. "***Existing Equity Interests***" means all issued and outstanding Equity Interests in Mac Parent, including any vested or unvested and exercised or unexercised options or warrants to acquire such Equity Interests.

46. "***Exit Facility***" means the exit facility to be provided by Raven (or an affiliate of Raven) in the aggregate amount up to $8,500,000, plus all DIP Facility Claims converted into debt under the Exit Facility in accordance with and subject to approval of final terms consistent with terms and conditions set forth in the Exit Facility Term Sheet and definitive documentation acceptable to the Debtors and the Exit Facility Agent.

47. "***Exit Facility Agent and Lenders***" means Raven, in its respective capacity as Administrative Agent, Collateral Agent, and Lender under the Exit Facility and any other lender(s), agent(s), arranger(s) and other lender party(ies) in their respective capacities under the Exit Facility.

48. "***Exit Facility Documents***" means the definitive documentation acceptable to the Exit Facility Agent governing the Exit Facility and all related documents, including guarantees and security agreements.

49. "***Exit Facility Term Sheet***" means that certain term sheet attached to the DIP Credit Agreement as Annex C, that sets forth the principal understanding of the parties and terms of and conditions precedent to the Exit Facility, but does not constitute a commitment.

50. "***Final DIP Order***" means the Final Order entered by the Court in the Chapter 11 Cases approving, on a final basis, the DIP Facility, including without limitation the granting of liens and superpriority claims to the DIP Agent and/or DIP Lenders (as applicable), and authorizing the use of cash collateral in accordance with the Budget entered on the docket of the Court on November 13, 2017 [Docket No. 179].

51. "***Final Order***" means an order or judgment of the Court, or other court of competent jurisdiction, as entered on the docket of such court, the operation or effect of which has not been stayed, reversed, vacated, modified or amended, and as to which order or judgment (or any revision, modification, or amendment thereof) the time to appeal, petition for certiorari, or seek review or rehearing has expired and as to which no appeal, petition for certiorari, or petition for review or rehearing was filed or, if filed, remains pending or subject to any right of further appeal, petition for certiorari or petition for review or rehearing.

52. "***General Unsecured Claim***" means a Claim against any of the Debtors that is not a DIP Facility Claim, Administrative Claim, Priority Tax Claim, Other Priority Claim, BOC Claim, Riesen Funding Claims, Other Secured Claim, Intercompany Claim, or Subordinated Claim, and shall include any Claims arising from existing or potential litigation against any of the Debtors.

53. "***General Unsecured Claim Cash Pool***" means the $500,000 Cash pool to be distributed to holders of Allowed General Unsecured Claims if Class 5 votes in favor of this Plan.

54. "***Impaired***" means, when used with reference to a Claim or Interest, a Claim or Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

55. "***Indemnification Obligation***" means any obligation of any of the Debtors to indemnify, reimburse, or provide contribution pursuant to charter, by-laws, contract, or otherwise; provided, however, for the avoidance of doubt, the Indemnification Obligations shall not include any Claim against the Debtors for unpaid or asserted wages, salary, expense reimbursement, or other compensation related to an Indemnified Party's employment by the Debtors, whether currently owing or otherwise.

56. "***Indemnified Parties***" means the DIP Agent, DIP Lenders, and any other "Indemnitees" (as defined under the DIP Credit Agreement) under the DIP Credit Agreement, and those individuals serving, immediately prior to the Effective Date, as employees, members of the boards of directors (or comparable governing body) or officers of the Debtors.

57. "***Intercompany Claims***" means any Claim held by one of the Debtors against any other Debtor, including (a) any account reflecting intercompany book entries by a Debtor with respect to any other Debtor, (b) any Claim not reflected in book entries that is held by such Debtor against any other Debtor or Debtors, and (c) any derivative Claim asserted or assertable by or on behalf of a Debtor against any other Debtor or Debtors.

58. "***Intercompany Interests***" means any Interest held by one of the Debtors in any other Debtor.

59. "***Interim DIP Order***" means the order entered by the Court in the Chapter 11 Cases approving, on an interim basis, the DIP Facility, including without limitation the granting of liens and superpriority claims to the DIP Agent and/or DIP Lenders (as applicable), and authorizing the use of cash collateral in accordance with the Budget entered on the docket of the Court on October 19, 2017 [Docket No. 56].

60. "***Lien***" has the meaning set forth in section 101(37) of the Bankruptcy Code.

61. "***Litigation Rights***" means the Causes of Action, claims, suits, or proceedings, whether in law or in equity, whether known or unknown, that the Debtors or their Estates may hold against any Person (except to the extent such claims are expressly released under this Plan), which are to be retained by the Reorganized Debtors and identified in the Plan Supplement.

62. "***Mac Acquisition***" means Mac Acquisition LLC, a Delaware limited liability company.

63. "***Mac Holding***" means Mac Holding LLC, a Delaware limited liability company.

64. "***Mac Parent***" means Mac Parent LLC, a Delaware limited liability company.

65. "***New Equity Interests***" means the new membership interests in Reorganized Mac Parent to be issued on or after the Effective Date.

66. "***Other Priority Claim***" means any Claim against any of the Debtors other than an Administrative Claim, a Professional Fee Claim, a Priority Tax Claim or a DIP Facility Claim that is entitled to priority in payment as specified in section 507(a)(3), (4), (5), (6), (7), or (9) of the Bankruptcy Code.

67. "***Other Secured Claims***" means any Claim (other than the DIP Facility Claims, the BOC Claims or the Riesen Funding Claims) to the extent reflected in the Schedules or a Proof of Claim filed as a secured Claim, which is (i) secured by a Lien on Collateral to the extent of the value of such Collateral, as determined in accordance with section 506(a) of the Bankruptcy Code, or, (ii) in the event that such Claim is subject to setoff under section 553 of the Bankruptcy Code, to the extent of such setoff.

68. "***Person***" means any individual, corporation, partnership, limited liability company, association, indenture trustee, organization, joint stock company, joint venture, estate, trust, Governmental Unit (as defined in the Bankruptcy Code) or any political subdivision thereof, or any other entity.

69. "***Petition Date***" means October 18, 2017.

70. "***Plan***" means this "Debtors' Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code", as it may be amended or modified from time to time in accordance with the terms hereof, together with all addenda, exhibits, schedules or other attachments, if any.

71. "***Plan Supplement***" means any compilation of documents and forms of documents, agreements, schedules, and exhibits to this Plan, which shall be filed by the Debtors no later than seven (7) calendar days before the Voting Deadline, and additional documents filed with the Court prior to the Effective Date as amendments to the Plan Supplement, each of which shall be consistent in all respects with, and shall otherwise contain, the terms and conditions set forth on the exhibits attached hereto, where applicable, and, without limiting the foregoing, shall be satisfactory in form and substance to the Supporting Parties, the DIP Agent, and the Debtors,

except to the extent otherwise expressly provided herein. The Plan Supplement shall include the following documents, among others: (i) Litigation Rights; (ii) Schedules of Assumed Contracts and Leases; (iii) a list of any insurance policies that are not being assumed as of the Effective Date; (iv) Exit Facility Documents; (v) BOC Post-Effective Date Credit Documents; (vi) an Intercreditor Agreement between BOC and Exit Facility Agent and Lenders; (vii) Reorganized Mac Parent Operating Agreement; (viii) the form of Operating Agreement for each of the Debtors that are subsidiaries of Mac Parent, in a form reasonably acceptable to the Debtors, the Supporting Parties, and the DIP Agent; and (ix) a summary of the Debtors' marketing efforts with respect to a potential alternative transaction.

72. "***Priority Tax Claim***" means any unsecured Claim that is entitled to a priority in right of payment under section 507(a)(8) of the Bankruptcy Code.

73. "***Professional***" means any professional employed in the Chapter 11 Cases pursuant to sections 327, 363, or 1103 of the Bankruptcy Code and to be compensated for services rendered and expenses incurred during the Chapter 11 Cases pursuant to sections 327, 328, 329, 330, 331, or 363 of the Bankruptcy Code.

74. "***Professional Fee Claim***" means an Administrative Claim Allowed for reasonable compensation of a Professional or other Person for services rendered or expenses incurred in the Chapter 11 Cases on or prior to the Effective Date (including the reasonable, actual and necessary expenses of the members of the Creditors' Committee incurred as members of the Creditors' Committee in discharge of their duties as such).

75. "***Pro Rata***" means the proportion that an Allowed Claim in a particular Class bears to the aggregate amount of Allowed Claims in that Class, or the proportion that an Allowed Claim in a particular Class bears to the aggregate amount of Allowed Claims in that Class and in any other Class entitled to share in the same recovery as such Allowed Claim under this Plan.

76. "***Proof of Claim***" means a proof of Claim filed against any of the Debtors in the Chapter 11 Cases.

77. "***Raven***" means Raven Asset-Based Opportunity Fund III, L.P., a Delaware limited liability company.

78. "***Record Date***" means, for purposes of making distributions under this Plan on account of Allowed Claims, the Confirmation Date or such other date as established by the Bankruptcy Court with respect to publicly traded securities.

79. "***Released Parties***" means: (a) each Debtor, (b) the DIP Lenders and the DIP Agent, (c) the Exit Facility Agent and Lenders, (d) BOC, (e) Riesen Funding, (f) RedRock Partners, LLC, and (g) with respect to each of the foregoing entities identified in subsections (a) through (f), such Person's current and former equity holders, including shareholders, partnership interest holders, and limited liability company unit holders, affiliates, partners, subsidiaries, members, officers, directors, managers serving on a board of managers, principals, employees, agents, managed funds, advisors, attorneys, accountants, investment banks, consultants, representatives, and other professionals, but solely in the foregoing capacities, together with their respective predecessors, successors, and assigns.

80. "***Reorganized Debtor***" means each of the Debtors, or any successors thereto by merger, consolidation, or otherwise, on and after the Effective Date.

81. "***Reorganized Mac Parent***" means Mac Parent immediately from and after the Effective Date.

82. "***Reorganized Mac Parent Operating Agreement***" means the limited liability company operating agreement of Reorganized Mac Parent.

83. "***Restructuring Support Agreement***" means that certain Restructuring Support Agreement dated as of October 18, 2017, between the Debtors and the Supporting Parties, as the same may be amended or otherwise modified in accordance with its terms, and all exhibits and schedules thereto.

84. "***Riesen Funding***" means Riesen Funding, LLC, an Arizona limited liability company.

85. "***Riesen Funding Claims***" means all obligations arising from the $5,000,000 loan made by Riesen Funding to Mac Parent evidenced by that Promissory Note dated as of July 3, 2017, which was guarantied by, and secured by the assets of, Mac Acquisition and Mac Holding.

86. "***Schedule of Assumed Contracts and Leases***" means the schedule of executory contracts and unexpired leases to be assumed pursuant to this Plan to be filed in connection with the Plan Supplement, which schedule shall be acceptable in form and substance to the DIP Agent and the Supporting Parties.

87. "***Schedules***" means the schedules of assets and liabilities, statements of financial affairs, lists of holders of Claims and Equity Interests and related exhibits filed with the Court by each of the Debtors, including any amendments or supplements thereto.

88. "***Subordinated Claims***" means (i) any non-compensatory penalty claims; (ii) any Claim that is subordinated by Final Order of the Court pursuant to section 510(b) or 510(c) of the Bankruptcy Code or pursuant to any other applicable law; and (iii) any Claim against the Debtors arising from the rescission of a purchase or sale of a security of the Debtors, for damages arising from the purchase or sale of such security, or for reimbursement or contribution allowed under section 502 of the Bankruptcy Code on account of such Claim.

89. "***Supporting Parties***" means the parties to the Restructuring Support Agreement.

90. "***Unimpaired***" means, when used with reference to a Claim or Interest, a Claim or Interest that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.

91. "***Voting Deadline***" means the deadline for parties entitled to vote on this Plan to submit their votes pursuant to that *Order (I) Approving the Disclosure Statement; (II) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject the Plan, Including (A) Approving Form and Manner of Solicitation Procedures, (B) Approving Form and Notice of the Confirmation Hearing, (C) Establishing Voting Record Date and Approving Procedures for Distribution of Solicitation Packages, (D) Approving Forms of Ballot, (E)*

Establishing Deadline for Receipt of Ballots, and (F) Approving Procedures for Vote Tabulations; (III) Establishing Deadline and Procedures for Filing Objections to (a) Confirmation of the Plan and (B) the Debtors' Proposed Cure Amounts for Unexpired Leases and Executory Contracts Assumed Pursuant to the Plan; and (IV) Granting Related Relief entered on the docket of the Court on December 14, 2017 [Docket No. __].

B. Interpretation, Application of Definitions, and Rules of Construction.

Wherever from the context it appears appropriate, each term stated in either the singular or the plural shall include both the singular and plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine, and neuter, such meanings to be applicable to both the singular and plural forms of the terms defined. Capitalized terms in this Plan that are not defined herein shall have the same meanings assigned to such terms by the Bankruptcy Code or Bankruptcy Rules, as the case may be. The words "herein," "hereof," and "hereunder" and other words of similar import refer to this Plan as a whole and not to any particular section or subsection in this Plan unless expressly provided otherwise. The words "includes" and "including" are not limiting and mean that the things specifically identified are set forth for purposes of illustration, clarity or specificity and do not in any respect qualify, characterize or limit the generality of the class within which such things are included, and the words "includes" or "including" are deemed immediately followed by the phrase "without limitation." Captions and headings to Articles, Sections, and exhibits to this Plan are inserted for convenience of reference only, are not a part of this Plan, and shall not be used to interpret this Plan. The rules of construction set forth in section 102 of the Bankruptcy Code shall apply to this Plan. In computing any period of time prescribed or allowed by this Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

C. Reference to Monetary Figures

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

D. Consent Rights of Supporting Parties

Notwithstanding anything herein to the contrary, any and all consent rights of the respective parties to the Restructuring Support Agreement set forth in the Restructuring Support Agreement with respect to the form and substance of this Plan and the documents and instruments contained in the Plan Supplement, including any amendments, restatements, supplements, or other modifications to such documents, and any consents, waivers or other deviations under or from such documents, shall be incorporated herein by this reference and fully enforceable as if stated in full herein.

II.

CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

A. General Rules of Classification.

Pursuant to section 1122 of the Bankruptcy Code, set forth below is a designation of the Classes of Claims and Interests. In accordance with section 1123(a)(1) of the Bankruptcy Code, DIP Facility Claims, Administrative Claims, Professional Fee Claims, and Priority Tax Claims, as described below, have not been classified. These Claims are not entitled to vote to accept or reject this Plan. A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes. A Claim or Interest is also placed in a particular Class for the purpose of receiving Distributions pursuant to this Plan only to the extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and such Claim or Interest has not been paid, released or otherwise settled prior to the Effective Date.

As discussed in greater detail in Article VI hereof, this Plan is premised upon the consolidation of the Debtors for purposes of this Plan only and shall not affect the legal and entity structures of the Debtors, subject to the rights of the Debtors to effectuate the restructuring transactions contemplated herein. Accordingly, for purposes of this Plan, the assets and liabilities of each of the Debtors are deemed assets and liabilities of a single, consolidated entity. This consolidation treatment is designed to consensually pool the assets and liabilities of the Debtors solely to implement the settlements and compromises reached by the primary constituencies in the Chapter 11 Cases.

B. Classification of Claims and Interests.

The following table designates the Classes of Claims against and Interests in the Debtors and specifies which of those Classes are (i) Impaired or Unimpaired under this Plan, (ii) entitled to vote to accept or reject this Plan, and (iii) deemed to either accept or reject this Plan. A Claim or Interest is designated in a particular Class only to the extent it falls within the description of that Class, and is classified in any other Class to the extent (if any) that a portion of such Claim or Interest falls within the description of such other Class.

Class	Designation	Status	Entitled to Vote
1	Other Priority Claims	Unimpaired	No (deemed to accept)
2	Other Secured Claims	Unimpaired	No (deemed to accept)
3	BOC Claims	Impaired	Yes
4	Riesen Funding Claims	Impaired	Yes
5	General Unsecured Claims	Impaired	Yes
6	Intercompany Claims	Unimpaired	No (deemed to accept)

7	Subordinated Claims	Impaired	No (deemed to reject)
8	Existing Equity Interests	Impaired	No (deemed to reject)
9	Intercompany Interests	Unimpaired	No (deemed to accept)

III.

TREATMENT OF ADMINISTRATIVE CLAIMS, PROFESSIONAL FEE CLAIMS, PRIORITY TAX CLAIMS, DIP FACILITY CLAIMS AND STATUTORY FEES

A. Administrative Claims.

Except to the extent a holder of an Allowed Administrative Claim already has been paid during the Chapter 11 Cases or such holder agrees to less favorable treatment with respect to such holder's Claim, each holder of an Allowed Administrative Claim shall receive, in full satisfaction, settlement, release, and discharge of, and in exchange for, its Administrative Claim, Cash equal to the unpaid portion of its Allowed Administrative Claim, to be paid on the latest of: (a) the Effective Date, or as soon as reasonably practicable thereafter, if such Administrative Claim is Allowed as of the Effective Date; (b) the date such Administrative Claim is Allowed, or as soon as reasonably practicable thereafter; (c) the date such Allowed Administrative Claim becomes due and payable, or as soon as reasonably practicable thereafter; and (d) such other date as may be agreed upon between the holder of such Allowed Administrative Claim and the Debtors or the Reorganized Debtors, as the case may be.

B. Administrative Claims Bar Date.

Unless a prior date has been established pursuant to the Bankruptcy Code, the Bankruptcy Rules or a prior order of the Court, the Confirmation Order will establish a bar date for filing notices, requests, Proofs of Claim, applications or motions for allowance of Administrative Claims (other than Professional Fee Claims, DIP Facility Claims, and Claims by any trade creditor or customer of the Debtors whose Claim is on account of ordinary course of business goods or services provided to the Debtors during the course of these Chapter 11 Cases), which date shall be the Administrative Claims Bar Date. All other holders of Administrative Claims not paid prior to the Confirmation Date must file with the Court and serve upon the Debtors or Reorganized Debtors, as applicable, a motion requesting payment of such Administrative Claim on or before the Administrative Claims Bar Date or forever be barred from doing so. The notice of entry of the Confirmation Order to be delivered pursuant to Bankruptcy Rules 3020(c) and 2002(f) will set forth the Administrative Claims Bar Date and constitute good and sufficient notice of the Administrative Claims Bar Date.

C. Professional Fee Claims.

All requests for compensation or reimbursement of Professional Fee Claims pursuant to sections 327, 328, 330, 331, 363, 503, or 1103 of the Bankruptcy Code for services rendered prior to the Effective Date shall be filed and served on the Reorganized Debtors, counsel to the Reorganized Debtors, the United States Trustee, counsel to each of the Supporting Parties, counsel to the Creditors' Committee, and such other entities who are designated by the

Bankruptcy Rules, the Confirmation Order or other order of the Court, no later than forty-five (45) days after the Effective Date. Holders of Professional Fee Claims that are required to file and serve applications for final allowance of their Professional Fee Claims and that do not file and serve such applications by the required deadline shall be forever barred from asserting such Claims against the Debtors, the Reorganized Debtors, or their respective properties, and such Professional Fee Claims shall be deemed discharged as of the Effective Date. Objections to any Professional Fee Claims must be filed and served no later than sixty-five (65) days following the Effective Date. Objections must be served on the Reorganized Debtors, counsel for the Reorganized Debtors, counsel to each of the Supporting Parties, counsel to the Creditors' Committee, and the holders of Professional Fee Claims requesting payment.

D. Priority Tax Claims.

Except to the extent a holder of an Allowed Priority Tax Claim agrees to a different treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Priority Tax Claim, each such holder shall be paid, at the option of the Debtors, with the approval of the Supporting Parties and the DIP Agent, (i) in the ordinary course of the Debtors' business, consistent with past practice; provided, however, that in the event the balance of any such Claim becomes due during the pendency of the Bankruptcy Cases and remains unpaid as of the Effective Date, the holder of such Claim shall be paid in full in Cash on the Effective Date or (ii) in installment payments over a period of time not to exceed five years after the Petition Date, pursuant to section 1129(a)(9)(C) of the Bankruptcy Code.

E. DIP Facility Claims.

Upon the Effective Date, the DIP Facility Claims shall be deemed to be Allowed Claims. The DIP Facility Claims shall be paid in full in Cash by the Debtors on the Effective Date and all commitments under the DIP Facility shall terminate; provided, however, subject to the satisfaction of the terms and conditions of the Exit Facility Term Sheet, the DIP Facility Claims may be indefeasibly satisfied by an in-kind exchange on a dollar-for-dollar basis for obligations of the Reorganized Debtors (and their non-debtor affiliates and guarantors) under the Exit Facility; provided, however, subject to the terms and conditions of, and to the review provisions set forth in, the Final DIP Order, any and all DIP Facility Claims constituting fees and expenses under the DIP Facility shall not be satisfied by the in-kind exchange and shall rather be deemed to be Allowed Claims and indefeasibly paid in full in Cash on the Effective Date. The Debtors' contingent or unliquidated obligations under the DIP Facility, to the extent not indefeasibly paid in full in Cash on the Effective Date or otherwise satisfied by the Debtors in a manner acceptable to the DIP Facility Agent, any affected DIP Facility Lender, or any holder of a DIP Facility Claim, as applicable, shall survive the Effective Date and shall not be released or discharged pursuant to this Plan or the Confirmation Order, notwithstanding any provision hereof or thereof to the contrary.

F. Payment of Statutory Fees.

All fees payable on or before the Effective Date pursuant to section 1930 of title 28 of the United States Code shall be paid by the Debtors on or before the Effective Date and all such fees payable after the Effective Date shall be paid by the applicable Reorganized Debtor.

IV.

TREATMENT OF CLASSIFIED CLAIMS AND EQUITY INTERESTS

A. Class 1 – Other Priority Claims.

1. **Classification.** Class 1 consists of all Other Priority Claims.

2. **Treatment.** Except to the extent that a holder of an Allowed Other Priority Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Other Priority Claim, each such holder shall be paid, to the extent such Claim has not already been paid during the Chapter 11 Cases, in full in Cash in the ordinary course of business by the Debtors or the Reorganized Debtors, as applicable, on or as soon as reasonably practicable after the latest of (i) the Effective Date, (ii) the date on which such Other Priority Claim against the Debtor becomes Allowed, or (iii) such other date as may be ordered by the Court.

3. **Impairment and Voting.** Class 1 is Unimpaired under this Plan. Holders of Other Priority Claims in Class 1 are conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code and, therefore, are not entitled to vote to accept or reject this Plan.

B. Class 2 – Other Secured Claims.

1. **Classification.** Class 2 consists of all Other Secured Claims.

2. **Treatment.** Except to the extent that a holder of an Allowed Other Secured Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Other Secured Claim, each such holder shall be reinstated, or, at the option of the Debtors or the Reorganized Debtors with the consent of the Supporting Parties and the DIP Agent, each holder of an Allowed Other Secured Claim shall receive, either (i) Cash in the full amount of such Allowed Other Secured Claim, including any postpetition interest Allowed pursuant to section 506(b) of the Bankruptcy Code, (ii) the net proceeds of the sale or disposition of the collateral securing such Allowed Other Secured Claim to the extent of the value of the holder's secured interest in such collateral, (iii) the collateral securing such Allowed Other Secured Claim, or (iv) such other Distribution as necessary to satisfy the requirements of section 1124 of the Bankruptcy Code on account of such Allowed Other Secured Claim.

3. **Impairment and Voting.** Class 2 is Unimpaired under this Plan. Holders of Other Secured Claims in Class 2 are conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code and, therefore, are not entitled to vote to accept or reject this Plan.

C. Class 3 – BOC Claims.

1. **Classification.** Class 3 consists of all BOC Claims.

2. **Allowance.** On the Effective Date, the BOC Claims shall be Allowed in full without set-off, defense or counterclaim in the aggregate principal amount of not less than $13,829,080 plus (i) all unreimbursed obligations on account of issued letters of credit and (ii) all outstanding fees, accrued and unpaid pre- and post-petition interest, expenses and contingent reimbursement obligations, in each case, pursuant to and as provided in the BOC Credit Documents.

3. **Treatment.** On the Effective Date except to the extent that BOC agrees to less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for the BOC Claims, each holder of a BOC Claim shall receive its Pro Rata share of:

a. on the Effective Date payment of $3,500,000 in cash;

b. payment of $41,666.67 each month for twenty-four (24) months from and after the Effective Date to be applied to the reduction of the principal portion of the Allowed BOC Claims;

c. payment of interest only at the rate of 5.00% per annum on the remaining balance owing to BOC on account of the Allowed BOC Claims after receipt of the payments pursuant to (a) and (b), above, each month for twenty-four (24) months from and after the Effective Date;

d. payment of the remaining portion of the Allowed BOC Claims representing principal and any other unpaid interest, fees and charges relating thereto that are part of the Allowed BOC Claims in full in Cash on the first day of the twenty-fourth month after the Effective Date;

e. payment of the fees and expenses provided for in Article X.B.6;

f. the reinstatement of any letters of credit that remain issued and outstanding as of the Effective Date on the same terms as the BOC Credit Documents or such other terms agreed to by BOC and the Debtors;

g. the Liens granted under the BOC Credit Documents shall remain in place to secure payment of the foregoing items (a) through (f) and shall automatically terminate upon the indefeasible payment of all such obligations.

The payments and treatment of the BOC Claims set forth above shall be subject to terms and conditions set forth in BOC Post-Effective Date Documents the form of which shall be reasonably acceptable to the Debtors, BOC, and Raven and included in the Plan Supplement.

4. **Impairment and Voting.** Class 3 is Impaired. Holders of the BOC Claims are entitled to vote to accept or reject this Plan.

D. Class 4 – Riesen Funding Claim.

1. **Classification.** Class 4 consists of the Riesen Funding Claim.

2. **Allowance.** On the Effective Date, the Riesen Funding Claims shall be Allowed in full without set-off, defense or counterclaim in the aggregate principal amount of not less than $5,130,000 plus all outstanding fees, accrued and unpaid pre- and post-petition interest, expenses and contingent reimbursement obligations, in each case, pursuant to and as provided in the promissory note, guarantees and other loan documents governing the Riesen Funding Claims.

3. **Treatment.** On the Effective Date, or as soon thereafter as reasonably practicable, in full and final satisfaction, settlement, release, and discharge of and in exchange for such Claim, each holder of a Riesen Funding Claim shall receive a Pro Rata share of the Equity Interests in the Reorganized Mac Parent. The New Equity Interests will be subject to dilution if the warrants to acquire 5% of the Equity Interests in Reorganized Mac Parent granted under the Exit Facility are exercised, with such Equity Interests having the rights and terms specified in the Exit Facility Documents.

4. **Impairment and Voting.** Class 4 is Impaired under this Plan. Holders of the Riesen Funding Claim in Class 4 are entitled to vote to accept or reject this Plan.

E. Class 5 – General Unsecured Claims.

1. **Classification.** Class 5 consists of all General Unsecured Claims.

2. **Treatment.** On the Effective Date, or as soon thereafter as reasonably practicable, except to the extent that a holder of an Allowed General Unsecured Claim agrees to less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for such Claim, each holder of an Allowed General Unsecured Claim shall receive:

a. If Class 5 votes in favor of this Plan, its Pro Rata share of the General Unsecured Claim Cash Pool; or

b. If Class 5 rejects this Plan, no distribution on account of its Allowed General Unsecured Claim.

3. **Impairment and Voting.** Class 5 is Impaired under this Plan. Holders of General Unsecured Claims in Class 5 are entitled to vote to accept or reject this Plan.

F. Class 6 – Intercompany Claims.

1. **Classification.** Class 6 consists of all Intercompany Claims.

2. **Treatment.** Intercompany Claims shall be reinstated, cancelled or compromised as determined by the Debtors.

3. **Impairment and Voting.** Class 6 Claims are Unimpaired under this Plan. Holders of Intercompany Claims are conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code and, therefore, are not entitled to vote to accept or reject this Plan.

G. Class 7 – Subordinated Claims.

1. **Classification.** Class 7 consists of all Subordinated Claims.

2. **Treatment.** The holders of Subordinated Claims, if any, shall neither receive Distributions nor retain any property under this Plan for or on account of such Subordinated Claims.

3. **Impairment and Voting.** Class 7 is Impaired under this Plan. Holders of Subordinated Claims are deemed to have rejected this Plan pursuant to section 1126(g) of the Bankruptcy Code and, therefore, are not entitled to vote to accept or reject this Plan.

H. Class 8 – Existing Equity Interests.

1. **Classification.** Class 8 consists of all Existing Equity Interests in Mac Parent.

2. **Treatment.** Existing Equity Interests shall be discharged, cancelled, released, and extinguished as of the Effective Date and holders of Existing Equity Interests shall neither receive any Distributions nor retain any property under this Plan for or on account of such Equity Interests.

3. **Impairment and Voting.** Class 8 is Impaired under this Plan. Holders of Existing Equity Interests are deemed to have rejected this Plan pursuant to section 1126(g) of the Bankruptcy Code and, therefore, are not entitled to vote to accept or reject this Plan.

I. Class 9 – Intercompany Interests.

1. **Classification.** Class 9 consists of all Intercompany Interests.

2. **Treatment.** Intercompany Interests shall be cancelled or reinstated, as determined by the Debtors.

3. **Impairment and Voting.** Class 9 is Unimpaired under this Plan. Holders of Intercompany Interests are conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code and, therefore, are not entitled to vote to accept or reject this Plan.

J. Special Provision Governing Claims.

Except as otherwise provided in this Plan, nothing under this Plan shall affect the Debtors' or the Reorganized Debtors' rights in respect of any Unimpaired Claims, including all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Claims.

K. Elimination of Vacant Classes.

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

L. Acceptance or Rejection of this Plan.

1. **Presumed Acceptance.** Claims in Classes 1, 2, and 6, and Interests in Class 9 are Unimpaired under the Plan. The holders of such Claims and Interests are conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote to accept or reject this Plan.

2. **Voting Classes.** Claims in Classes 3, 4, and 5 are Impaired under this Plan and the holders of such Claims are entitled to vote to accept or reject this Plan. If holders of Claims in a particular Impaired Class of Claims are given the opportunity to vote to accept or reject the Plan, but no holders of Claims in such Impaired Class of Claims vote to accept or reject this Plan, then such Class of Claims shall be deemed to have accepted this Plan.

3. **Deemed Rejection of Plan.** Subordinated Claims in Class 7 and Equity Interests in Class 8 are Impaired, and holders of such Claims and Equity Interests shall receive no Distributions. The holders in such Classes are deemed to have rejected this Plan pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote to accept or reject this Plan.

M. Nonconsensual Confirmation.

If less than all Impaired Classes accept this Plan, but at least one (1) Class of Claims Impaired under this Plan has accepted this Plan (and which Class's acceptance is determined without inclusion of Claims of Insiders (as defined in the Bankruptcy Code)), the Debtors will seek to have the Court confirm this Plan under section 1129(b) of the Bankruptcy Code.

N. Subordinated Claims.

The allowance, classification, and treatment of all Allowed Claims and Interests and the respective Distributions and treatments under this Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, sections 510(a) or 510(b) of the Bankruptcy Code or otherwise.

V.

PROVISIONS REGARDING ENTITY GOVERNANCE OF THE REORGANIZED DEBTORS

A. Cancellation of Existing Equity Interests.

On the Effective Date, all Existing Equity Interests shall be cancelled in accordance with this Plan.

B. Management of the Reorganized Debtors.

On the Effective Date, the term of each member of the current boards of directors or manager of the Debtors shall expire, and the board or manager of each of the Reorganized Debtors, as well as the officers of each of the Reorganized Debtors, shall consist of those individuals that will be identified in the Plan Supplement. Following the Effective Date, the appointment and removal of the members of the board or manager of each of the Reorganized Debtors shall be governed by the terms of each Reorganized Debtor's respective entity governance documents. Raven shall be granted the observation rights set forth in the Exit Facility Documents from and after the Effective Date.

C. Powers of Officers.

The officers of the Debtors or the Reorganized Debtors, as applicable, shall have the power to (i) enter into, execute, or deliver any documents or agreements that may be necessary and appropriate to implement and effectuate the terms of this Plan, and (ii) take any and all other actions that may be necessary and appropriate to effectuate the terms of this Plan, including the making of appropriate filings, applications, or recordings, provided that such documents and agreements are in form and substance acceptable to the DIP Agent and the terms of the Exit Facility.

VI.

SUBSTANTIVE CONSOLIDATION OF THE DEBTORS

Solely for purposes of voting on, confirmation of, and Distributions to be made to holders of Allowed Claims under this Plan, this Plan is predicated upon, and it is a condition precedent to confirmation of this Plan, that the Court provide in the Confirmation Order for the limited consolidation of the Estates of the Debtors into a single Estate for purposes of this Plan, the confirmation hereof and Distributions hereunder.

Pursuant to the Confirmation Order (i) all assets and liabilities of the consolidated Debtors will be deemed to be merged solely for purposes of Distributions to be made hereunder, (ii) the obligations of each Debtor will be deemed to be the obligation of the consolidated Debtors solely for purposes of Distributions hereunder, (iii) any Claims filed or to be filed in connection with any such obligations will be deemed Claims against the consolidated Debtors, (iv) each Claim filed in the Chapter 11 Case of any Debtor will be deemed filed against the Debtors in the consolidated Chapter 11 Cases in accordance with the limited consolidation of the

assets and liabilities of the Debtors, (v) all transfers, disbursements and Distributions made by any Debtor hereunder will be deemed to be made by the consolidated Debtors, and (vi) creditors that hold guarantees from the Debtors of the obligations of any other Debtors shall be allowed a single Claim against the consolidated Estates and any joint or several liability of any of the Debtors shall be deemed to be one obligation of the consolidated Debtors. Holders of Allowed Claims in each Class shall be entitled to their share of assets available for Distribution to such Class without regard to which Debtor was originally liable for such Claim. Intercompany Claims shall be treated as provided in Class 6 of this Plan and Intercompany Interests shall be treated as provided in Class 9 of this Plan.

Notwithstanding the foregoing, such limited consolidation shall not affect (a) any aspects, rights, benefits, privileges, liens, security interests, or claims under the BOC Post-Effective Date Documents, DIP Facility, or Exit Facility or the legal and entity structure of the Reorganized Debtors, (b) any obligations under any contracts, licenses, or leases that were entered into during the Chapter 11 Cases or executory contracts or unexpired leases that have been or will be assumed pursuant to this Plan, (c) distributions from any insurance policies or proceeds of such policies, (d) the revesting of assets in the separate Reorganized Debtors pursuant to Article IX.B of this Plan, or (e) guarantees that are required to be maintained post-Effective Date (i) in connection with executory contracts or unexpired leases that were entered into during the Chapter 11 Cases or that have been, or will hereunder be, assumed, (ii) pursuant to the express terms of this Plan, (iii) in connection with the Exit Facility, or (iv) the BOC Non-Debtor Guarantees. The limited consolidation proposed herein shall not affect each Debtor's obligation to file the necessary operating reports and pay any required fees pursuant to 28 U.S.C. § 1930(a)(6), which obligation shall continue until a Final Order is entered closing, dismissing or converting each such Debtor's Chapter 11 Case.

VII.

PROVISIONS REGARDING MEANS OF IMPLEMENTATION, DISTRIBUTIONS, AND RESOLUTION OF DISPUTED CLAIMS

A. General Settlement of Claims.

As discussed further in the Disclosure Statement and as otherwise provided herein, pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under this Plan, upon the Effective Date, the provisions of this Plan shall constitute a good faith compromise and settlement of all Claims, Interests and controversies resolved pursuant to this Plan. Distributions made to holders of Allowed Claims in any Class are intended to be final.

B. Exit Financing.

On the Effective Date, the Exit Facility Documents shall be executed and delivered by the Reorganized Debtors and Exit Facility Agent and Lenders. Confirmation of this Plan shall be deemed to constitute approval of the Exit Facility, and the Exit Facility Documents, and, subject to the occurrence of the Effective Date, authorization for the Reorganized Debtors to enter into and perform their obligations in connection with the Exit Facility without the need for

any further action.

On the Effective Date, the Exit Facility Documents shall constitute legal, valid, binding, and authorized obligations of the Reorganized Debtors and the non-Debtor parties to the Exit Facility Documents, enforceable in accordance with their terms. The financial accommodations to be extended pursuant to the Exit Facility Documents are being extended, and shall be deemed to have been extended, in good faith, for legitimate business purposes, are reasonable, shall not be subject to avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever, and shall not constitute preferential transfers, fraudulent conveyances, or other voidable transfers under the Bankruptcy Code or any other applicable non-bankruptcy law. On the Effective Date, all of the Liens and security interests to be granted in accordance with the Exit Facility Documents (1) shall be legal, binding, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the Exit Facility Documents, (2) shall be deemed automatically perfected on the Effective Date, subject only to such Liens and security interests as may be permitted under the Exit Facility Documents which include without limitation BOC's security interests in the Debtors' and Reorganized Debtors' assets and in accordance with an Intercreditor Agreement to be executed and delivered as part of the Plan Supplement, and (3) shall not be subject to avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever and shall not constitute preferential transfers, fraudulent conveyances, or other voidable transfers under the Bankruptcy Code or any applicable non-bankruptcy law. The Reorganized Debtors and the entities granted such Liens and security interests are authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect such Liens and security interests under the provisions of the applicable state, provincial, federal, or other law (whether domestic or foreign) that would be applicable in the absence of this Plan and the Confirmation Order (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order, and any such filings, recordings, approvals, and consents shall not be required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law to give notice of such Liens and security interests to third parties.

C. Issuance of New Equity Interests.

The issuance of New Equity Interests by Reorganized Mac Parent is authorized without the need for any further entity action or without any further action by a holder of Claims or Interests. On the Effective Date (or as soon as reasonably practicable thereafter), the New Equity Interests shall be issued, subject to the provisions of this Plan, Pro Rata to the holders of the Riesen Funding Claims. The New Equity Interests will be subject to dilution by any equity in Reorganized Mac Parent issued pursuant to the Exit Facility Documents.

All of the New Equity Interests issued pursuant to this Plan shall be duly authorized and validly issued. Each Distribution and issuance referred to in this Article VII shall be governed by the terms and conditions set forth herein applicable to such Distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such Distribution or issuance, including the Reorganized Mac Parent Operating Agreement, which terms and conditions shall bind each Person receiving such Distribution or issuance. Upon the Effective Date, the Reorganized Mac Parent Operating Agreement shall be deemed to become

valid, binding and enforceable in accordance with its terms, and each holder of New Equity Interests shall be bound thereby, in each case, without need for execution by any party thereto other than Reorganized Mac Parent.

D. Avoidance Actions.

On the Effective Date, the Reorganized Debtors shall retain the exclusive right to commence, prosecute, or settle all Causes of Action, including Avoidance Actions, as appropriate in accordance with the best interests of the Reorganized Debtors subject to the releases and exculpations contained in this Plan, the Final DIP Order, and the DIP Credit Agreement.

E. Restructuring Transactions.

On the Effective Date or as soon as reasonably practicable thereafter, the Reorganized Debtors (to the extent permitted under the Exit Facility) may modify their entity structure by eliminating certain entities and may take all actions as may be necessary or appropriate to effect such transactions, including any transaction described in, approved by, contemplated by, or necessary to effectuate this Plan, including: (i) the execution and delivery of appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution or liquidation containing terms that are consistent with the terms of this Plan and that satisfy the applicable requirements of applicable law and any other terms to which the applicable entities may agree; (ii) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt or obligation on terms consistent with the terms of this Plan and having other terms to which the applicable parties may agree; (iii) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion (including related formation) or dissolution pursuant to applicable state law; and (iv) all other actions that the applicable entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law.

F. Approval and Authorization of Corporate and Company Action.

Upon the Effective Date, all corporate and limited liability company actions contemplated by this Plan shall be deemed authorized and approved in all respects, including (i) the transactions contemplated by Article VII.C and E hereof, (ii) the adoption and filing of appropriate certificates or articles of incorporation, formation, association, reincorporation, merger, consolidation, conversion, or dissolution, and memoranda and amendments thereto, pursuant to applicable law, (iii) the initial selection of managers, directors and officers for the Reorganized Debtors, (iv) the Distributions pursuant to this Plan, (v) the execution and entry into the Exit Facility, and (vi) all other actions contemplated by this Plan (whether to occur before, on, or after the Effective Date), in each case unless otherwise provided in this Plan. All matters provided for under this Plan involving the entity structure of the Debtors and Reorganized Debtors or corporate and company action to be taken by or required of a Debtor or a Reorganized Debtor will be deemed to occur and be effective as of the Effective Date, if no such other date is specified in such documents, and shall be authorized, approved, adopted and, to the extent taken prior to the Effective Date, ratified and confirmed in all respects and for all purposes

without any requirement of further action by holders of Claims or Interests, directors of the Debtors or the Reorganized Debtors, as applicable, or any other Person, except to effect the filing of any new entity governance documents respecting the Debtors, as necessary.

G. Effectuating Documents; Further Transactions.

On and after the Effective Date, the Reorganized Debtors, their managers, and the officers and directors of the boards of directors thereof, are authorized to and may issue, execute, deliver, file or record such contracts, securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of this Plan and the securities issued pursuant to this Plan in the name of and on behalf of the Reorganized Debtors, without need for any approvals, authorization, or consents except for those expressly required pursuant to this Plan and applicable non-bankruptcy law.

H. Reorganized Debtor Operating Agreements

Pursuant to section 1123(a)(6) of the Bankruptcy Code, the Reorganized Mac Parent Operating Agreement and the operating agreements for the other Debtors will prohibit the issuance of non-voting equity securities. After the Effective Date, Reorganized Mac Parent and the other Reorganized Debtors may amend and restate their respective operating agreements as permitted by the laws of Delaware, and any related governance documents. The Reorganized Mac Parent Operating Agreement and operating agreements for the other Reorganized Debtors shall be substantially in the form set forth in the Plan Supplement.

I. Cancellation of Securities and Agreements.

On the Effective Date, except as otherwise specifically provided for in this Plan, including as provided for in Articles III.C.3, IV.C., and IX.L hereof: (1) the obligations of the Debtors under their prepetition credit agreements and loan documents, and any other certificate, share, note, bond, indenture, purchase right, option, warrant, or other instrument or document directly or indirectly evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors giving rise to any Claim or Equity Interest (except such certificates, notes, or other instruments or documents evidencing indebtedness or obligations of the Debtors that are specifically reinstated pursuant to this Plan), shall be cancelled solely as to the Debtors, and the Reorganized Debtors shall not have any continuing obligations thereunder; and (2) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the membership interests, certificates, notes, bonds, indentures, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtors (except such agreements, certificates, notes, or other instruments evidencing indebtedness or obligations of the Debtors that are specifically reinstated pursuant to this Plan) shall be released and discharged; provided, however, notwithstanding confirmation of this Plan or the occurrence of the Effective Date, any agreement that governs the rights of the holder of a Claim shall continue in effect solely for purposes of allowing holders to receive Distributions under this Plan as provided herein.

J. Distributions in Respect of Allowed Claims.

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

2. **Date of Distributions.** Except as otherwise provided herein, Distributions and deliveries under this Plan with respect to Allowed Claims shall be made before the close of business on or as soon as reasonably practicable after the Effective Date. In the event that any payment or act under this Plan is required to be made or performed on a date that is not a Business Day, the making of such payment or the performance of such act may be completed on or as soon as reasonably practicable after the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

3. **Disbursing Agent.** Except as otherwise provided herein, all Distributions under this Plan shall be made by the Reorganized Debtors as Disbursing Agent or such other Entity (as defined in section 101(15) of the Bankruptcy Code) designated by the Reorganized Debtors to assist the Disbursing Agent on the Effective Date. If the Disbursing Agent is an independent third party designated by the Reorganized Debtors to serve in such capacity, such Disbursing Agent shall receive, without further Court approval, reasonable compensation for distribution services rendered pursuant to this Plan and reimbursement of reasonable out-of-pocket expenses incurred in connection with such services from the Reorganized Debtors on terms acceptable to the Reorganized Debtors. No Disbursing Agent shall be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Court. If otherwise so ordered, all costs and expenses of procuring any such bond or surety shall be borne by the Reorganized Debtors.

4. **Powers of Disbursing Agent.** The Disbursing Agent shall be empowered to (i) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties hereunder, (ii) make all Distributions contemplated hereby, and (iii) exercise such other powers as may be vested in the Disbursing Agent by Final Order of the Court or pursuant to this Plan.

5. Delivery of Distributions.

Except as otherwise provided herein, the Disbursing Agent shall make Distributions to holders of Allowed Claims at the address for each holder indicated on the Debtors' records as of the date of any such Distribution unless such addresses are superseded by Proofs of Claim or transfers of Claim filed pursuant to Bankruptcy Rule 3001 by the Record Date. If any Distribution to a holder of a Claim is returned as undeliverable, no further Distributions shall be made unless and until the Disbursing Agent is notified of the then-current address of such holder of the Claim, at which time all missed distributions shall be made to such holder of the Claim without interest. Amounts in respect of undeliverable distributions shall be

returned to the Reorganized Debtors until such Distributions are claimed. The Reorganized Debtors shall make reasonable efforts to locate holders of undeliverable Distributions.

Except as otherwise provided herein, all Distributions to holders of DIP Facility Claims shall be governed by the DIP Credit Agreement.

6. **Distribution of Cash.** Any payment of Cash by the Reorganized Debtors pursuant to this Plan shall be made at the option and in the sole discretion of the Reorganized Debtors by (i) a check drawn on or (ii) wire transfer from, a U.S. domestic bank selected by the Reorganized Debtors; provided that, any Cash paid to Raven or BOC shall be made by wire transfer.

7. **Unclaimed Distributions**. Any Distribution under this Plan that is unclaimed six (6) months after the Disbursing Agent has delivered (or has attempted to deliver) such Distribution shall become the property of the Reorganized Debtor against which such Claim was Allowed notwithstanding any federal or state escheat, abandoned or unclaimed property laws to the contrary, and the entitlement by the holder of such unclaimed Allowed Claim to such Distribution or any subsequent Distribution on account of such Allowed Claim shall be discharged and forever barred.

8. ***De Minimis* Distributions.**

The Debtors or the Reorganized Debtors, as the case may be, shall not be required to, but may in their discretion, make distributions to any holder of a Claim of Cash in an amount less than twenty-five dollars ($25). In addition, the Debtors and the Reorganized Debtors shall not be required to, but may in their discretion, make any payment on account of any Claim in the event that the costs of making such payment exceeds the amount of such payment.

9. **Interest on Claims**. Except as expressly provided for in this Plan, the Confirmation Order or any contract, instrument, release, settlement or other agreement entered into in connection with this Plan, or as required by applicable bankruptcy law, including sections 511 and 1129(a)(9)(C)-(D) of the Bankruptcy Code, post-Petition Date interest shall not be treated as accruing in respect of any Claim for purposes of determining the allowance of, and Distribution for or on account of, such Claim.

10. **Withholding and Reporting Requirements**. In connection with this Plan and all instruments issued in connection therewith, the Disbursing Agent shall comply with all applicable withholding and reporting requirements imposed by any federal, state or local taxing authority, and all Distributions under this Plan shall be subject to any such withholding or reporting requirements. Any holder of an Allowed Claim shall provide the Disbursing Agent with information and forms required to satisfy its obligations under this subsection, as determined within the reasonable discretion of the Disbursing Agent ("***Required Tax Forms***"); and holder of an Allowed Claim that fails to provide the Disbursing Agent with Required Tax Forms within forty-five (45) days (or any longer period consented to by the Disbursing Agent in writing) after a written request from the Disbursing Agent for Required Tax Forms shall have all Distributions on account of such Allowed Claims deemed an Unclaimed Distribution as of the

expiration of such period and shall have its Allowed Claim treated in accordance with Article VII.J.7 of the Plan.

11. **Setoffs.** Except as otherwise expressly provided in this Plan (including, without limitation, subject to the releases and exculpations contained in this Plan, the Final DIP Order, and the DIP Credit Agreement), the Debtors and the Reorganized Debtors, as applicable, may, but shall not be required to, set off against any Claim (for purposes of determining the Allowed amount of such Claim on which Distribution shall be made), any claims of any nature whatsoever that the Debtors or the Reorganized Debtors may have against the holder of such Claim, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or the Reorganized Debtors of any such claim the Debtors or the Reorganized Debtors may have against the holder of such Claim. Nothing in this Plan shall be deemed to expand rights to setoff under applicable non-bankruptcy law.

12. **Allocation of Consideration**. To the extent that any Allowed Claim entitled to a Distribution under this Plan is comprised of indebtedness and, accrued but unpaid interest thereon, the consideration distributed to the holder of such Allowed Claim shall be treated as first satisfying the principal amount of such Claim (as determined for federal income tax purposes), and any remaining consideration shall be treated as satisfying accrued but unpaid interest.

K. Resolution of Disputed Claims.

1. **Objections to Claims.** From and after the Effective Date, the Reorganized Debtors shall have the right to object to any and all Claims that have not been previously Allowed. Any objections to Claims shall be filed and served on or before the later of (i) one hundred and eighty (180) days after the Effective Date, and (ii) such later date as may be fixed by the Court upon a motion by the Reorganized Debtors, which later date may be fixed before or after the date specified in clause (i) above. Objections to Professional Fee Claims shall be filed and served in accordance with Article III.B.

2. **Settlement of Claims.** Notwithstanding the requirements that may be imposed pursuant to Bankruptcy Rule 9019, from and after the Effective Date, the Reorganized Debtors shall have the authority to settle or compromise any claim or objections or proceedings relating to the allowance of Claims as and to the extent deemed prudent and reasonable without further review or approval of the Court and without the need to file a formal objection. Nothing in this Article VII.K shall be deemed to affect or modify the applicable Bar Dates previously established in the Chapter 11 Cases.

3. **No Distributions Pending Allowance.** Notwithstanding any other provision hereof, if any portion of a Claim is a Disputed Claim, no payment or Distribution provided hereunder shall be made on account of the disputed portion of such Claim until the disputed portion of such Claim becomes an Allowed Claim.

4. **General Unsecured Claim Cash Pool.** If Class 5 votes to accept the Plan, on the Effective Date or as soon as practicable thereafter, the Reorganized Debtors shall establish the General Unsecured Claim Cash Pool. Cash held in the General Unsecured Claim

Cash Pool shall be held by the Reorganized Debtors in trust in a segregated account for the benefit of holders of Allowed General Unsecured Claims. Cash held in the General Unsecured Claim Cash Pool shall not constitute property of the Reorganized Debtors. Each holder of a Disputed General Unsecured Claim that becomes an Allowed General Unsecured Claim shall have recourse only to the undistributed Cash in the General Unsecured Claim Cash Pool for satisfaction of such Allowed General Unsecured Claim and not to any Reorganized Debtor.

5. **Distributions after Allowance.** In the event that a Disputed Claim becomes an Allowed Claim, the Disbursing Agent shall distribute to the holder of such Claim such holder's Pro Rata portion of the property distributable with respect to the Class in which such Claim is classified herein. To the extent that all or a portion of a Disputed Claim is disallowed, the holder of such Claim shall not receive any Distributions on account of the portion of such Claim that is disallowed and any property withheld pending the resolution of such Claim shall be reallocated Pro Rata to the holders of Allowed Claims in the same Class. Nothing set forth herein is intended to, nor shall it, prohibit the Reorganized Debtors, in their sole discretion, from making a Distribution on account of any Claim at any time after such Claim becomes an Allowed Claim. Notwithstanding anything to the contrary in this Plan, no distributions shall be made from the General Unsecured Claim Cash Pool until all Disputed General Unsecured Claims are resolved and either become Allowed or disallowed by Final Order or estimated by Final Order for purposes of distribution.

6. **Interest on Disputed Claims.** Unless otherwise specifically provided for in this Plan or as otherwise required by sections 506(b), 511 or 1129(a)(9)(C)-(D) of the Bankruptcy Code, interest shall not accrue or be paid on any Disputed Claim in respect of the period from the Effective Date to the date a final Distribution is made when and if such Disputed Claim becomes and Allowed Claim.

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

VIII.

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption and Rejection of Executory Contracts and Unexpired Leases.

Except as otherwise provided herein or in any contract, instrument, release, indenture or other agreement or document entered into in connection with this Plan, as of the Effective Date, all executory contracts and unexpired leases governed by section 365 of the Bankruptcy Code to which any of the Debtors are parties are hereby rejected except for any executory contract or unexpired lease that (i) previously has been assumed or rejected by the Debtors in the Chapter 11 Cases, (ii) previously expired or terminated pursuant to its own terms; (iii) is specifically identified on the Schedule of Assumed Contracts and Leases, or (iv) is the subject of a separate motion to assume or reject such executory contract or unexpired lease filed by the Debtors under section 365 of the Bankruptcy Code prior to the Confirmation Hearing. The Debtors reserve the right to amend the Schedule of Assumed Contracts and Leases at any time prior to the Effective Date, subject to the consent of the Supporting Parties and the DIP Agent.

B. Cure; Effect of Payment of Cure.

Except to the extent that different treatment has been agreed to by the non-Debtor party or parties to any executory contract or unexpired lease to be assumed pursuant to Article VIII.A hereof, not less than fifteen (15) Business Days prior to the Confirmation Hearing, the Debtors shall, pursuant to the provisions of sections 1123(a)(5)(G) and 1123(b)(2) of the Bankruptcy Code, and consistent with the requirements of section 365 of the Bankruptcy Code, file and serve a notice with the Court listing the cure amounts of all executory contracts or unexpired leases to be assumed. The parties to such executory contracts or unexpired leases to be assumed by the Debtors shall have ten (10) Business Days from service of such pleading to object to the cure amounts listed by the Debtors. If there are any objections filed with respect thereto, the Court shall conduct a hearing to consider such cure amounts and any objections thereto. The Debtors shall retain their right to reject any of their executory contracts or unexpired leases, if any executory contract or lease is subject, as of the Effective Date, to an unresolved dispute concerning amounts necessary to cure any defaults, until the date that is five (5) business days after the dispute is resolved by a Final Order or agreement of the Reorganized Debtors and affected counterparty, but only if the resolution results in a cure amount higher than what was listed in the Schedule of Assumed Contracts and Leases or has not otherwise been agreed to by the Debtors. Payment of the cure amounts fixed in accordance with this paragraph shall be paid by the Debtors or Reorganized Debtors, as the case may be, as a condition to assumption of the underlying contracts and unexpired leases pursuant to the terms of the Plan. Such amount shall be paid on, or as soon as reasonably practicable after, the Effective Date, but in no event later than seven (7) calendar days after the Effective Date, except that any cure amount that is disputed as of the Effective Date shall be paid as soon as reasonably practicable after the resolution of such dispute.

Assumption of any executory contract or unexpired lease pursuant to the Plan, or otherwise, shall result in the full release and satisfaction of any Claims or defaults whether

monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed executory contract or unexpired lease at any time on or before the Effective Date.

C. Rejection Damage Claims.

Any and all Claims for damages arising from the rejection of an executory contract or unexpired lease under the Plan must be filed with the Court no later than thirty (30) days after the effective date of the rejection of such executory contract or unexpired lease. Any Claim for damages arising from the rejection of an executory contract or unexpired lease pursuant to an order other than the Confirmation Order will be governed by the order authorizing such rejection and will not be extended by this Plan or the Confirmation Order. Any Claims for damages arising from the rejection of an executory contract or unexpired lease that is not filed within such time period will be forever barred from assertion against the Debtors, their respective Estates and the Reorganized Debtors. All Allowed Claims arising from the rejection of executory contracts or unexpired leases shall be treated as General Unsecured Claims.

D. Restrictions on Assignment Void.

Any executory contract or unexpired lease assumed under this Plan shall remain in full force and effect to the benefit of the Reorganized Debtors in accordance with its terms, notwithstanding any provision in such executory contract or unexpired lease (including those of the type described in section 365(b)(2) of the Bankruptcy Code) that prohibits, restricts, or conditions such transfer or assignment, including based on any change of control provision. To the maximum extent permitted under section 365 of the Bankruptcy Code, any provision that prohibits, restricts, or conditions the assignment or transfer of any such executory contract or unexpired lease, terminates or modifies such executory contract or unexpired lease or allows the counterparty to such executory contract or unexpired lease to terminate, modify, recapture, impose any penalty, condition renewal or extension, or modify any term or condition thereof (including on account of any change of control provision) on any such transfer or assignment, constitutes an unenforceable anti-assignment provision and is void and of no force or effect.

No sections or provisions of any executory contract or unexpired lease that purport to provide for additional payments, penalties, charges, rent acceleration, or other financial accommodations in favor of the non-debtor third party thereto shall have any force and effect with respect to the transactions contemplated hereunder, and such provisions constitute unenforceable anti-assignment provisions under section 365(f) of the Bankruptcy Code and are otherwise unenforceable under section 365(e) of the Bankruptcy Code.

E. Benefit Plans.

As of and subject to the Effective Date, all employment agreements and policies, and all employee compensation and benefit plans, policies, and programs of the Debtors applicable generally to their employees, including agreements and programs subject to section 1114 of the Bankruptcy Code, as in effect on the Effective Date, including all savings plans, retirement plans, health care plans, disability plans, incentive plans, and life, accidental death, and dismemberment insurance plans, and senior executive retirement plans, but expressly

excluding any nonqualified deferred compensation plans that are treated as unfunded plan for tax purposes and Title I of ERISA, shall be deemed to be, and shall be treated as though they are, executory contracts that are assumed under this Plan, and the Debtors' obligations under all such agreements and programs shall survive the Effective Date of this Plan, without prejudice to the Reorganized Debtors' rights under applicable nonbankruptcy law to modify, amend, or terminate the foregoing arrangements in accordance with the terms and provisions thereof, except for (i) such executory contracts or plans specifically rejected pursuant to this Plan (to the extent such rejection does not violate section 1114 of the Bankruptcy Code), and (ii) such executory contracts or plans as have previously been terminated, or rejected, pursuant to a Final Order, or specifically waived by the beneficiaries of such plans, benefits, contracts, or programs.

F. Workers' Compensation and Insurance Programs.

All (i) applicable workers' compensation laws in states in which the Reorganized Debtors operate and (ii) of the Debtors' written contracts, agreements, agreements of indemnity, self-insurer workers' compensation bonds and any other policies, programs and plans regarding or relating to workers' compensation, workers' compensation insurance, and all other forms of insurance, unless specified in the Plan Supplement, are treated as executory contracts under this Plan and on the Effective Date will be assumed pursuant to the provisions of sections 365 and 1123 of the Bankruptcy Code, with a cure amount of zero dollars.

IX.

EFFECT OF CONFIRMATION OF THIS PLAN

A. Continued Entity Existence.

Except as otherwise provided herein, including as provided with respect to Reorganized Mac Parent in Article V.B hereof, or as may be provided in the Confirmation Order, each Debtor will, as a Reorganized Debtor, continue to exist after the Effective Date as a separate corporate entity, or limited liability company, as the case may be, with all the powers thereof, pursuant to the applicable law in the jurisdiction in which each applicable Reorganized Debtor is incorporated or formed and pursuant to the entity organizational documents in effect prior to the Effective Date, except to the extent such other entity organizational documents are amended by the Plan and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval.

B. Vesting of Assets.

Except as otherwise provided in this Plan or any agreement, instrument, or other document incorporated herein, on the Effective Date all property in each Estate, all Causes of Action, and any other property acquired by any of the Debtors pursuant to this Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances (except for Liens granted to secure the Exit Facility, any Liens securing the BOC Claim, and any Liens applicable to any capitalized leases existing on the Effective Date). On and after the Effective Date, except as otherwise provided in this Plan, each Reorganized Debtor may operate its business and conduct its affairs, and may use, acquire, or dispose of its property

and assets and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Court and free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules.

C. Preservation of Causes of Action.

Subject to the releases and exculpations set forth in the Plan, the Final DIP Order, and the DIP Credit Agreement, in accordance with section 1123(b)(3) of the Bankruptcy Code, the Debtors and the Reorganized Debtors shall retain all Litigation Rights, and nothing contained in this Plan or the Confirmation Order shall be deemed to be a waiver or relinquishment of any such Litigation Rights. The Debtors may (but are not required to) enforce all Litigation Rights and all other similar claims arising under applicable state laws, including fraudulent transfer claims, if any, and all other Causes of Action of a trustee and debtor-in-possession under the Bankruptcy Code. Except as otherwise set forth in this Plan, the Reorganized Debtors, as applicable, in their sole and absolute discretion, shall determine whether to bring, settle, release, compromise, or enforce any such Litigation Rights (or decline to do any of the foregoing), and shall not be required to seek further approval of the Court for such action. Except as otherwise set forth in this Plan, the Debtors, the Reorganized Debtors, or any successors thereof may pursue such Litigation Rights in accordance with the best interests of the Reorganized Debtors or any successors holding such rights of action.

D. Discharge of the Debtors.

Pursuant to section 1141(d) of the Bankruptcy Code, except as otherwise specifically provided in this Plan or in the Confirmation Order, the Distributions and rights that are provided in this Plan shall be in complete satisfaction, discharge and release, effective as of the Effective Date, of any and all Claims and Causes of Action (whether known or unknown) against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or properties, regardless of whether any property or assets shall have been distributed or retained pursuant to this Plan on account of such Claims, rights, and Interests, including Claims and Interests that arose before the Effective Date, any liability (including withdrawal liability to the extent such Claims relate to services performed by employees of the Debtors prior to the Petition Date and that arise from a termination of employment or a termination of any employee or retiree benefit program which occurred prior to the Effective Date), and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not (a) a Proof of Claim or Interest based upon such Claim, debt, right, or Interest was filed, is filed, or deemed filed under section 501 of the Bankruptcy Code, (b) a Claim or Interests based upon such Claim, debt, right, or Interest is Allowed under section 502 of the Bankruptcy Code, or (c) the holder of such a Claim, right, or Interest accepted this Plan. The Confirmation Order shall be a judicial determination of the discharge of all Claims against and Interests in the Debtors, subject to the terms thereof and the occurrence of the Effective Date. **NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE PLAN OR OTHERWISE, NOTHING IN THE PLAN SHALL IMPAIR, ALTER OR IN ANY WAY AFFECT ANY OF THE RIGHTS OR REMEDIES OF BOC AGAINST THE NON-DEBTOR BOC GUARANTORS.**

E. Releases by the Debtors of Certain Parties.

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, PURSUANT TO SECTION 1123(B)(3) OF THE BANKRUPTCY CODE, FOR GOOD AND VALUABLE CONSIDERATION, INCLUDING THE ACTIONS OF THE RELEASED PARTIES TO FACILITATE THE REORGANIZATION OF THE DEBTORS AND THE IMPLEMENTATION OF THE RESTRUCTURING CONTEMPLATED BY THE PLAN, EFFECTIVE AS OF THE EFFECTIVE DATE, EACH DEBTOR, IN ITS INDIVIDUAL CAPACITY AND AS A DEBTOR IN POSSESSION FOR ITSELF AND ON BEHALF OF ITS ESTATE, AND ANY PERSON CLAIMING THROUGH, ON BEHALF OF, OR FOR THE BENEFIT OF EACH DEBTOR AND ITS ESTATE, SHALL RELEASE AND DISCHARGE AND BE DEEMED TO HAVE CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY, AND FOREVER RELEASED AND DISCHARGED ALL RELEASED PARTIES FOR AND FROM ANY AND ALL CLAIMS OR CAUSES OF ACTION EXISTING AS OF THE EFFECTIVE DATE OR THEREAFTER WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, ARISING FROM OR RELATED TO ANY ACTIONS, TRANSACTIONS, EVENTS OR OMISSIONS OCCURRING ON OR BEFORE THE EFFECTIVE DATE RELATING TO THE DEBTORS, THE CHAPTER 11 CASES, THE DIP FACILITY, OR THE CREDIT AGREEMENT; PROVIDED, HOWEVER, THE FOREGOING RELEASE SHALL NOT APPLY TO ANY POST-EFFECTIVE DATE OBLIGATIONS ARISING UNDER THE PLAN OR ANY DOCUMENT, INSTRUMENT OR AGREEMENT (INCLUDING THOSE SET FORTH IN THE PLAN SUPPLEMENT AND THE EXIT FACILITY) EXECUTED TO IMPLEMENT THE PLAN. THE REORGANIZED DEBTORS SHALL BE BOUND, TO THE SAME EXTENT THAT THE DEBTORS ARE BOUND, BY THE RELEASES AND DISCHARGES SET FORTH ABOVE.

F. Releases by Non-Debtors.

EXCEPT WHERE A HOLDER OF A CLAIM OR EQUITY INTEREST HAS AFFIRMATIVELY OPTED-OUT OF GRANTING THE RELEASES SET FORTH IN THIS ARTICLE IX.F. EITHER (i) BY TIMELY ELECTING NOT TO GRANT THIS RELEASE IN ITS BALLOT; (ii) BY TIMELY ELECTING NOT TO GRANT THIS RELEASE BY RETURNING THE OPT-OUT ELECTION CONTAINED IN THE NOTICE TO NON-VOTING HOLDERS; OR (iii) BY FILING AN OBJECTION WITH THE BANKRUPTCY COURT TO THIS RELEASE BY THE INITIAL DEADLINE TO OBJECT TO THE PLAN SET FORTH IN THE CONFIRMATION ORDER, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FOR GOOD AND VALUABLE CONSIDERATION, INCLUDING THE ACTIONS OF THE RELEASED PARTIES TO FACILITATE THE REORGANIZATION OF THE DEBTORS AND THE IMPLEMENTATION OF THE RESTRUCTURING CONTEMPLATED BY THE PLAN, ON THE EFFECTIVE DATE, EACH PERSON WHO DIRECTLY OR INDIRECTLY, HAS HELD, HOLDS, OR MAY HOLD ANY CLAIM AGAINST THE DEBTORS OR INTEREST IN THE DEBTORS SHALL RELEASE AND DISCHARGE AND BE DEEMED TO HAVE CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY, AND FOREVER RELEASED AND DISCHARGED ALL RELEASED

PARTIES FOR AND FROM ANY AND ALL CLAIMS OR CAUSES OF ACTION EXISTING AS OF THE EFFECTIVE DATE OR THEREAFTER WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, ARISING FROM OR RELATED TO ANY ACTIONS, TRANSACTIONS, EVENTS OR OMISSIONS OCCURRING ON OR BEFORE THE EFFECTIVE DATE RELATING TO THE DEBTORS, THE CHAPTER 11 CASES OR THE OBLIGATIONS UNDER THE DIP FACILITY AND THE CREDIT AGREEMENT; PROVIDED, HOWEVER, THE FOREGOING RELEASE SHALL NOT APPLY TO (A) THE OBLIGATIONS OF THE BOC NON-DEBTOR GUARANTORS UNDER THE BOC NON-DEBTOR GUARANTEES OR (B) POST-EFFECTIVE DATE OBLIGATIONS ARISING UNDER THE PLAN OR ANY DOCUMENT, INSTRUMENT OR AGREEMENT (INCLUDING THOSE SET FORTH IN THE PLAN SUPPLEMENT AND THE EXIT FACILITY) EXECUTED TO IMPLEMENT THE PLAN.

G. Exculpation.

EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THIS PLAN, THE PLAN SUPPLEMENT OR RELATED DOCUMENTS, NO EXCULPATED PARTY SHALL HAVE OR INCUR ANY LIABILITY TO ANY ENTITY FOR ANY PREPETITION OR POSTPETITION ACT TAKEN OR OMITTED TO BE TAKEN IN CONNECTION WITH, OR RELATED TO, OR ARISING OUT OF THE CHAPTER 11 CASES, THE FILING OF THE CHAPTER 11 CASES, THE FORMULATION, PREPARATION, NEGOTIATION, DISSEMINATION, FILING, IMPLEMENTATION, ADMINISTRATION, CONFIRMATION, OR CONSUMMATION OF THIS PLAN, THE DISCLOSURE STATEMENT, THE EXHIBITS TO THIS PLAN AND THE DISCLOSURE STATEMENT, THE PLAN SUPPLEMENT DOCUMENTS, ANY EMPLOYEE BENEFIT PLAN, INSTRUMENT, RELEASE OR OTHER AGREEMENT OR DOCUMENT CREATED, MODIFIED, AMENDED OR ENTERED INTO IN CONNECTION WITH THIS PLAN, EXCEPT FOR THEIR WILLFUL MISCONDUCT OR GROSS NEGLIGENCE AS DETERMINED BY A FINAL ORDER AND EXCEPT WITH RESPECT TO OBLIGATIONS ARISING UNDER CONFIDENTIALITY AGREEMENTS, JOINT INTEREST AGREEMENTS, OR PROTECTIVE ORDERS, IF ANY, ENTERED DURING THE CHAPTER 11 CASES; PROVIDED, HOWEVER, THAT EACH EXCULPATED PARTY SHALL BE ENTITLED TO RELY UPON THE ADVICE OF COUNSEL WITH RESPECT TO THEIR DUTIES AND RESPONSIBILITIES PURSUANT TO, OR IN CONNECTION WITH, THE ABOVE REFERENCED DOCUMENTS, ACTIONS, OR INACTIONS.

H. Injunction.

THE SATISFACTION, RELEASE, AND DISCHARGE PURSUANT TO THIS ARTICLE IX SHALL ACT AS A PERMANENT INJUNCTION AGAINST ANY ENTITY COMMENCING OR CONTINUING ANY ACTION, EMPLOYMENT OF PROCESS, OR ACT TO COLLECT, OFFSET OR RECOVER ANY CLAIM, INTEREST, OR CAUSE OF ACTION SATISFIED, RELEASED, OR DISCHARGED UNDER THIS PLAN TO THE FULLEST EXTENT AUTHORIZED OR PROVIDED BY THE BANKRUPTCY CODE, INCLUDING TO THE EXTENT PROVIDED FOR OR AUTHORIZED BY SECTIONS 524 OR 1141 OF THE BANKRUPTCY CODE.

WITHOUT LIMITING THE FOREGOING, FROM AND AFTER THE EFFECTIVE DATE, ALL ENTITIES THAT HAVE HELD, HOLD, OR MAY HOLD CLAIMS AND INTERESTS THAT HAVE BEEN RELEASED OR DISCHARGED PURSUANT TO THIS ARTICLE IX, OR ARE SUBJECT TO EXCULPATION PURSUANT TO THIS ARTICLE IX, SHALL BE PERMANENTLY ENJOINED FROM TAKING ANY OF THE FOLLOWING ACTIONS AGAINST, AS APPLICABLE, THE DEBTORS, THE REORGANIZED DEBTORS, THE RELEASED PARTIES, OR THE EXCULPATED PARTIES: (A) COMMENCING OR CONTINUING IN ANY MANNER ANY SUIT, ACTION OR OTHER PROCEEDING, ON ACCOUNT OF OR RESPECTING ANY SUCH CLAIMS OR INTERESTS; (B) ENFORCING, ATTACHING, COLLECTING, OR RECOVERING BY ANY MANNER OR MEANS ANY JUDGMENT, AWARD, DECREE, OR ORDER AGAINST SUCH ENTITIES ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; (C) CREATING, PERFECTING, OR ENFORCING ANY ENCUMBRANCE OF ANY KIND AGAINST SUCH ENTITIES OR THE PROPERTY OR ESTATES OF SUCH ENTITIES ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; AND (D) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS RELEASED, EXCULPATED, OR SETTLED PURSUANT TO THE PLAN.

I. Term of Bankruptcy Injunction or Stays.

All injunctions or stays provided for in the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date. All injunctions or stays contained in this Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

J. Setoff.

Notwithstanding anything herein, in no event shall any holder of a Claim be entitled to setoff any Claim against any claim, right, or Cause of Action of the Debtors or the Reorganized Debtors, unless such holder preserves its right to setoff by filing a motion for authority to effect such setoff on or before the Confirmation Date (regardless of whether such motion is heard prior to or after the Confirmation Date), and notwithstanding any indication in any proof of claim or otherwise that such holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 of the Bankruptcy Code or otherwise.

K. Preservation of Insurance.

Except as otherwise provided herein, the Debtors' discharge and release from all Claims as provided herein, except as necessary to be consistent with this Plan, shall not diminish or impair the enforceability of any insurance policy that may cover Claims against the Debtors or the Reorganized Debtors, including their officers and current and former directors, or any other person or entity.

L. Indemnification Obligations.

The Debtors' obligations to indemnify the Indemnified Parties shall survive and shall continue in full force and effect for the benefit of the Indemnified Parties, notwithstanding confirmation of and effectiveness of the Plan, and such indemnification shall include, but not be limited to, all actions taken in connection with the Restructuring Support Agreement, the filing of the Chapter 11 Cases, the DIP Facility, the Final DIP Order, the DIP Credit Agreement and the Plan.

X.

EFFECTIVENESS OF THIS PLAN

A. Conditions Precedent to Confirmation.

It shall be a condition to confirmation of this Plan that the following conditions shall have been satisfied or waived pursuant to the provisions of Article X.C hereof:

1. the Exit Facility Documents in a form acceptable to the Exit Facility Agent and Exit Facility Lenders shall be executed, and, except with respect to those conditions precedent that are contingent on the occurrence of the Effective Date, all conditions precedent to the consummation thereof (including without limitation any conditions in the Exit Facility Term Sheet) shall been satisfied in accordance with the terms thereof (or waived by the Exit Facility Agent and Lenders);

2. an order finding that the Disclosure Statement contains adequate information pursuant to section 1125 of the Bankruptcy Code shall have been entered by the Court;

3. the Confirmation Order shall be in form and substance reasonably acceptable to the Debtors, BOC, Riesen Funding, the DIP Agent, and the Exit Facility Agent and Lenders; and

4. the Restructuring Support Agreement shall be in full force and effect and binding on all parties thereto, and shall not have been terminated by the parties thereto.

5. this Plan, the Plan Supplement, and all of the schedules, documents, and exhibits contained therein shall have been filed in form and substance reasonably acceptable to the Debtors, BOC, Riesen Funding, and the Exit Facility Agent and Lenders.

B. Conditions Precedent to the Effective Date.

It shall be a condition to the Effective Date of this Plan that the following provisions, terms, and conditions are approved or waived pursuant to the provisions of Article X.C hereof:

1. the Confirmation Order, in form and substance reasonably acceptable to the Debtors, the Supporting Parties, the DIP Agent, and the Exit Facility Agent and Lenders, shall have been entered by the Court;

2. the Confirmation Order shall have become a Final Order;

3. the Confirmation Order shall have approved the limited substantive consolidation of the Debtors provided under Article VI of this Plan;

4. the Exit Facility closing shall have occurred and the loans thereunder shall be funded or scheduled for funding upon consummation of this Plan;

5. [RESERVED];

6. the Debtors shall have paid all fees and documented out-of-pocket expenses payable to the DIP Agent, the DIP Lender and BOC, including all documented out-of-pocket fees and expenses of counsel and other professionals, subject to the terms and review provisions set forth in the Final DIP Order, which shall apply to BOC for purposes of this Article X.B.6;

7. all authorizations, consents and regulatory approvals required (if any) for this Plan's effectiveness shall have been obtained;

8. the formation and governance documents for each of the Reorganized Debtors shall be consistent with this Plan, and shall be reasonably acceptable to the Exit Facility Agent and Lenders;

9. The Debtors shall have executed and delivered to BOC the BOC Post-Effective Date Credit Documents;

10. The Non-Debtor Guarantors shall have executed and delivered to BOC new or restated guarantees of the BOC Claims in form acceptable to BOC; and

11. BOC and Exit Facility Agent and Lenders shall have executed and delivered an Intercreditor Agreement in form acceptable to BOC and the Exit Facility Agent and Lenders.

C. Waiver of Conditions.

The conditions to confirmation of this Plan and to the Effective Date set forth in Article X.A and X.B hereof may be waived by the Debtors (with the consent of the DIP Agent and the Exit Facility Agent and Lenders) without notice, leave or order of the Court or any formal action other than proceeding to confirm or consummate this Plan.

D. Notice of Confirmation and Effective Date.

On or before five (5) Business Days after the occurrence of the Effective Date, the Reorganized Debtors shall mail or cause to be mailed to all holders of Claims and Interests a

notice that informs such holders of (i) the entry of the Confirmation Order, (ii) the occurrence of the Effective Date, (iii) the occurrence of the Administrative Claims Bar Date and deadline for submission of Professional Fee Claims, and (iv) such other matters as the Debtors deem appropriate.

E. Effect of Failure of Conditions.

In the event that the Effective Date does not occur: (a) the Confirmation Order shall be vacated; (b) no Distributions under this Plan shall be made; (c) the Debtors and all holders of Claims and Equity Interests shall be restored to the *status quo ante* as of the day immediately preceding the Confirmation Date as though the Confirmation Date had never occurred; and (d) the Debtors' obligations with respect to Claims and Equity Interests shall remain unchanged and nothing contained in this Plan shall (i) constitute or be deemed a waiver or release of any Claims against or any Equity Interests in the Debtors or any other Person, (ii) prejudice in any manner any right, remedy or claim of the Debtors or any Person in any further proceedings involving the Debtors or otherwise, or (iii) be deemed an admission against interest by the Debtors or any other Person.

F. Vacatur of Confirmation Order.

If a Final Order denying confirmation of this Plan is entered, or if the Confirmation Order is vacated, then this Plan shall be null and void in all respects, and nothing contained in this Plan shall (a) constitute a waiver or release of any Claims against or Equity Interests in the Debtors, (b) prejudice in any manner the rights of the holder of any Claim against, or Equity Interest in, the Debtors, (c) prejudice in any manner any right, remedy or claim of the Debtors, or (d) be deemed an admission against interest by the Debtors.

G. Revocation, Withdrawal, Modification, or Non-Consummation.

The Debtors reserve the right to revoke, withdraw, amend, or modify this Plan at any time prior to the Confirmation Date (in each case subject to the Debtors' obligations under the Restructuring Support Agreement, the Exit Facility Term Sheet, and Exit Facility Documents, except as otherwise provided in Article XII.C of this Plan or as otherwise consented to in writing by the Exit Facility Agent and Lenders). If the Debtors revoke or withdraw this Plan, the Confirmation Order is not entered, or the Effective Date does not occur, (i) this Plan shall be null and void in all respects, (ii) any settlement or compromise embodied in this Plan (including the fixing or limiting the amount of any Claim or Class of Claims), assumption or rejection of executory contracts or leases effected by this Plan, and any document or agreement executed pursuant to this Plan shall be deemed null and void, and (iii) nothing contained in this Plan, and no acts taken in preparation for consummation of this Plan, shall (a) constitute or be deemed a waiver or release of any Claims by or against, or any Equity Interests in, the Debtors or any other Person, (b) prejudice in any manner any right, remedy or claim of the Debtors or any other Person in any further proceeding involving the Debtors or otherwise, or (c) constitute an admission against interest by the Debtors or any other Person.

XI.

RETENTION OF JURISDICTION

The Court shall have exclusive jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases and this Plan pursuant to, and for the purposes of, section 105(a) and section 1142 of the Bankruptcy Code and for, among other things, the following purposes:

1. to hear and determine motions for the assumption or rejection of executory contracts or unexpired leases pending on the Confirmation Date, and the allowance of Claims resulting therefrom;

2. to determine any other applications, adversary proceedings, and contested matters pending on the Effective Date;

3. to ensure that Distributions to holders of Allowed Claims are accomplished as provided herein;

4. to resolve disputes as to the ownership of any Claim or Equity Interest;

5. to hear and determine timely objections to Claims;

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

7. to issue such orders in aid of execution of this Plan, to the extent authorized by section 1142 of the Bankruptcy Code;

8. to consider any modifications of this Plan, to cure any defect or omission, or to reconcile any inconsistency in any order of the Court, including the Confirmation Order;

9. to hear and determine all applications for compensation and reimbursement of expenses of Professionals under sections 328, 330, 331 and 503(b) of the Bankruptcy Code;

10. to hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of this Plan;

11. to hear and determine any issue for which this Plan requires a Final Order of the Court;

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

13. to hear and determine disputes arising in connection with compensation and reimbursement of expenses of professionals for the DIP Agent and BOC for services rendered and expenses incurred during the period commencing on the Petition Date through and including the Effective Date;

14. to hear and determine any Causes of Action preserved under this Plan under Bankruptcy Code sections 544, 547, 548, 549, 550, 551, 553, and 1123(b)(3);

15. to hear and determine any matter regarding the existence, nature and scope of the Debtors' discharge;

16. to hear and determine any matter regarding the existence, nature, and scope of the releases and exculpation provided in Article IX of this Plan; and

17. to enter a final decree closing the Chapter 11 Cases.

If the Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under, or related to the Chapter 11 Cases, then Article XI of this Plan shall have no effect upon and shall not control, prohibit, or limit the exercise of jurisdiction by any other court having jurisdiction with respect to such matter.

XII.

MISCELLANEOUS PROVISIONS

A. Modification of this Plan.

Subject to the limitations contained in this Plan and the Restructuring Support Agreement: (1) the Debtors reserve the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend, modify, revoke or withdraw this Plan prior to the entry of the Confirmation Order, including amendments or modifications to satisfy section 1129(b) of the Bankruptcy Code; and (2) after the entry of the Confirmation Order, the Debtors or the Reorganized Debtors, as the case may be, may, upon order of the Court, amend or modify this Plan, in accordance with Section 1127(b) of the Bankruptcy Code.

Entry of a Confirmation Order shall result in all modifications or amendments to this Plan occurring after the solicitation thereof being approved pursuant to section 1127(a) of the Bankruptcy Code.

Notwithstanding anything to the contrary herein, the Debtors may revoke or withdraw this Plan upon the occurrence of an unwaived "Termination Event" under (and as defined in) the Restructuring Support Agreement (other than a Termination Event caused by a breach by the Debtors); provided, however, that the Debtors reserve the right to fully or conditionally waive, on a prospective or retroactive basis, the effects of this paragraph in respect of any such Termination Event, with any such waiver effective only if in writing and signed by the Debtors.

B. Dissolution of Creditors' Committee.

The Creditors' Committee shall continue in existence until the Effective Date to exercise those powers and perform those duties specified in section 1103 of the Bankruptcy Code. On the Effective Date, the Creditors' Committee shall be dissolved and its members shall be deemed released of all their duties, responsibilities and obligations in connection with the

Chapter 11 Cases or this Plan and its implementation, and the retention or employment of the Creditors' Committee's attorneys, financial advisors, and other agents shall terminate as of the Effective Date; provided, however, that following the Effective Date, the Creditors' Committee shall continue in existence and have standing and a right to be heard for the following limited purposes: filing and prosecuting applications for (x) allowance of compensation for professional services rendered and reimbursement of expenses incurred; or (y) reimbursement of expenses of members of the Creditors' Committee

C. Votes Solicited in Good Faith.

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

D. Obligations Incurred After the Effective Date.

Except as otherwise specifically provided for in this Plan, from and after the Effective Date, the Reorganized Debtors shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Court, pay in Cash all obligations including the reasonable legal, professional, or other fees and expenses related to the implementation of this Plan incurred by the Reorganized Debtors. Upon the Effective Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code in seeking retention or compensation of services rendered after such date shall terminate, and the Reorganized Debtors may employ and pay any Professional in the ordinary course of business without any further notice to or action, order or approval of the Court.

E. Request for Expedited Determination of Taxes.

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

F. Determination of Tax Filings and Taxes.

(a) For all taxable periods ending on or prior to, or including, the Effective Date, the Reorganized Debtors shall prepare and file (or cause to be prepared and filed) on behalf of the Debtors, all combined, consolidated or unitary tax returns, reports, certificates, forms or similar statements or documents for any group of entities that include the Debtors (collectively, "Group Tax Returns") required to be filed or that the Reorganized Debtors otherwise deem appropriate, including the filing of amended Group Tax Returns or requests for refunds.

(b) The Reorganized Debtors shall be entitled to the entire amount of any refunds and credits (including interest thereon) with respect to or otherwise relating to any taxes of the Debtors, including for any taxable period ending on or prior to, or including, the Effective Date.

(c) The Debtors and their subsidiaries are all single member limited liability companies that are disregarded for tax purposes. No Debtor shall elect, or cause its subsidiaries to elect, to be anything other than a disregarded entity for tax purposes for any taxable period prior to the Effective Date.

G. Governing Law.

Unless a rule of law or procedure is supplied by Federal law (including the Bankruptcy Code and Bankruptcy Rules), the laws of the State of Delaware shall govern the construction and implementation of this Plan, any agreements, documents, and instruments executed in connection with this Plan (except as otherwise set forth in those agreements or instruments, in which case the governing law of such agreements shall control). Entity governance matters shall be governed by the laws of the state of incorporation or formation of the applicable Debtor.

H. Filing or Execution of Additional Documents.

On or before the Effective Date, the Debtors (with the consent of the DIP Agent) or the Reorganized Debtors, shall file with the Court or execute, as appropriate, such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan.

I. Exemption From Transfer Taxes.

Pursuant to section 1146(c) of the Bankruptcy Code, (a) the issuance, transfer or exchange under this Plan of the New Equity Interests, (b) the making or assignment of any lease or sublease, or (c) the making or delivery of any other instrument whatsoever, in furtherance of or in connection with this Plan shall not be subject to any stamp, real estate transfer, mortgage, recording sales or use or other similar tax.

J. Exemption for Issuance of New Equity Interests.

The issuance of the New Equity Interests and Distribution thereof to holders of the Riesen Funding Claim and the warrants issued pursuant to the Exit Facility, to the extent that they are deemed Securities (as defined in the Securities Act of 1933, as amended), shall be authorized and exempt from registration under the securities laws solely to the extent permitted under section 1145 of the Bankruptcy Code, as of the Effective Date without further act or action by any person, unless required by provision of the relevant governance documents or applicable law, regulation, order or rule; and all documents evidencing the same shall be executed and delivered as provided for in this Plan or the Plan Supplement.

K. Waiver of Federal Rule of Civil Procedure 62(a).

The Debtors may request that the Confirmation Order include (a) a finding that Fed. R. Civ. P. 62(a) shall not apply to the Confirmation Order, and (b) authorization for the Debtors to consummate this Plan immediately after entry of the Confirmation Order.

L. Exhibits/Schedules.

All Exhibits and schedules to this Plan and the Plan Supplement are incorporated into and constitute a part of this Plan as if set forth herein.

M. Notices.

All notices, requests, and demands hereunder to be effective shall be in writing and unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

To the Debtors:
Mac Acquisition LLC
1855 Blake Street
Suite 200
Denver, CO 80202
Attention: Nishant Machado, President, CEO & CRO
nmachado@mackinacpartners.com

with copies to:
Young Conaway Stargatt & Taylor, LLP
1000 North King Street
Wilmington, DE 19801
Attention: Edmon L. Morton, Esq. and Michael R. Nestor, Esq.
emorton@ycst.com
mnestor@ycst.com

- and -

Gibson Dunn & Crutcher LLP
333 South Grand Avenue
Los Angeles, CA 90071
Attention: Jeffrey C. Krause, Esq. and Michael S. Neumeister, Esq.
jkrause@gibsondunn.com
mneumeister@gibsondunn.com

N. Plan Supplement.

The Plan Supplement will be filed with the Clerk of the Court no later than seven (7) calendar days prior to the Voting Deadline, unless such date is further extended by order of the Court on notice to parties in interest. The Plan Supplement may be inspected in the office of the Clerk of the Court during normal court hours and shall be available online at "https://ecf.deb.uscourts.gov." Holders of Claims or Existing Equity Interests may obtain a copy

of the Plan Supplement upon written request to counsel to the Debtors in accordance with Article XII.N of this Plan or by accessing the website maintained by the Debtors' claims and noticing agent at https://www.donlinrecano.com/mg.

O. Further Actions; Implementations.

The Debtors shall be authorized to execute, deliver, file or record such documents, contracts, instruments, releases and other agreements and take such other or further actions as may be necessary to effectuate or further evidence the terms and conditions of this Plan. From and after the Confirmation Date, the Debtors shall be authorized to take any and all steps and execute all documents necessary to effectuate the provisions contained in this Plan.

P. Severability.

If, prior to the entry of the Confirmation Order, any term or provision of this Plan is held by the Court to be invalid, void, or unenforceable, the Court, at the request of the Debtors (with the consent of the DIP Agent), shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of this Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

Q. Entire Agreement.

Except as otherwise indicated, this Plan and the Plan Supplement supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into this Plan.

R. Binding Effect.

This Plan shall be binding on and inure to the benefit of the Debtors, the holders of Claims against and Equity Interests in the Debtors, and each of their respective successors and assigns, including each of the Reorganized Debtors, and all other parties in interest in the Chapter 11 Cases.

Subject to Article X of this Plan and notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of this Plan, the Plan Supplement and the Confirmation Order shall be immediately effective and enforceable and deemed binding upon the Debtors and any and all holders of Claims or Interests (regardless of whether such Claims or Interests are deemed to have accepted or rejected this Plan), all entities that are parties to or are subject to the settlements, compromises, releases, and injunctions described in this Plan, and any and all non-Debtor parties to the executory contracts

and unexpired leases with the Debtors. All Claims and debts shall be as fixed, adjusted, or compromised, as applicable, pursuant to this Plan regardless of whether any holder of a Claim or debt has voted on this Plan.

S. No Change in Ownership or Control.

Consummation of this Plan is not intended to and shall not constitute a change in ownership or change in control, as defined in any employment or other agreement or plan in effect on the Effective Date to which a Debtor is a party.

T. Substantial Consummation.

On the Effective Date, this Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code; provided, however, that nothing herein shall prevent the Debtors or any other party in interest from arguing that substantial consummation of this Plan has occurred prior to the Effective Date.

U. Conflict.

The terms of this Plan shall govern in the event of any inconsistency with the summaries of this Plan set forth in the Disclosure Statement. In the event of any inconsistency or ambiguity between and among the terms of this Plan, the Disclosure Statement, and the Confirmation Order, the terms of the Confirmation Order shall govern and control.

IN WITNESS WHEREOF, each Debtor has executed this Plan this 14th day of December, 2017.

MAC ACQUISITION LLC

/s/ Nishant Machado
Nishant Machado
President, Chief Executive Officer
and Chief Restructuring Officer

MACARONI GRILL SERVICES LLC

/s/ Nishant Machado
Nishant Machado
President, Chief Executive Officer
and Chief Restructuring Officer

MAC PARENT LLC

/s/ Nishant Machado
Nishant Machado
President, Chief Executive Officer
and Chief Restructuring Officer

MAC HOLDING LLC

/s/ Nishant Machado
Nishant Machado
President, Chief Executive Officer
and Chief Restructuring Officer

MAC ACQUISITION OF NEW JERSEY LLC

/s/ Nishant Machado
Nishant Machado
President, Chief Executive Officer
and Chief Restructuring Officer

MAC ACQUISITION OF KANSAS LLC

/s/ Nishant Machado
Nishant Machado
President, Chief Executive Officer
and Chief Restructuring Officer

MAC ACQUISITION OF ANNE ARUNDEL COUNTY LLC

/s/ Nishant Machado
Nishant Machado
President, Chief Executive Officer
and Chief Restructuring Officer

MAC ACQUISITION OF FREDERICK COUNTY LLC

/s/ Nishant Machado
Nishant Machado
President, Chief Executive Officer
and Chief Restructuring Officer

MAC ACQUISITION OF BALTIMORE COUNTY LLC

/s/ Nishant Machado
Nishant Machado
President, Chief Executive Officer
and Chief Restructuring Officer

EXHIBIT B

Disclosure Statement Order

[To be provided]

EXHIBIT C

Financial Projections

	Romano's Macaroni Grill	TTM P8 2017 Actual		FY2018 (1)		FY2019		FY2020	
	($000s)	$	%	$	%	$	%	$	%
	Restaurant Food Sales	193,792	92.5%	158,141	91.9%	157,485	91.9%	160,635	91.9%
	Restaurant Liquor Sales	26,743	12.8%	22,386	13.0%	22,293	13.0%	22,739	13.0%
	Retail & other	529	0.3%	216	0.1%	215	0.1%	219	0.1%
	Comps & discounts	(11,652)	(5.6%)	(8,610)	(5.0%)	(8,574)	(5.0%)	(8,746)	(5.0%)
(2)	Total Restaurant Revenue	209,413	100.0%	172,133	100.0%	171,419	100.0%	174,847	100.0%
(3)	Restaurant Food Cost	47,599	24.6%	35,542	22.5%	35,395	22.5%	36,103	22.5%
(3)	Restaurant Liquor Cost	7,937	29.7%	6,050	27.0%	6,024	27.0%	6,145	27.0%
(3)	Total Cost of Sales	55,536	25.2%	41,592	23.0%	41,419	23.0%	42,248	23.0%
	Gross Profit	**153,876**	**73.5%**	**130,541**	**75.8%**	**130,000**	**75.8%**	**132,600**	**75.8%**
	Hourly Labor Cost	47,473	22.7%	37,316	21.7%	37,161	21.7%	37,905	21.7%
(4)	Management	21,197	10.1%	17,171	10.0%	17,099	10.0%	17,356	9.9%
(5)	Payroll Taxes & Benefits	13,794	20.1%	10,822	19.8%	10,777	19.8%	10,976	19.8%
	Total Labor & Benefits	82,465	39.4%	65,309	37.9%	65,038	37.9%	66,236	37.9%
	Other Restaurant Operating	41,744	19.9%	29,710	17.3%	29,587	17.3%	30,178	17.3%
(4)	Occupancy	28,120	13.4%	18,761	10.9%	19,042	11.1%	19,328	11.1%
	Restaurant Level Profit	**1,547**	**0.7%**	**16,762**	**9.7%**	**16,333**	**9.5%**	**16,857**	**9.6%**
(6)	Franchise fees & royalties	2,286	1.1%	1,948	1.1%	2,440	1.4%	2,979	1.7%
	Advertising	(1,638)	(0.8%)	(3,000)	(1.7%)	(3,000)	(1.8%)	(3,000)	(1.7%)
(4)	General and Administrative	(13,691)	(6.5%)	(10,396)	(6.0%)	(10,353)	(6.0%)	(10,508)	(6.0%)
	Company Level EBITDA	**(11,496)**	**(5.5%)**	**5,314**	**3.1%**	**5,420**	**3.2%**	**6,328**	**3.6%**

Note:

(1) Represents a 53-week fiscal year (fiscal year is 52 weeks for all other periods).

(2) Represents SSS for FY2018 of (3.0%) in Q1, (2.0%) in Q2, and (1.0%) in Q3 and Q4; +1.5% for FY2019 and +2.0% FY2020.

(3) Costs as % of gross sales.

(4) Includes annual inflation of 1.5% for field management salary, G&A, and occupancy cost.

(5) Taxes and benefits as % of total payroll.

(6) Revenue from non-Debtor entity RMG Development LLC.

MAC Projected Cash at Exit (Feb 15th)

	$MM	Notes
Projected cash balance (WE 2/15)	2.45	
Exit facility - available borrowing	8.50	
Deposits refunded	0.50	
Total Sources	**11.45**	
Lease cure costs	1.46	(1)
Other contract cure costs	1.02	(1)
503b9 claims	0.25	
GUC pool	0.50	
BOC paydown	3.50	
Total Uses	**6.72**	
Net Available Cash at Exit	**4.73**	

(1) Estimates only (negotiations in process).

EXHIBIT D

Liquidation Analysis

HYPOTHETICAL LIQUIDATION ANALYSIS

To assist the Court in making the findings required under section 1129(a)(7) of the Bankruptcy Code, the Debtors have prepared this hypothetical Liquidation Analysis. The Plan proposes distributions from the Debtors' estates on a consolidated basis, and this Liquidation Analysis has also been prepared on a consolidated basis. As such, proceeds realized from each Debtor are aggregated into a common distribution source. For purposes of distribution, Claims against each Debtor would be entitled to a distribution from the aggregated proceeds to the extent such proceeds were sufficient to make any such distributions. Any Claim against a Debtor and any guarantee thereof executed by any other Debtor and any joint or several liability of any of the Debtors are deemed to have one right to a distribution from the aggregated proceeds. In a liquidation there would be no money available for any holder of an Equity Interest.

The Liquidation Analysis presents estimated Liquidation Proceeds based on management's assumptions and estimates relating to the proceeds to be received from the liquidation of the assets less the costs incurred during the liquidation. The amounts referenced as "Book Value August '17" in the Liquidation Analysis is based on the Debtors' balance sheet as of August 2017, and therefore reflects book value, not an estimate of what could be realized in a liquidation. The Debtors do not have formal appraisals of the Debtors' assets. It is assumed that the Chapter 7 cases would be administered over a period of twelve months. The assumed date of the conversion to a hypothetical Chapter 7 Liquidation is approximately January 23, 2018 (the "**Conversion Date**"). It is assumed that a Chapter 7 trustee would be appointed for the Debtors (the "**Trustee**"), he or she would retain counsel and a financial advisor, and certain current corporate and field-based employees of the Debtors would be employed for a limited period to wind down the Debtors' operations. The Liquidation Analysis further assumes that the Trustee would not likely operate the Debtors' restaurant locations. As a result, the Liquidation Analysis assumes that the Trustee would immediately close company-operated locations and sell assets on an expedited basis. The Liquidation Analysis assumes, however, that the Trustee would undertake a 60 to 90 day marketing and auction process for the Debtors' leasehold interests and improvements on a non-operating basis ("**Store Sales**"), and the Liquidation Analysis reflects net proceeds from Store Sales that are exclusive of carrying costs for the stores after the Conversion Date, cure amounts, and transaction specific fees, costs and expenses. The Debtors' assumptions regarding the marketability and value of their leaseholds and improvements are based on the experience of the Debtors' management and financial advisors. In an actual liquidation, it is possible that, due to purchaser-specific and macroeconomic factors, some of the leaseholds and improvements that the Debtors believe are valuable may not be sold. However, the Debtors believe that the values ascribed herein represent a reasonable estimate of what could be achieved from Store Sales conducted during a Chapter 7 liquidation.

In preparing the Liquidation Analysis, the Debtors estimated Allowed Claims based upon a review of their books and records through the date of this analysis. The Liquidation Analysis also includes estimates for Claims which could be asserted and Allowed in a Chapter 7 liquidation, including Administrative Claims, employee-related obligations, wind-down costs (as detailed herein), the Trustee's fees, tax liabilities, and other Allowed Claims. To date, the Court has not estimated or otherwise fixed the total amount of Allowed Claims, and the deadline for creditors to file proofs of claim has not passed. For purposes of the Liquidation Analysis, the

Debtors have estimated the amount of Allowed Claims and projected recoveries based on certain assumptions. The Debtors have not attempted to allocate the liquidation value as between the collateral in which Bank of Colorado ("**BOC**") has a senior lien and the remaining assets. Even if none of the proceeds were distributed to BOC and 100% of the net liquidation proceeds were available to pay administrative priority expenses, the Liquidation analysis demonstrates that there would be no distributions for prepetition unsecured creditors, because the fees, costs, and expenses incurred by the Trustee and the Trustee's professionals incurred during the wind-down of a Chapter 7 liquidation and other administrative expense claims, including the DIP Claims, exceed the realizable proceeds that a liquidation would generate. The Debtors' estimates of Allowed Claims set forth in the Liquidation Analysis should not be relied upon for any purpose other than considering the hypothetical distributions under a Chapter 7 liquidation. Nothing contained in the Liquidation Analysis is intended to be or constitutes a concession or admission by the Debtors. The actual amount of Allowed Claims in the Chapter 11 Cases could materially differ from the estimated amounts set forth in the liquidation analysis, and the ultimate allocation of distributions may vary depending on the secured status of any creditors.

Factors Considered in Valuing the Hypothetical Liquidation Proceeds

Factors that could negatively impact the recoveries set forth in the Liquidation Analysis include: (i) the Trustee's ability to retain key personnel with knowledge of the Debtors' assets to assist in the wind-down process; (ii) challenging economic conditions; (iii) delays in the liquidation process; and (iv) possible difficulty in finding willing buyers. Accordingly, these factors may limit the amount of the proceeds that are available to the Trustee through the liquidation of the Debtors' assets.

Waterfall and Recovery Estimate

The Liquidation Analysis assumes that the proceeds generated from the liquidation of all of the Debtors' assets, plus Cash estimated to be held by the Debtors on the Conversion Date, will be reasonably available to the Trustee. The Trustee would first pay secured claims, including the DIP Facility, up to the proceeds of each holder's collateral, and this would reduce the cash available to pay administrative claims. After deducting the chapter 7 administrative claims, including the Trustee's fees and expenses, the Trustee would pay chapter 11 administrative expenses. If there were remaining proceeds, the Trustee would distribute such proceeds to holders of Claims and Interests in accordance with the priority scheme set forth in section 726 of the Bankruptcy Code. The Liquidation Analysis shows that liquidation proceeds would not exceed the administrative priority claims, even if BOC received no distribution on account of its secured claim. All distributions to BOC on account of its secured claim would reduce the cash available to pay administrative claims. Because the aggregate estimated liquidation value of all of the Debtors' assets is less than the total administrative claims, in a Chapter 7 liquidation there would be no distributions to any prepetition unsecured creditor, including any prepetition priority creditors, regardless of the amount actually distributed to BOC.

The statements in the Liquidation Analysis, including estimates of Allowed Claims, were prepared solely to assist holders of Allowed Claims in deciding whether or not to accept the Plan and the Court in making the findings required under section 1129(a)(7) of the Bankruptcy Code and they may not be used or relied upon for any other purpose.

THE DEBTORS BELIEVE THAT ANY ANALYSIS OF A HYPOTHETICAL LIQUIDATION IS NECESSARILY SPECULATIVE. THERE ARE A NUMBER OF ESTIMATES AND ASSUMPTIONS UNDERLYING THE LIQUIDATION ANALYSIS THAT ARE INHERENTLY SUBJECT TO SIGNIFICANT ECONOMIC, COMPETITIVE UNCERTAINTIES AND CONTINGENCIES BEYOND THE CONTROL OF THE DEBTORS OR A CHAPTER 7 TRUSTEE. NEITHER THE LIQUIDATION ANALYSIS, NOR THE FINANCIAL INFORMATION ON WHICH IT IS BASED, HAS BEEN EXAMINED OR REVIEWED BY INDEPENDENT ACCOUNTANTS IN ACCORDANCE WITH STANDARDS PROMULGATED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS. THERE CAN BE NO ASSURANCE THAT ACTUAL RESULTS WILL NOT VARY MATERIALLY FROM THE HYPOTHETICAL RESULTS PRESENTED IN THE LIQUIDATION ANALYSIS.

Liquidation Analysis

Romano's Macaroni Grill
Hypothetical Liquidation Analysis - Consolidated
($ in Thousands)

Asset Category	Book Value August '17	Estimated CH7 Recoveries		Footnotes
		Value	Rate	
Liquidation Proceeds				
Cash Proceeds Available				
Cash and Equivalents *	3,145	3,145	100.0%	1
Receipts in Transit *	1,703	1,703	100.0%	2
Total Net Cash Available	**4,848**	**4,848**		
Other Asset Proceeds Available				
Receivables **	128	150		3
Inventory	1,753	233	13.3%	4
Prepaid and Other Current Assets	1,366	182	13.3%	5
Property & Equipment, net	24,716	490	2.0%	6
Liquor Licenses	4,430	3,587	81.0%	7
Leasehold Interest	4,082	1,235	30.3%	8
Deposits and Other Intangibles	134	-	0.0%	9
Chapter 5 Actions and Other Litigation Recoveries	1,223	611	50.0%	10
Total Other Assets	**37,832**	**6,487**	**17.1%**	
Total	**42,680**	**11,335**	**26.6%**	
Administrative Claims and Costs to Liquidate				
Chapter 7 Trustee Fees Estimated @ 3%	-	(340)		11
Chapter 7 Trustee Professionals and other	-	(750)		11
Estimated Accrued and Unpaid Sales Tax	-	(1,955)		12
Accrued and Unpaid Post-Petition PACA / PASA Claims	-	(2,200)		13
Carve-Out for Chapter 11 Professionals	-	(150)		14
Raven DIP Loan	-	(5,000)		15
Operational Wind-Down Costs	-	(1,000)		16
Chapter 11 Administrative Expenses	-	(7,130)		17
Total Liquidation Costs and Reserve Claims	**-**	**(17,525)**		
Prepetition Debt				
Bank of Colorado Debt	-	(17,896)		18
Secured Vendors	-	(3,350)		19
Riesen Debt	-	(5,130)		20
Priority Unsecured Creditors	-	(1,150)		21
General Unsecured Creditors	-	(45,504)		22
Existing Equity	-	-		23
Total Creditor Amounts Outstanding	**-**	**(73,030)**		

Note *: Cash and Cash Equivalents and Receipts in Transit are based projections for the weeks ended 1/19/18 and 1/26/18 respectively.
Note ** Recivables reflect 10 days of Brinker gift card sales.

The major assumptions utilized by the Debtors in creating the Liquidation Analysis are detailed below.

Proceeds from Liquidation of Assets

1. *Cash and Cash Equivalents*: The amounts shown are the projected cash balances available to the Debtors as of the Conversion Date. The estimated cash balances are based on projected cash flows through to the Conversion Date. The cash balances are (i) prior to any wind-down costs required for the Liquidation, except as noted; (ii) assumes professional fees accrued through the conversion date have been paid; and (iii) do not include any "restricted cash" or cash in escrow accounts.

2. *Receipts in Transit:* Represents receipts for restaurant sales collected generally on (cash sales) or within one or two days (credit card sales) from the actual sale date. Approximately 80% of the receipts in transit relate to credit card sales with proceeds net of fees, charge-backs and true-ups. The remaining 20% is comprised of funds from cash restaurant sales deposited at local restaurant depository accounts. The amounts shown in the Liquidation Analysis reflect the Debtors' anticipated credit card and other receipts that the Debtors would receive within one to two days after the closing of the Debtors' restaurants, which is anticipated here to occur on the Conversion Date.

3. *Receivables*: Receivables were analyzed by the following major general ledger accounts:

    a) Brinker Gift Cards: The Debtors are party to a gift card program and agreement with Brinker Services Corporation ("**Brinker**"). In the event the Debtors honor a gift card issued under the Brinker gift card program at one of their restaurants and such gift card was not "activated" at a Debtor restaurant location, Brinker is obligated to pay the Debtors the amount of such honored gift card. Brinker generally makes payments to the Debtors with respect to such payables on a monthly basis. The Debtors estimate that after the Conversion Date, approximately $150,000 will be owed to the Debtors under the Brinker gift card program for approximately 10 days at the time of conversion.

    b) Rebates: Represents rebates from food producers and food manufacturers. Recovery has been assumed to be $0 of an approximate $56,000 balance. In the event of a Chapter 7 liquidation, distributors may not pay the suppliers for certain of the goods and vendors may not pay the Debtor directly due to unpaid administrative expenses yielding a projected $0.00 recovery on rebates.

    c) Other: The Debtors have other *de minimis* receivables that are either uncollectible or that the Debtors do not believe the Trustee would seek to collect.

4. *Inventory*: Inventory includes the three primary categories:

    a) Non-retail food, liquor beer and wine: Due to its highly perishable nature and wide geographic dispersion, a substantial amount of the Debtors' food products on-site at their locations are not anticipated to generate any value. Applicable

state law bars sale of liquor, beer and wine in most jurisdictions, so these items would not generate proceeds.

b) Packaged Food: Certain of the Debtors food products, such as marinara sauce, olive oil, and pasta, are individually packaged and could be re-sold to customers. The Debtors anticipate the Trustee will sell such products to customers for home use. The projected cost basis for these items will total approximately $2,000 per store. It is anticipated the Trustee would be able to recover the cost of $2,000 per store or $186,000.

c) Smallwares: Cooking and service items, utensils, flatware, plates cups, glasses and other small food handling equipment are expensed when purchased by the Debtors and therefore are not inventoried and valued on the Debtors' balance sheet. However it is anticipated that the Trustee would be able to generate a value of approximately $500 net per store, for a total of approximately $46,500.

5. *Prepaid and Other Current Assets*:

a) Prepaid Insurance: Represents premiums for various insurance policies including property, general liability, auto, workers compensation, etc. The prepaid items are assumed to be applied during the wind-down period with a recovery of approximately $100,000 attributable to policies no longer needed as part of the liquidation or otherwise cancelled. Predominantly all of the company policies expire in April 2018.

b) Prepaid Licenses: Includes the unamortized portion of liquor and businesses licenses. No additional recovery is estimated for these prepaid expenses and the liquor licenses are valued separately. See note 7, below.

c) Prepaid Advertising: Represents unamortized cost of paper and print marketing materials including menus and table top displays. No recovery is estimated for these prepaid expenses.

d) Prepaid Sales Tax: California, Florida, and Alabama require quarterly deposits, while North Carolina and Georgia require deposits on an annual basis. It is estimated that two thirds of the unamortized prepaid costs will be available to be refunded on the Conversion Date. A recovery of $62,000 is estimated for these prepaid costs.

e) Other: Represents various corporate and store level deposits for goods and services paid for in advance primarily for information technology licenses. The unamortized amount expected at the Conversion Date are projected to yield a recovery of approximately $20,000.

6. *Property and Equipment*: Property and Equipment was analyzed in the following major groups. All recoveries are presented net of transaction specific costs, including commissions:

a) Corporate and Store Furniture Fixture and Equipment: Based on recent experience with closing stores, the Debtors have estimated that in a wind-down scenario the recovery on restaurant furniture, fixtures and equipment would range between $8,000 and $10,000 gross per store, or $5,000 per store after deducting liquidator expenses. Recoveries from the liquidation of the furniture, fixtures and equipment at the Debtors' corporate offices are estimated to be approximately $25,000 after deducting liquidator expenses. Under these assumptions the net recovery on furniture fixture and equipment would be approximately $490,000. If a greater liquidation value were generated, BOC would receive any such additional value based on its prepetition security interest, absent a successful challenge to that interest. An increase in such proceeds would not, therefore, generate any value available for prepetition unsecured creditors.

b) Leasehold Improvements: Represents leasehold improvements such as buildings, renovations and remodels, walk in freezers, exhaust hoods, floor and wall coverings, etc. at the Debtors' restaurants. Approximately 63% of the Debtors' fixed asset values are associated with these leasehold improvements. These leasehold improvements are not projected to yield a recovery in liquidation other than through an assumption, assignment and sale of individual leases, which are addressed in note 8, below.

7. *Liquor Licenses*: In certain jurisdictions in which the Debtors operate, such as New Jersey, Maryland, New Mexico, Pennsylvania, Ohio, Massachusetts, Michigan, Utah and California, liquor licenses are transferable and marketable. The Debtor have 40 licenses with value, 4 are subject to executed purchase agreements, and 4 are listed with an online liquor marketing website. In total, the gross value of the liquor licenses is approximately $4.4 million. Net of 10% sales commission and $10,000 per license for legal and license fees, the net liquidation value of the Debtors' liquor licenses is approximately $3.6 million.

8. *Leasehold Interests*: The Debtors currently lease approximately 93 restaurant properties. This analysis assumes that leases at rents below current market rates could be assumed and assigned in the Store Sales. The Debtors have assessed that 41 of the restaurant leases are below market and could generate gross purchase prices with an average of $100,000 per lease after a three month marketing period. Net of a 10% commission, three month occupancy, utilities and cure costs, the Debtors' leasehold interests may yield a net recovery of approximately $1.3 million. The Debtors' corporate headquarters is at or above market and, therefore, is not projected to have any liquidation value.

9. *Other Intangibles and Other Assets*: Included in this category are deferred financing and transaction costs, licenses and permits (excluding liquor licenses valued separately) and CAM deposits. These assets are deemed to have no value in a wind-down scenario.

10. *Chapter 5 Actions and Other Litigation*: In a Chapter 7 liquidation, the Trustee would consider pursuing various potential avoidance actions under Chapter 5 of the Bankruptcy Code, including to recover preferential payments from creditors that were made by the Company during the 90 day period prior to the Petition Date. The Debtors' Statements of Financial Affairs disclose approximately $21.98 million in transfers made within the ninety

days preceding the Petition Date (the "**90 Day Transfers**"), and approximately $1.06 million in transfers made to insiders within the one year preceding the Petition Date (the "**Insider Transfers**"). Approximately $20.76 million of the 90 Day Transfers were paid to creditors with special rights under PACA or PASA, that were identified as critical vendors, are subject to executory contracts that are being assumed under the Plan, or that have valid new value and ordinary course of business defenses. All Insider Transfers were on account of salary, regular compensation, or expense reimbursements of officers. As a result, a substantial amount of 90 Day Transfers and Insider Transfers are subject to likely affirmative defenses. Even for any remaining amounts, partial affirmative defenses may exist and, after taking possible defenses into account, the potential available recoveries for pursuing preference actions may not justify the cost or expense necessary to pursue them. As a result, the Debtors' have assumed a 50% recovery rate for the approximately $1.22 million in 90 Day Transfers that may not have complete defenses to avoidance or preference actions.

Administrative Claims and Costs to Liquidate

11. *Chapter 7 Trustees Fees*: The Trustee's fees have been estimated to be 3% of moneys disbursed or turned over to parties in interest in accordance with section 326 of the Bankruptcy Code. Costs for the Trustee's professionals are estimated at $750,000.

12. *Estimated Accrued and Unpaid Sales Tax:* The Debtors estimate that accrued sales tax at the Conversion Date would be approximately $1.9 million to $2.0 million. The Debtors collect sales tax on customer sales and remit the proceeds to the respective taxing jurisdictions approximately one month after collection. These proceeds are in effect "Trust Fund" proceeds and would be remitted to the taxing jurisdictions prior to any other claim, including any super-priority claims being paid. Such taxes are also entitled to priority as administrative expenses.

13. *PACA/PASA*: Claims under the Perishable Agricultural Commodities Act ("**PACA**") and the Packers and Stockyards Act ("**PASA**") payable at the time of conversion are anticipated to be approximately equivalent to the amount of such claims that existed as of the Petition Date, which was approximately $2,200,000. It is assumed that these claims will be paid in full based on the protection afforded to vendors under PACA and PASA and because these claims are entitled to priority as administrative expenses.

14. *Chapter 11 Professional Fees*: The Debtors estimate that professional fees will be consistent with the Budget (as defined in the DIP Loan Documents) and that approximately $150,000 of professional fees provided for under the Carve-Out (as defined in the DIP Loan Documents) will have been incurred but will remain unpaid as of the Conversion Date.

15. *Raven DIP Loan*: The DIP Facility provides for borrowing up to $5.0 million, and the Debtors anticipate the full $5.0 million available under the DIP Facility will be outstanding as of the Conversion Date. The DIP Facility is secured by liens on all of the Debtors' assets and/or the proceeds thereof, and constitute superpriority administrative expense claims against the Debtors. The lien securing the DIP Facility is junior to the liens securing the prepetition claim of BOC to the extent such liens are valid and not avoidable. The Debtors believe that, in the event of a Chapter 7 liquidation, a determination will need to be reached

by the Trustee, BOC, and the DIP Agent, or the Court in the event of disagreement, as to which collateral is subject to BOC's prepetition liens and which Collateral is subject to a first priority lien securing the DIP Facility. The DIP Claims are also entitled to superiority administrative expense status.

16. *Operational Wind-Down Costs*: Operational wind-down costs are expected to be approximately $1.0 million over the course of an eight-week wind-down period. To maximize recoveries on the Debtors' assets, minimize the amount of Claims, and generally ensure an orderly Chapter 7 liquidation, it is assumed that the Trustee will continue to employ a number of the Debtors' employees for a limited amount of time during the Chapter 7 liquidation process. For purposes of this analysis, these individuals have been segregated into company-operated store personnel and corporate personnel.

    The company-operated store personnel will primarily be responsible for assisting the liquidator with the sale of inventory, furniture, fixtures, and equipment at the Debtors' restaurants as well as returning the leaseholds back to the landlord or transferring locations to buyers in the Store Sales. The corporate personnel will primarily be responsible for oversight of the store closure process, finalization of employee benefit matters, cash collections, payroll and tax reporting, accounts payable and other books and records, and responding to certain legal matters related to the wind-down.

    The estimated time to complete the asset sales (i) at the restaurants, is three weeks and (ii) of the other assets, is expected to take three to five weeks. All of these activities are assumed to take place concurrently.

    Personnel-requirement assumptions include the following:

    a) Store-level managers will be needed during the Store Sales process and for turnover of the closed stores.

    b) Operations management will be required to oversee the store-closure process and sale of equipment and other store-level assets.

    c) Accounting, human resources and tax personnel will be required to oversee and manage the finalization of employee benefit matters, cash collections, payroll and tax reporting, accounts payable and other reporting and recordkeeping activities.

17. Other costs include closing down existing office space (or renting smaller space during the wind-down), utilities and other overhead for the corporate personnel during the wind- down process, rent and utilities for the company operated stores during the asset sale process, and document retention and destruction.

18. *Chapter 11 Administrative Expenses*: Chapter 11 Administrative Expenses of $7.13 million represent amounts incurred by the Debtors' in the Chapter 11 Cases through the Conversion Date that will remain unpaid (excluding professional fees and the DIP Facility). Under the Plan, holders of Administrative Expense Claims are projected to receive recoveries of 100%. These claims would not be paid in full in the event of conversion to chapter 7.

Prepetition Debt

19. *BOC Claims*: On the Conversion Date, the Debtors estimate that there will be approximately $13.8 million in outstanding obligations under the BOC Credit Documents, plus approximately $4.1 million in outstanding letters of credit. In the event of a Chapter 7 liquidation, the Debtors believe that the beneficiaries of the Debtors' outstanding letters of credit may draw on such letters of credit, resulting in the $4.1 million outstanding letters of credit becoming due and owing to BOC under the BOC Credit Documents. The Debtors also believe that in a Chapter 7 liquidation of the Debtors, the Trustee will seek to liquidate the assets of the Debtors' non-debtor subsidiaries, Mac Acquisition IP LLC and RMG Development, LLC, which own the Debtors' franchise agreements and intellectual property. The Debtors believe that the Trustee would recover approximately $560,000 from the sale of the Debtors' tradename and intellectual property, which would be distributed to BOC on account of its secured claims. It is, however, very difficult to determine the liquidation value of the intellectual property owned by Mac Acquisition IP LLC, including tradenames and trademarks, or the franchise agreements under which RMG Development LLC is the franchisor, but the aggregate values of the assets of these non-debtor affiliates in a liquidation would be significantly less than the balance owing to BOC. As a result, in a liquidation there would be no equity value available to the creditors of the Debtors. The BOC Claims are secured by senior liens against, among other things, the Debtors' accounts, inventory, equipment, general intangibles and proceeds thereof. Further, pursuant to Final DIP Order, the Debtors have granted BOC adequate protection liens on all of the Debtors' assets, or with limited exceptions proceeds thereof, to the extent of the diminution in value of BOC's prepetition collateral (the "**Adequate Protection Liens**"). BOC's Adequate Protection Liens are junior to the liens securing the DIP Claims. The Debtors have not conducted a full analysis of the scope of BOC's prepetition liens. The Liquidation Analysis demonstrates that even if BOC received no distribution on account of BOC's Adequate Protection Liens and prepetition liens the liquidation proceeds would not pay in full all administrative expense claims. To the extent BOC would receive proceeds from its collateral the shortfall with respect to payment of administrative expense claims would increase.

20. *Vendor Secured Claims*: Two of the Debtors' key suppliers—Sysco Corporation ("**Sysco**") and Edward Don & Company ("**Edward Don**") have filed UCC-1 financing statements to perfect security interests against certain assets of Mac Acquisition. Further, Cisco Systems Capital Corporation ("**Cisco**") has recorded a UCC-1 financing statement relating to a lease of certain equipment to the Debtors. The Debtors have not completed a full analysis of the relative lien priorities of BOC, Sysco, Edward Don, and Cisco, but even if no proceeds would be available for Sysco, Edward Don or Cisco the proceeds would not exceed the administrative expense claims. To the extent that Sysco and Edward Don provide new goods during the chapter 11 cases for which they are not paid, they would be entitled to payment as administrative claimants ahead of any distribution to prepetition unsecured creditors.

21. *Riesen Funding Claims*: On the Conversion Date, the Debtors estimate that there will be approximately $5.1 million in Riesen Funding Claims, representing principal plus accrued interest owing to Riesen Funding pursuant to its secured claim against Mac Parent, Mac Holding, and Mac Acquisition. The Riesen Funding Claims are secured by security interests in substantially all of Mac Parent's, Mac Holding's, and Mac Acquisition's personal

property. Even if no distributions were made on account of the Riesen Funding Claims, the proceeds of a liquidation would not be sufficient to pay all administrative priority expenses.

22. *Priority Claims* - Priority Claims are Claims accorded priority in right of payment (under section 507(a) of the Bankruptcy Code) arising from the chapter 7 liquidation or the prior chapter 11 proceedings. For purposes of this analysis, the Debtors have assumed Priority Claims arising from the Debtors' hypothetical chapter 7 cases to be $1,150,000, which includes the assumption that any unpaid sales taxes have been paid from cash on hand and receipts in transit and are excluded from the amount presented for, the proceeds of the sales of the Debtors' assets. Under the Plan, holders of Priority Claims are projected to receive recoveries of 100%. There are insufficient proceeds for holders of holders of Priority Claims to obtain any recovery in a Chapter 7 liquidation.

23. *General Unsecured Claims*: On the Conversion Date, the Debtors estimate that there will be approximately $45.5 million outstanding on account of General Unsecured Claims. This amount is comprised of $3.4 million on account of unpaid, prepetition trade claims, $36 million on account of estimated rejection damages claims, and the remaining balance is on account of other miscellaneous claims. The Debtors have not included in this estimate claims arising from the successful prosecution of litigation against the Debtors. Further, the Debtors have not included any deficiency claims held by any of the Debtors' secured creditors. There are insufficient proceeds for holders of General Unsecured Claims to obtain any recovery in a Chapter 7 liquidation.

24. *Existing Equity Interests:* There are insufficient proceeds for holders of Existing Equity Interests to receive any distribution in a Chapter 7 liquidation.

EXHIBIT E

Confirmation Hearing Notice

[To be provided]