

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK (SYRACUSE DIVISION)

In re:

AUBURN ARMATURE, INC., *et al.*,¹

Debtors.

Main Case No. 17-30743-5-MCR

Chapter 11

Jointly Administered

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

DISCLOSURE STATEMENT

DISCLAIMER

This Disclosure Statement describes the plan of liquidation (the "Plan") for Auburn Armature, Inc. ("AAI" or "Debtor"), EASA Acquisition I, LLC ("EASA I") and EASA Acquisition II, LLC ("EASA II") (collectively, the "Debtors"). The Debtors will ask the Bankruptcy Court to confirm the Plan. Confirmation is subject to certain material conditions and there is no assurance that those conditions will be satisfied.

If the Bankruptcy Court confirms the Plan, the Debtors intend for the Plan to go effective as promptly as possible thereafter and to make an initial distribution to the holders of Allowed Administrative, Priority, Priority Tax, Class 3 Secured and Class 6 Unsecured Claims. The Debtors request that each holder of a claim vote in favor of or against the Plan. The Debtors and Official Committee of Unsecured Creditors (the "Committee") recommend that all holders of claims vote in favor of the Plan. As described further below, the Debtors and the Committee believe that the Plan represents the best mechanism to maximize the value of the Assets and distribute the Assets to investors. A separate letter from the Committee supporting confirmation of the Plan is included with this Disclosure Statement.

To have your vote counted, you must return an executed Ballot to the Debtors' attorneys, Menter, Rudin & Trivelpiece, P.C. on or before 4:00 p.m. Prevailing Eastern Time on [REDACTED], 2018 (the "Voting Deadline"). You may send your Ballot via first class mail, via overnight mail or hand delivery to the following address: Menter, Rudin & Trivelpiece, P.C., Attn: Jeffrey A. Dove, Esq., 308 Maltbie Street, Suite 200, Syracuse, New York 13204-1439.

To be counted, your Ballot must be duly completed, executed, and actually received no later than the Voting Deadline.

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Auburn Armature, Inc. [2853]; EASA Acquisition I, LLC [7967]; and EASA Acquisition II, LLC [0374].

This Disclosure Statement summarizes (i) events that occurred prior to the Debtors' filing for bankruptcy, (ii) material events in the Bankruptcy Cases, and (iii) the Plan itself. You should read this Disclosure Statement and the Plan in their entirety. The Debtors believe that the information set forth in these documents is fair and accurate; however, the Plan and this Disclosure Statement (and the summaries that they provide) are qualified in their entirety by the matters to which, they refer. Factual information contained in the Disclosure Statement is based on the Debtors books and records, as well as public information related to the proceedings described in the Disclosure Statement. The Debtors do not represent or warrant that the information contained in this Disclosure Statement, including the financial information, is without any inaccuracy or omission.

As you determine whether to vote to accept the Plan, you must rely on your own examination of this Disclosure Statement and the terms of the Plan, including the merits and risks involved. The contents of this Disclosure Statement do not provide any legal, business, financial, or tax advice. You should consider consulting with your own legal, business, financial, and tax advisors with respect to the Plan and the Disclosure Statement.

Except as set forth in this Disclosure Statement, no person is authorized by the Court or the Debtors to give any information or to make any representation related to the Plan other than as contained in this Disclosure Statement. You should not rely on any such representation you may receive as having been authorized by the Court or the Debtors. The Disclosure Statement does not constitute an offer to buy or the solicitation of an offer to buy any securities, or an offer to sell or a solicitation of an offer to sell any securities.

The statements contained in this Disclosure Statement are made as of the date hereof (unless otherwise indicated) and should not under any circumstance create any implication that the information contained herein is correct at any time subsequent to the date hereof. Estimates of Claims and Interests set forth in this Disclosure Statement may vary from the amounts of Claims or Interests ultimately allowed by the Bankruptcy Court.

The information contained in this Disclosure Statement is included for purposes of soliciting votes on the Plan only and should not be deemed as an admission or stipulation of any kind, absent the Debtors' express, written consent.

INTRODUCTION

The Debtors provide this disclosure statement (the "Disclosure Statement") in connection with the Plan they have proposed. The Debtors are soliciting votes on the Plan. A copy of the Plan is attached to this Disclosure Statement as Exhibit "A". Capitalized terms not defined in this Disclosure Statement are defined in the Plan.

This Disclosure Statement summarizes certain information regarding the Debtors' operations prior to filing for bankruptcy, its efforts to liquidate its Assets both before and after filing for bankruptcy, and significant events that have occurred during the Bankruptcy Cases. This Disclosure Statement also describes the Plan, estimated recoveries under the Plan, the effect of confirmation of the Plan, the manner in which distributions will be made under the Plan, and summarizes the process to confirm the Plan, including voting on the Plan. While the Debtors have attempted to provide a fair and accurate summary of the matters described in this Disclosure Statement, the summary of information contained in this Disclosure Statement is not binding upon the Debtors.

On [REDACTED], 2018, the Bankruptcy Court entered an order finding that this Disclosure Statement contains "adequate information" within the meaning of Section 1125 of the Bankruptcy Code. "Adequate information" is "information of a kind, and in sufficient detail...that would enable...a hypothetical investor...to make an informed judgment about the plan." The Bankruptcy Court has authorized the Debtors to use this Disclosure Statement to solicit votes on the Plan. **Even though the Bankruptcy Court has approved this Disclosure Statement and authorized the Debtors to use this Disclosure Statement to solicit votes on the Plan, the Bankruptcy Court has not yet determined whether the Plan should be confirmed.**

The Bankruptcy Court has authorized only this Disclosure Statement to be used in connection with solicitation of votes on the Plan. In voting to accept or reject the Plan, you should rely only on information contained in this Disclosure Statement (and accompanying exhibits) and should not rely on information from other sources.

The Debtors and the Committee recommend that creditors entitled to vote on the Plan vote to accept the Plan.

SUMMARY OF VOTING PROCEDURES

If you are a creditor entitled to vote on the Plan, together with this Disclosure Statement and the accompanying exhibits, you are receiving a Ballot to vote on the Plan. After reviewing this Disclosure Statement and the accompanying exhibits, if you are entitled to vote on the Plan, you should vote to accept or reject the Plan using the enclosed Ballot and return it by overnight courier, regular mail or hand delivery to the Debtors' attorneys at the address specified on the Ballot. **Only holders of Claims in Class 3, Class 6 and Class 7 may vote on the Plan. Creditors in Classes 1, 2 and 5 are unimpaired and are deemed to accept the Plan. Holders of Claims in Class 4 and Interests in Class 8 will not receive or retain any property under the Plan and are deemed to have rejected the Plan. If you are entitled to vote on the Plan, you must return your Ballot by overnight courier, regular mail or hand delivery. Ballots submitted by facsimile or other electronic transmission will not be accepted and will be void.**

The deadline to vote on the Plan is , 2018 at 4:00 p.m. Prevailing Eastern Time (the "**Voting Deadline**"). Your Ballot must be received on or before the Voting Deadline for your vote on the Plan to be counted. If you have not received a Ballot, or if your Ballot is lost or mutilated, you may obtain a replacement Ballot by contacting the Debtors' attorneys at the address set forth at the end of this Disclosure Statement.

ARTICLE I: OVERVIEW OF THE PLAN

The following is a brief overview of the material provisions of the Plan and is qualified in its entirety by the full text of the Plan, which is attached hereto as Exhibit "A". For a more detailed description of the terms of the Plan, see Article IV, entitled "The Plan of Liquidation."

A. Summary of Plan Structure.

The Plan is a plan of liquidation. Substantially all of the Debtors' operating assets were sold during the Bankruptcy Cases pursuant to an order of the Bankruptcy Court. A plan administrator (the "Plan Administrator") will be appointed to liquidate the Debtors' remaining Assets to Cash and distribute that Cash and the Cash remaining from the asset sale to holders of Allowed Claims. The Debtors' only material non-cash assets are a limited amount of uncollected accounts receivable, claims against pre-petition vendors under Chapter 5 of the Bankruptcy Code, and other claims the Debtors may have relating to the pre-petition and governance of the Debtors. The Plan provides a release by the Debtors to Patriot Capital, and exculpation for the Committee and the Debtors for actions taken during the course of the Bankruptcy Cases. The Plan also limits the liability of the Plan Administrator and related parties for actions taken in carrying out the Plan.

B. Summary of Estimated Distributions.

All Allowed Administrative, Priority and Priority Tax Claims, as well as the Patriot Secured Claim will be paid in full. Allowed unsecured non-subordinated creditors will be paid a pro-rata share of approximately \$200,000 under the Plan. The Debtors are aware of approximately \$9,000,000 in presently undisputed, non-subordinated unsecured claims.

ARTICLE II: BACKGROUND AND EVENTS LEADING TO CHAPTER 11 FILINGS

A. Corporate Structure and Operations.

AAI is a New York corporation which has been in business for nearly seventy (70) years, serving as an electrical products distributor, manufacturer, and service organization. AAI is owned by Electrical Supply Acquisition, Inc. ("**ESA**"). ESA was formed in 2012 by a prior owner of AAI and by DeltaPoint Capital IV, L.P. ("**DeltaPoint IV**"), and DeltaPoint Capital IV, (New York) L.P. ("**DeltaPoint New York**," and together with DeltaPoint IV, "**DeltaPoint**").

EASA I is a Delaware limited liability company of which AAI is the sole member. EASA I was formed to acquire the assets of an unrelated company in 2014. EASA II is a Delaware limited liability company of which AAI is the sole member. EASA II was also formed to acquire the assets of an unrelated company in 2014.

As of the Petition Date, the Debtors operated out of six (6) locations in New York State. These locations were: (i) Auburn, New York; (ii) Albany, New York; (iii) Vestal, New York; (iv) Cheektowaga, New York; (v) Rochester, New York; and (vi) East Syracuse, New York.

B. Recent Financial Information.

As of March 31, 2017, the Debtors' unaudited financial statements reflected assets totaling approximately \$26,040,663.00 and liabilities totaling approximately \$23,369,333.00. As of April 28, 2017, the Debtors' assets included cash of approximately \$68,248.00 (inclusive of restricted cash), and accounts receivable totaling approximately \$6,147,905.00.

For the five-month period that ended March 31, 2017, the Debtors experienced a net loss of approximately \$3,175,101.00.

C. Capital Structure and the Secured Loan Facility.

Prior to the commencement of the Bankruptcy Cases, the Debtors' working capital needs were primarily met through certain credit facilities provided by KeyBank National Association ("KeyBank"). On the Petition Date, KeyBank was owed approximately \$4.8 million on a revolving line of credit and approximately \$200,000 on a term loan. The KeyBank debt was secured by a first priority lien (excluding certain limited inventory subject to purchase money financing) on essentially all assets of the Debtors.

Patriot Capital II, L.P. ("Patriot") is owed approximately \$6.2 million, which is secured by a second priority lien on essentially all of the Debtors' assets.

DeltaPoint is owed approximately \$2.9 million, which is secured by a third priority lien on essentially all of the Debtors' assets.

KeyBank, Patriot and DeltaPoint each entered into a series of inter-creditor agreements which address various issues, including lien priorities, rights to payment, and remedies upon the occurrence of a bankruptcy filing by AAI.

On the Petition Date, the Debtors sought and obtained authority to continue to utilize the KeyBank revolving line of credit. Upon the consummation of the sale of substantially all of the Debtors' assets, the KeyBank obligations were paid in full, aside from \$50,000 which is potentially payable to KeyBank from the recovery of certain accounts receivable, if any, owned by the Debtors.

In addition to the foregoing, the Debtors are subject to scheduled or filed unsecured claims of between \$8.5 million and \$9 million.

D. Events Leading to the Bankruptcy Cases

These Bankruptcy Cases were necessitated by a number of factors including a lack of access to additional credit from the Debtors' vendors, declining sales, and pending legal actions. In order to maximize the value of their operations in the face of those challenges, the Debtors entered bankruptcy to consummate a sale of substantially all of their assets,

**ARTICLE III:
EVENTS DURING THE BANKRUPTCY CASES**

This section of the Disclosure Statement summarizes material events that have occurred in the Bankruptcy Cases as of the date of filing of this Disclosure Statement. This is not an inclusive list of all matters that have occurred. Holders of claims and interests are encouraged to review the docket in the Bankruptcy Cases for a complete list of all matters that have been put before the Bankruptcy Court.

A. Retention of Professionals.

Shortly after filing for bankruptcy, the Debtors filed applications to retain Menter, Rudin & Trivelpiece, P.C. as their Chapter 11 counsel, Chikol, LLC as financial advisors, and League Park Advisors, LLC as investment banker. Retention of each professional was approved by the Court. The Committee filed an application to retain Lowenstein Sandler, LLP as its counsel. That application was also granted by the Court.

B. Filing of the Schedules and Statement of Financial Affairs.

Immediately after filing their chapter 11 petitions, the Debtors filed detailed schedules of assets and liabilities and a statement of financial affairs (collectively, the "Schedules") with the Bankruptcy Court.

C. The Proof of Claims Bar Date.

The Bankruptcy Court established November 15, 2017 as the deadline for creditors to file proofs of claim. This deadline did not apply to the filing of section 503(b)(9) claims.

D. Approval of Debtor in Possession Financing.

Immediately upon the filing of their Bankruptcy Cases, the Debtors filed an application with the Court seeking authority to continue to utilize the KeyBank revolving line of credit. After negotiation among the Debtors, the Committee, KeyBank, Patriot and the Office of the United States Trustee, a consensual order was entered approving the Debtors' application.

E. Sale of Substantially All of the Debtors' Assets.

Upon the commencement of the Chapter 11 Cases, the Debtors also filed a motion seeking to establish bid procedures and to obtain authority to sell substantially all of their assets. The Bankruptcy Court approved procedures for marketing and conducting an auction of the Debtors' assets, including designating AAI Acquisition, LLC ("AAIA") as the stalking horse bidder. Ultimately, AAIA was the only bidder and by order of the Bankruptcy Court dated June 26, 2017, was approved to purchase substantially all of the Debtors' assets. The sale to AAIA closed on June 30, 2016. After payment of the KeyBank debt, approximately \$1.4 million in cash remained in the Debtors' estates.

**ARTICLE IV:
DESCRIPTION OF THE PLAN**

A. Overview.

The Plan is a plan of liquidation that provides a mechanism for the prompt distribution of the Debtors' Assets in full payment of the Patriot Secured Claim and administrative and priority claims. The funds remaining after payment of the Patriot Secured Claim, payment of administrative and priority claims, and the establishment of an operating reserve will be distributed to non-subordinated unsecured creditors.

Under the circumstances, the Debtors and the Committee believe that a liquidation in accordance with the terms of the Plan, including all settlements and compromises contained in the Plan, are fair, appropriate, and in the best interests of both the Debtors and all parties in interest.

B. Administrative Expense and Priority Tax Claims.

Administrative Expense Claims are specified in Section 503 of the Bankruptcy Code and generally include those expenses related to the administration of the Bankruptcy Cases, principally the fees and expenses of Professionals retained by the Debtors. Priority Tax Claims are those set forth in Sections 502(i) and 507(a)(8) of the Bankruptcy Code. Under the Bankruptcy Code, these Claims may not be "classified" and must be paid in full and in Cash to confirm the Plan.

Under the Plan, all applications for allowance of Administrative Expense Claims, other than Claims for Professional Fees, must be filed no later than thirty (30) days after the Effective Date of the Plan or otherwise be barred for all purposes by operation of the Plan. Both Administrative Expense Claims and Priority Tax Claims that are Allowed will be Paid in Full under the Plan. **Notwithstanding the foregoing, holders of claims arising under section 503(b)(9) of the Bankruptcy Code must submit their respective claims on the Section 503(b)(9) Proof of Claim Form annexed as Schedule X.A.2 to Plan before the Administrative Expense Bar Date.**

The Debtors estimate that they will be liable for approximately \$487,000 in Professional Fees and other Administrative Expense Claims of up to \$400,000. Although taxing authorities have filed claims totaling approximately \$33,000, the Debtors' believe that they will not be liable for any Priority Tax Claims once the appropriate tax returns have been filed. However, because the applicable Bar Dates have not passed and objections to claims have yet to be filed, it is possible such claims may be allowed.

C. Classification and Treatment of Claims and Interests.

Section 1123(a)(1) of the Bankruptcy Code requires that the Debtors designate Classes of Claims and Interests, other than Administrative Expense Claims and Priority Tax Claims, under the Plan consistent with Section 1122 of the Bankruptcy Code. The classification set forth in the Plan is applicable for purposes of voting, distribution and confirmation of the Plan.

Set forth below are the Classes of Claims and Interests under the Plan, as well as whether or not such Classes are "impaired" within the meaning of the Bankruptcy Code. Only impaired Classes may vote on the Plan. Unimpaired classes are deemed to accept the Plan

and may not vote. Impaired classes that will not receive or retain any property under the Plan are deemed to reject the Plan and may not vote.

Class	Status	Voting Rights
Class 1 – Priority Claims	Unimpaired	Not Entitled to Vote and deemed to accept the Plan.
Class 2 – Key Secured Claim	Unimpaired	Not Entitled to Vote and deemed to accept the Plan.
Class 3 – Patriot Secured Claim	Impaired	Entitled to Vote
Class 4 – Delta Secured Claim	Impaired	Not Entitled to Vote and deemed to reject the Plan.
Class 5 – Other Secured Claims	Unimpaired	Not Entitled to Vote and deemed to accept the Plan.
Class 6 – Unsecured Claims	Impaired	Entitled to Vote
Class 7 – Subordinated Unsecured Claims	Impaired	Entitled to Vote
Class 8 – Interests	Impaired	Not Entitled to Vote and deemed to reject the Plan.

1. *Class 1 — Allowed Priority Claims.* Each holder of an Allowed Priority Claim will receive in full satisfaction, release and discharge of and in exchange for such Claim: (i) the amount of such Allowed Priority Claim, with interest, if any, as the Bankruptcy Court may determine, in Cash, on or as soon as practicable after the later of (a) the Effective Date, or (b) the date that is ten (10) Business Days after such Claim is Allowed; or (ii) such other treatment as may be agreed upon in writing by the holder of such Claim and the Debtors or Plan Administrator, as applicable.

Class 1 Claims are unimpaired under the Plan, are deemed to accept the Plan, and are not entitled to vote on the Plan.

2. *Class 2 – Key Secured Claim.* The Key Secured Claim has been satisfied by payment during the Bankruptcy Cases, with the exception of the right to receive up to \$50,000 from any recovery by the Debtors on account of certain accounts receivable put back on the Debtors by the purchaser of substantially all of the Debtors' assets. Such right is included in the Final Order Approving the Debtors' Emergency Motion For Order Authorizing The Debtors To Incur Post-Petition Senior Secured, Super-Priority Indebtedness, And

Providing Adequate Protection, All Pursuant to Sections 361, 363 And 364 Of the Bankruptcy Code (the "Final DIP Order") [Dkt. No. 112]. Key is entitled to receive 75% of the proceeds of the rejected receivables until it receives a total of \$50,000.

The Class 2 Key Secured Claim is unimpaired under the Plan, is deemed to accept the Plan, and is not entitled to vote on the Plan.

3. *Class 3 — Patriot Secured Claim.* Patriot has agreed to have the Patriot Secured Claim fixed in the amount of \$300,000 even through the face amount of the claim is at least \$6.2 million. The holder of the Patriot Secured Claim shall receive, on the Initial Distribution Date, payment of \$300,000 in full satisfaction, release, and discharge of and in exchange for such Claim. The balance of Patriot's collateral, which for the avoidance of doubt does not include the Vehicle Proceeds, will be distributed as described below.

The Class 3 Patriot Secured Claim is impaired under the Plan and the holder of such Claim is entitled to vote on the Plan.

4. *Class 4 — Delta Secured Claim.* Delta was listed in the Debtors' Schedules as holding claims in the approximate amount of \$2.8 million secured by a third priority lien on substantially all of the Debtors' assets. As evidenced by the fixed amount of the Patriot Secured Claim, the value of the Debtors' assets is insufficient to provide any security to Delta. Accordingly, under 11 U.S.C. §506(a)(1), Delta's claim shall be treated as entirely unsecured and shall be subordinated to the Class 6 Unsecured Claims and treated as a Class 7 subordinated unsecured claim.

The Class 4 Delta Secured Claim is impaired under the Plan and the holder of such Claim is deemed to reject and is not entitled to vote on the Plan.

5. *Class 5 — Other Secured Claims.* The holders of any other Allowed Claims secured by a first priority security interest in the Debtors' assets, if any, shall be entitled to recover such collateral in full satisfaction and discharge of such claim.

Class 5 Claims are unimpaired under the Plan and the holders of such Claims are deemed to accept the Plan.

6. *Class 6 — Unsecured Claims.* Each holder of an Allowed Unsecured Claim in Class 6 (excluding the Patriot Unsecured Deficiency Claim) will receive a pro rata share of the Vehicle Proceeds. Each holder of an Allowed Unsecured Claim in Class 6, including Patriot on account of the Patriot Unsecured Deficiency Claim, shall receive a pro rata distribution of the Liquidation Fund.

Class 6 Claims are impaired under the Plan and the holders of such Claims are entitled to vote on the Plan.

7. *Class 7 — Subordinated Unsecured Claims.* The holders of Allowed Subordinated Unsecured Claims shall receive a pro rata distribution from the Liquidation Fund, if and only to the extent that any cash remains in the Liquidation Fund after payment in full of all Allowed Class 6 Claims.

Class 7 Claims are impaired under the Plan and the holders of such Claims are entitled to vote on the Plan.

8. *Class 8 — Interests.* The holders of Interests in the Debtors shall receive no distributions on account of such Interests. All Interests shall be deemed extinguished on the Effective Date of the Plan, and the holders of Interests are deemed to have rejected the Plan and are not entitled to vote on the Plan.

D. Impairment, Classification, and Related Disputes.

A holder of a Claim or Interest may dispute the classification of a Claim or Interest or the treatment of a Class (including whether a Class is impaired or unimpaired), by objecting to the Plan or otherwise filing an appropriate motion to challenge the classification, characterization or treatment of the Claim, the Interest, or the Class. The deadline to file any such motion or objection is the deadline set by the Bankruptcy Court to object to confirmation of the Plan. If the Bankruptcy Court does not grant the motion or otherwise confirms the Plan without conditioning confirmation upon any grounds raised in such a motion or objection, the treatment, characterization, and classification set forth in the Plan will be binding upon all holders of Claims and Interests.

E. Acceptance or Rejection of the Plan.

1. Classes and Claims Entitled to Vote.

Creditors in Classes 1, 2 and 3 are unimpaired and are therefore deemed to accept the Plan. Holders of Claims in Classes 4, 5, 6 and 7 are impaired and may vote on the Plan. Holders of Interests in Class 8 shall neither receive nor retain any property under the Plan and are therefore impaired and deemed to reject the Plan.

2. Acceptance by a Class of Interests.

Except as provided in Section 1126(e) of the Bankruptcy Code, a Class of Claims will accept the Plan if holders of one half in number and two-thirds in amount of Claims in that Class, actually voting, timely and properly vote to accept the Plan.

3. Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code.

The Debtors reserve the right to seek confirmation pursuant to Section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests.

F. Effects of Confirmation.

1. Estate Assets to Remain in Estates; No Revesting of Assets.

Notwithstanding Section 1141(5b) of the Bankruptcy Code, except as otherwise provided for in the Plan, property of the Estates shall not revert in the Debtors, but shall remain property subject to the jurisdiction of the Bankruptcy Court, under the exclusive control of the Plan Administrator, until distributed to holders of Allowed Claims in accordance with the provisions of the Plan and the Confirmation Order.

2. Preservation and Retention of Defenses of the Debtors and Rights to Object to Claims and Interests.

Confirmation of the Plan will have no impact upon, and will not render *res judicata* any defenses the Debtors or Plan Administrator may have (including rights of setoff) in any action brought against them.

3. Authority to Effectuate the Plan.

Except as expressly set forth in the Plan, on the Effective Date, all matters provided for under the Plan will be authorized and approved without further approval or order of the Bankruptcy Court.

4. No Waiver of Legal Privileges.

Confirmation of the Plan will not waive the attorney/client, work product, or other legal privileges of the Debtors or the Plan Administrator as successor to the Debtors.

G. Means of Implementation of the Plan.

1. Limited Entity Existence and Dissolution of the Debtors.

a. Continued Entity Existence.

The Debtors shall continue in existence after the Effective Date pursuant to the terms of the Plan and the Debtors' governance documents except to the extent that such entity governance documents are deemed amended by the terms of the Plan, for the limited purpose of (i) effectuating the terms of the Plan, (ii) liquidating the Assets, (iii) making distributions in accordance with the Plan, and (iv) filing appropriate tax returns. The Plan Administrator may, in its discretion, immediately dissolve EASA I and EASA II.

b. Entity Governance Documentation.

On the Effective Date, the Debtors governance documents shall be deemed restated to, among other things, (i) prohibit the issuance of non-voting equity securities and (ii) limit the activities of the Debtors to matters related to the implementation of the Plan and to matters reasonably incidental thereto.

c. Dissolution of the Debtors.

As soon as practicable after the Plan Administrator liquidates or otherwise disposes of the Assets and makes the Final Distribution, the Plan Administrator shall, at the expense of the Estates, (i) unless otherwise permitted by the Bankruptcy Court, provide for the retention of books and records delivered to or created by the Plan Administrator until the time that such books and records are no longer required to be retained under applicable law, (ii) file an application for a final decree with the Bankruptcy Court stating that the Plan Administrator has liquidated or otherwise disposed of the Assets and made a Final Distribution under this Plan, and (iii) file a certificate of cancellation or any necessary paperwork to finalize the dissolution of the Debtors in accordance with applicable law.

2. The Plan Administrator.

a. Appointment.

On the Effective Date, the appointment of the Plan Administrator as identified by the Committee and Patriot shall become effective.

b. Rights, Powers, and Duties of the Plan Administrator.

The Plan Administrator will succeed to the rights and powers of the Debtors and shall have all rights, duties, and powers necessary to effectuate the terms of this Plan. The powers of the Plan Administrator include, but are not limited to, settling claims of the estate having a face value of less than \$75,000 without Court approval.

c. Compensation of the Plan Administrator.

The Plan Administrator will be compensated from the Assets. The compensation payable to the Plan Administrator shall be based on the hourly rates of the Plan Administrator and of those persons employed by the Plan Administrator to effectuate the terms of the Plan, as well as the other expenses incurred to effectuate the Plan. The Plan Administrator may pay itself compensation from the Assets without prior order of the Bankruptcy Court. Unless otherwise ordered by the Bankruptcy Court, the Plan Administrator shall file a notice with the Bankruptcy Court on a quarterly basis summarizing all compensation paid to the Plan Administrator from and after the Effective Date.

d. Limitations on Liability.

The Plan Administrator shall not incur liability to any Entity by reason of discharge of its duties as set forth in the Plan, except in the event of gross negligence or willful misconduct.

e. Retention of Professionals.

The Plan Administrator may retain attorneys, accountants, or other professionals to represent the interests of the Plan Administrator or the Debtors, including attorneys, accountants, and other professionals previously employed by the Debtors or the Committee. The Plan Administrator may compensate such Professionals from the Assets without prior order of the Bankruptcy Court.

3. Sources and Uses of Cash

Attached hereto as Exhibit "B" is a chart showing the projected sources and uses of Cash to be distributed under the Plan. The projections reflected in Exhibit "B" are estimates only and the funds actually available for distribution and the amount of Claims required to be paid are likely to vary from the projections.

H. Provisions for the Resolution of Claims Against and Interests in the Debtors and Disposition of Assets.

1. Objection to and Resolution of Claims Against and Interests in the Debtors.

a. Authority to Object to and Resolve Objections to Claims and Interests.

The Plan Administrator (or Patriot, at its own expense) may prosecute, settle, or decline to pursue objections to any Claims against or Interests in the Debtors in accordance with the terms of the Plan, whether objections to the Claims or Interests were filed prior to or after the Effective Date.

b. Limitations on Filing Objections to Claims and Interests.

From and after the Effective Date, no party other than the Plan Administrator or Patriot may object to Claims or Interests.

c. Deadline For Objection to Claims and Interests.

The deadline to file any objections to Claims and Interests, including Administrative Expense Claims, that are not subject to a pending objection on the Effective Date is 120 days after the Effective Date. The Plan Administrator or Patriot may seek one or more extensions from the Bankruptcy Court of the time to file an objection to any Claim or Interest. The filing of a motion by the Plan Administrator or Patriot to extend the time to file an objection to a timely filed Claim or Interest will automatically extend the date by which the Plan Administrator or Patriot must file objections to a timely filed Claim or Interest until a Final Order is entered on the motion.

d. Bankruptcy Court Approval.

The Plan provides that the resolution by the Plan Administrator of any Disputed Claim or Interest which is not opposed by Patriot within 15 days of notice of such resolution being given to Patriot, shall not require approval by the Bankruptcy Court. If Patriot provides the Plan Administrator with written notice of its opposition to a proposed resolution within such 15 notice day period, the Plan Administrator shall be required to obtain Court approval for the resolution. The Plan Administrator may resolve any Disputed Claim or Interest where the Face Amount of such Disputed Claim or Interest is equal to or less than \$100,000 without any requirement for the consent of Patriot or approval of the Bankruptcy Court. If Patriot pursues an objection to a Claim in accordance with Article VII(A)(1) of the Plan, no approval of the Plan Administrator or Court shall be required for any resolution of such objection.

e. Estimation of Claims.

The Plan authorizes the Plan Administrator or Patriot to request that the Bankruptcy Court estimate any Claim pursuant to Section 502(c) of the Bankruptcy Code. The Bankruptcy Court may estimate Claims to: (i) establish the Allowed amount of the Claim for purposes of voting and distribution; or (ii) to establish the maximum amount of any such Claim, without prejudice to the Plan Administrator later objecting to the Claim.

2. Liquidation of Assets.

a. Plan Administrator May Sell or Dispose of Estate Assets.

From and after the Effective Date, the Plan Administrator may use, sell, assign, transfer, abandon, or otherwise dispose of the Assets at a public or private sale without Bankruptcy Court approval.

I. Distributions.

1. Distributions on Account of Allowed Administrative Expense Claims.

Subject to rights of set-off preserved under the Plan, the Plan Administrator will pay Allowed Administrative Expense Claims and Priority Tax Claims in full, in Cash, on or as soon as practicable after the later of (a) the Initial Distribution Date, or (b) the date that is ten (10) Business Days after the Claim becomes an Allowed Administrative Expense Claim or Allowed Priority Tax Claim; or (c) at such other time and in such other manner as may be agreed upon in writing between the holder of the Allowed Administrative Expense Claim or Allowed Priority Tax Claim and the Plan Administrator.

2. Distributions on Account of Classified Claims.

a. Claims Allowed Prior to the Initial Distribution Date.

Subject to rights of set-off preserved under the Plan, on the Initial Distribution Date, the Plan Administrator will distribute Cash to each holder of a Claim in Classes 1, 2, 3 and 6 that is Allowed prior to the Initial Distribution Date as provided in the Plan.

b. Claims Allowed on or After the Initial Distribution Date.

Subject to rights of set-off preserved under the Plan, for Claims Allowed on or after the Initial Distribution Date, the Plan Administrator will make a distribution to the holder of such an Allowed Claim on the first Interim Distribution Date after such Claim or Interest is Allowed in an amount equal to the amount that would have been paid to the holder if the Claim had been Allowed prior to the Initial Distribution Date.

3. Distributions Paid to Holders of Record.

The Plan Administrator will make Distributions under the Plan to the holder of record of the Allowed Claim. For purposes of making Distributions, the following applies: (i) if no Proof of Claim has been filed, the holder of record and its address will be as identified in the Schedules; (ii) if a Proof of Claim has been filed, the holder of record and its address will be as identified in the Proof of Claim; (iii) if a notice of transfer of Claim has been properly filed pursuant to Rule 3001(e) of the Bankruptcy Rules not less than thirty days prior to any Distribution Date and no objection to the transfer of Claim has been filed, then to the holder of record and its address as identified on the notice of transfer of Claim as filed with the Bankruptcy Court.

4. No Distributions on account of Disputed or Disallowed Claims.

Except as may otherwise be ordered by the Bankruptcy Court or authorized under the terms of the Plan, the Plan Administrator will not make any Distributions to the holder of a Disputed Claim until the Disputed Claim becomes an Allowed Claim. The Plan Administrator will not make Distributions to holders of Disallowed Claims.

5. Setoff.

The Plan Administrator may set-off against any Allowed Claim (and distributions to be made thereto), the claims, rights, and causes of action of any nature (regardless of whether such claims, rights, or causes of action are reduced to judgment, liquidated, unliquidated, fixed,

contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured) that the Debtors or the Estate may hold under applicable non-bankruptcy law (and notwithstanding any limitations or restrictions placed on such rights under the Bankruptcy Code) against the holder of an Allowed Claim or any recipient of any distribution in respect of an Allowed Claim.

Holders of Claims can only exercise setoff rights against the Debtors or Plan Administrator, as applicable, if such setoff was formally asserted in a timely filed Proof of Claim or in a pleading filed with the Bankruptcy Court prior to entry of the Confirmation Order

6. The Disputed Claims Reserve.

On the Effective Date, the Plan Administrator will establish and maintain the Disputed Claims Reserve to reserve for and fund the payment of Disputed Claims. The amount of the Disputed Claims Reserve will be equal to the sum of the following: (i) the Face Amount of all unpaid Disputed Priority Tax Claims, Disputed Administrative Claims, Class 1 Disputed Claims, and (ii) the estimated amount of money that would otherwise have been distributed to all Class 6 Disputed Claims if such Disputed Claims had been Allowed Claims. There shall be no requirement to hold any amounts in reserve for Class 4 or 5 Claims. The Plan Administrator will, from time to time, recalculate the amount of the Disputed Claims Reserve and may use Cash withdrawn from the Disputed Claims Reserve for distributions in accordance with the terms of the Plan.

7. The Operating Reserve.

From and after the Effective Date, the Plan Administrator will establish and maintain a reserve (the "Operating Reserve") to fund the payments required to be made under this Plan, fees to the Clerk of the Bankruptcy Court, and fees to the United States Trustee, as well as to enable the Plan Administrator to pay post-Effective Date fees and expenses, including, without limitation, those incurred or to be incurred by Professionals employed by the Plan Administrator through the closing of the Bankruptcy Cases and entry of a Final Decree. The initial Operating Reserve is \$40,000. The Plan Administrator may, from time to time, recalculate the amount of the Operating Reserve.

8. Maintenance of the Disputed Claims Reserve, the Operating Reserve, and Other Cash of the Debtors and the Estates.

Except as otherwise provided in the Plan, the Plan Administrator may hold Cash of the Estate in one or more accounts that the Plan Administrator determines to be in the best interests of the Estates. Any reference to the establishment or maintenance of any reserves contained in the Plan, including the Disputed Claims Reserve and the Operating Reserve, will not require the Plan Administrator to establish separate deposit or similar accounts for such reserves. The establishment of reserves under the Plan may be accomplished by accounting, general ledger, paper, or other book entry, as the Plan Administrator may determine.

9. Finality of Distributions.

All Distributions made under the Plan are final, and no party may seek disgorgement of any Distributions made under this Plan.

10. Manner of Payment; Delivery of Distributions.

Except as otherwise set forth in the Plan, the Plan Administrator will make all Distributions under the Plan in Cash made by check drawn on a domestic bank, by wire transfer or ACH transfer from a domestic bank.

Any fees charged by the bank in connection with a wire or ACH transfer shall be deducted from the Distribution.

11. Undeliverable Distributions.

The Plan Administrator may deem any Distribution as undeliverable if: (a) the holder of the Claim has not provided to the Plan Administrator, by a date that is ninety days after the Plan Administrator first requests it, the necessary tax documentation; (b) the holder of the Claim has not, by a date that is ninety days after the date of the mailing of the check, cashed or otherwise negotiated a Distribution; or (c) after exercising reasonable diligence to locate the holder of a right to receive a Distribution, the Plan Administrator is unable to locate such holder. If a Distribution is deemed to be undeliverable, the Claim upon which such Distribution was paid or was available to be paid shall be deemed to be a Disallowed Claim and any such Distribution will become an asset of the Estates available for Distribution to holders of Allowed Claims.

12. Fractional Amounts.

The Plan Administrator may elect not to make Distributions of Cash in fractions of dollars. Whenever any payment of a fraction of a dollar under the Plan would otherwise be called for, the Plan Administrator may round the amount of such Distribution to the nearest dollar (up or down).

13. *De Minimis* Distributions.

The Plan Administrator may elect not make a Distribution of less than \$25.00 to any holder of an Allowed Claim unless the Distribution is a Final Distribution. If the Distribution is the Final Distribution, the Plan Administrator may elect not to make the Distribution is \$5.00 or less.

After Final Distributions have been made in accordance with the terms of the Plan and the Plan Administrator Agreement, if the amount of remaining is less than \$10,000, the Plan Administrator shall donate such amount to the American Bankruptcy Institute Endowment Fund, a not-for-profit nonreligious organization dedicated to, among other things, promoting research and scholarship in the area of insolvency, free of any restrictions thereon, notwithstanding any federal or state escheat laws to the contrary.

14. Compliance with Tax Requirements/Allocations.

The Plan Administrator will comply with tax withholding and reporting requirements imposed by any governmental unit in making Distributions under the Plan, and will be responsible for filing any tax returns relating to the Estates. All Distributions pursuant to the Plan will be subject to withholding and reporting requirements. The Plan Administrator may withhold Distributions due to any holder of an Allowed Claim until the holder provides the Plan Administrator with the necessary information to comply with withholding requirements of any governmental unit. The Plan Administrator will pay any withheld Distributions to the appropriate

authority. If the holder of an Allowed Claim fails to provide the Plan Administrator with the information necessary to comply with withholding requirements of any governmental unit (including, but not limited to, IRS Forms W-8 or W-9, as applicable) within 90 days after the date of first notification by the Plan Administrator to the holder of the need for such information, then the holder's Distributions will be treated as undeliverable. For tax purposes, Distributions received in respect of an Allowed Claim will be allocated first to the principal amount of the Claim, with any excess allocated to unpaid accrued interest or capital gain, as applicable.

J. Satisfaction of Claims, Injunctions, and Limitations of Liability.

1. Satisfaction of Claims; Injunction.

Pursuant to Section 1141(d)(3) of the Bankruptcy Code, confirmation of the Plan will not discharge Claims against the Debtors. However, no holder of a Claim against or Interest in the Debtors may, on account of such Claim or Interest, seek or receive any payment or other distribution from, or seek recourse against, the Debtors or the Plan Administrator, except as expressly provided in the Plan. Accordingly, except as otherwise provided for in this Plan, the Confirmation Order shall provide, among other things, that from and after confirmation of the Plan until entry of the Final Decree, all Persons who have held, hold, or may hold Claims against or Interests in the Debtors are enjoined from taking any of the following actions against the Debtors, the Plan Administrator or the Estates: (i) commencing or continuing, in any manner or any place, any action or other proceeding; (ii) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order; (iii) creating, perfecting, or enforcing any lien or encumbrance; and (iv) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of this Plan; provided, however, that nothing contained herein shall: (i) preclude any Person from exercising their rights pursuant to and consistent with the terms of this Plan; or (ii) enjoin or otherwise stay or limit any action or other undertaking not stayed under Section 362 of the Bankruptcy Code.

2. No Liability for Solicitation or Participation.

Pursuant to Section 1125(e) of the Bankruptcy Code, Persons that solicit acceptances or rejections of the Plan, in good faith and in compliance with the applicable provisions of the Bankruptcy Code, shall not be liable, on account of such solicitation or participation, for violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or the offer, issuance, sale, or purchase of securities.

3. Limitation of Liability of Exculpated Persons.

Exculpated Persons shall not have or incur any liability to any Person for any act taken or omission made in good faith in connection with or in any way related to negotiating, formulating, implementing, confirming, or consummating the Plan, this Disclosure Statement, or any contract, instrument, release, or other agreement or document created in connection with or related to the Plan or any aspect of the Bankruptcy Cases. Exculpated Persons shall have no liability to any Person for actions taken in good faith under or relating to the Plan, including, without limitation, failure to obtain confirmation of the Plan or to satisfy any condition or conditions, or refusal to waive any condition or conditions precedent to confirmation or to the occurrence of the Effective Date. Further, Exculpated Persons shall not have or incur any liability to any

Person for any act or omission in connection with or arising out of their administration of the Plan or the property to be Distributed under the Plan or the operations or activities of any Exculpated Person except for gross negligence or willful misconduct, as determined by the Bankruptcy Court, and, in all respects, Exculpated Persons shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under this Plan.

4. Release of Patriot.

In consideration of Patriot's agreement to carve out funds from its collateral to permit payment of priority unsecured claims and also limit its recovery on its Class 3 Secured Claim to \$300,000 thereby providing funds to enable a distribution to Class 6 Unsecured Claims, and pursuant to section 1123(b) of the Bankruptcy Code and except as otherwise specifically provided in this Plan, on the Effective Date Patriot shall be released and discharged by the Debtors, the Estate and the Plan Administrator, from any and all claims, obligations, rights, suits, damages, Causes of Action, remedies and liabilities whatsoever, including any derivative claims asserted or assertable on behalf of Debtors, including but not limited to direct or derivative claims that could be asserted by the Committee, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity or otherwise, that the Committee, Debtors, the Estates, the Plan Administrator or their respective affiliates, if any, would have been legally entitled to assert in their own right or on behalf of the holder of any Claim or Interest or other Person, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the financial accommodations provided to the Debtors by Patriot, the Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any asset or security of the Debtors, the subject matter of, or the transactions or event giving rise to any Claim or Interest that is treated in this Plan, the business or contractual arrangements between the Debtors and Patriot, the restructuring of Claims before or during the Chapter 11 Cases, the negotiation, formulation or preparation of this Plan, the Disclosure Statement, the Plan Supplement or related agreements, instruments or documents.

4. Term of Injunctions and Stays.

Unless otherwise provided in the Plan or in another order of the Bankruptcy Court, all injunctions or stays provided for in the Bankruptcy Cases pursuant to Sections 105, 362, and 524 of the Bankruptcy Code, or otherwise, and in effect on the Confirmation Date shall remain in full force and effect until the Effective Date; provided however, that the provisions of Section 362 of the Bankruptcy Code will remain in effect with respect to property of the Estate until entry of the Final Decree.

5. Release of Liens.

Except as otherwise provided for in the Plan or the Confirmation Order, all Liens, security interests, deeds of trust, or mortgages against property of the Debtors or the Estates shall and shall be deemed to be released, terminated, and nullified on the Effective Date.

6. Cancellation of Instruments.

Unless otherwise provided for in the Plan, on the Effective Date, all promissory notes, instruments, indentures, agreements, or other documents evidencing, giving rise to, or governing any Claim against or Interest in the Debtors shall represent only the right, if any, to participate in the Distributions contemplated by the Plan.

K. Other Plan Matters.

1. Executory Contracts and Unexpired Leases.

a. Rejection of Executory Contracts and Unexpired Leases.

From and after the Effective Date, all Executory Contracts that exist between the Debtors and any Person, which have not previously been assumed, assumed and assigned, rejected, or included on the Assumption List, will be deemed rejected pursuant to Section 365 of the Bankruptcy Code. Executory Contracts included on the Assumption List are assumed, effective on the Effective Date of the Plan. Entry of the Confirmation Order shall constitute approval, pursuant to Section 365(a) of the Bankruptcy Code, of the rejection or assumption, as appropriate, of such Executory Contracts rejected or assumed pursuant to the Plan.

b. Claims for Rejection Damages.

Proofs of Claim for damages allegedly arising from the rejection of any Executory Contract pursuant to this Plan must be filed with the Bankruptcy Court and served on the Plan Administrator not later than thirty (30) days after the Effective Date. All Proofs of Claim for such damages not timely filed and properly served as prescribed herein shall be forever barred and the holder of such a Claim shall not be entitled to participate in any distribution under this Plan.

c. Objections to Proofs of Claim Based On Rejection Damages.

Objections to any Proof of Claim based on the rejection of an Executory Contract pursuant to this Plan may be made as otherwise set forth in the Plan.

2. Conditions Precedent to the Effective Date.

The following are conditions precedent to the Effective Date of the Plan: (i) the Bankruptcy Court has entered the Confirmation Order in a form reasonably acceptable to the Debtors; (ii) no stay of the Confirmation Order is in effect; and (iii) all of the other actions needed to be taken or documents needed to be executed or approved to implement the Plan, as determined by the Debtors, have been taken, executed, or approved.

3. Retention of Jurisdiction.

From and after the Effective Date, and notwithstanding the entry of the Confirmation Order, to the extent it has jurisdiction, the Bankruptcy Court shall retain exclusive jurisdiction of the Bankruptcy Cases and all matters arising under, arising out of, or related to the Bankruptcy Cases, the Plan, and the Confirmation Order to the fullest extent permitted by law, including, among other things, jurisdiction to:

- (a) hear and determine motions, applications, adversary proceedings, and contested matters pending or commenced after the Effective Date;
- (b) hear and determine objections (whether filed before or after the Effective Date) to any Claim or Interest;

- (c) estimate any Claim at any time, including, without limitation, during litigation concerning any objection to such Claim, including any pending appeal;
- (d) ensure that Distributions to holders of Allowed Claims are accomplished as provided in this Plan;
- (e) enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, or vacated;
- (f) issue or construe such orders or take any action as may be necessary for the implementation, execution, enforcement and consummation of this Plan and the Confirmation Order, and hear and determine disputes arising in connection with the foregoing;
- (g) hear and determine any applications to modify this Plan, to cure any defect or omission or to reconcile any inconsistency in this Plan, the Disclosure Statement, or in any order of the Bankruptcy Court including, without limitation, the Confirmation Order;
- (h) hear and determine any action concerning the determination of taxes, tax refunds, tax attributes, and tax benefits and similar or related matters with respect to the Debtors or the Estates including, without limitation, matters concerning federal, state and local taxes in accordance with Sections 346, 505, and 1146 of the Bankruptcy Code;
- (i) hear and determine any other matters related hereto and not inconsistent with Chapter 11 of the Bankruptcy Code; and
- (j) enter the Final Decree.

4. Modification of the Plan.

The Plan Proponents may alter, amend, or modify the Plan per Section 1127 of the Bankruptcy Code or as otherwise permitted by applicable law at any time prior to the Confirmation Date. After the Confirmation Date and prior to the substantial consummation of the Plan, any party in interest in the Bankruptcy Cases may, so long as the treatment of holders of Claims or Interests under the Plan are not materially adversely affected, institute proceedings in the Bankruptcy Court to remedy any defect or omission or to reconcile any inconsistencies in the Plan, this Disclosure Statement, or the Confirmation Order, and any other matters as may be necessary to carry out the purposes and intents of the Plan; provided, however, prior notice of such proceedings shall be served in accordance with the Bankruptcy Rules or order of the Bankruptcy Court.

5. Revocation or Withdrawal of the Plan.

The Plan Proponents may revoke or withdraw the Plan at any time prior to the Confirmation Date. If the Plan Proponents revoke or withdraw the Plan prior to the Confirmation Date, the Plan shall be deemed null and void. In such event, nothing contained in the Plan shall be deemed to constitute a waiver or release of any claims by or against the Plan Proponents or

any other Person or to prejudice in any manner the rights of the Plan Proponent or any Person in any further proceedings involving the Plan Proponents.

L. Miscellaneous Provisions.

1. Exemption from Transfer Taxes.

All transfers of Assets made pursuant to the terms of the Plan shall be exempt from all stamp, transfer, and similar taxes within the meaning of Section 1146(c) of the Bankruptcy Code, to the fullest extent permitted by law.

2. Closing of the Bankruptcy Cases.

When all Disputed Claims have become Allowed Claims or have been Disallowed by Final Order, and all remaining Assets have been liquidated and converted into Cash (other than those assets otherwise transferred or abandoned by the Plan Administrator), and such Cash has been distributed in accordance with the Plan, the Plan Administrator shall seek authority from the Bankruptcy Court to close one or more of the Bankruptcy Cases in accordance with the Bankruptcy Code and the Bankruptcy Rules. Alternatively, the Plan Administrator may seek to close the Bankruptcy Cases upon substantial consummation of the Plan.

3. No Admissions.

Notwithstanding anything herein to the contrary, nothing contained in the Plan shall be deemed an admission by the Debtors with respect to any matter set forth in the Plan including, without limitation, liability on any Claim or Interest or the propriety of any classification of any Claim or Interest.

4. Controlling Documents.

If there is an inconsistency or ambiguity between any term or provision contained in this Disclosure Statement and the Plan (including the Plan Supplement), the terms and provisions of the Plan (including the Plan Supplement) shall control. To the extent there is an inconsistency or ambiguity between any term or provision contained in the Plan (including the Plan Supplement) and the Confirmation Order, the terms and provisions of the Confirmation Order shall control.

5. Governing Law.

Except to the extent the Bankruptcy Code, the Bankruptcy Rules, or other federal or state laws are applicable, the laws of the State of New York shall govern the construction, implementation, and enforcement of the Plan and all rights and obligations arising under the Plan, without giving effect to the principles of conflicts of law.

6. Successors and Assigns.

The rights, benefits and obligations of any Person named or referred to in the Plan will be binding upon, and will inure to the benefit of, the heir, executor, administrator, representative, successor, or assign of such Person.

7. Severability.

Should the Bankruptcy Court determine, on or prior to the Confirmation Date, that any provision of the Plan is either illegal or unenforceable on its face or illegal or unenforceable as applied to any Claim or Interest, the Bankruptcy Court may alter and modify such provision to make it valid and enforceable to the maximum extent practicable consistent with the original purpose of such provision. Notwithstanding any such determination, interpretation, or alteration, the remainder of the terms and provisions of the Plan shall remain in full force and effect.

8. Integration.

The Assumption List and documents included in the Plan Supplement, if any, is incorporated in and is a part of the Plan as if set forth in full therein.

9. Binding Effect.

The Plan is binding on and inures to the benefit of (and detriment to, as the case may be) the Debtors and all holders of Claims or Interests (whether or not they have accepted this Plan) and their respective personal representatives, successors, and assigns.

10. Withholding and Reporting.

In connection with the Plan and all instruments issued in connection therewith and distributions thereunder, the Plan Administrator shall comply with all withholding and reporting requirements imposed by any federal, state, local, or foreign taxing authority and all distributions hereunder shall, to the extent applicable, be subject to any such withholding and reporting requirements. Notwithstanding anything in the Plan to the contrary, in calculating and making the payments under this Plan, the Plan Administrator may deduct from such payments any necessary withholding amount.

11. Other Documents and Actions.

Subject to the provisions of the Plan, the Plan Administrator may execute, deliver, file, or record such documents, contracts, instruments, releases and other agreements, and take such other action as is reasonable, necessary, or appropriate to effectuate the transactions provided for in the Plan, without any further action by or approval of the Bankruptcy Court.

**ARTICLE V:
FINANCIAL INFORMATION**

The Debtors have filed their Schedules of assets and liabilities with the Bankruptcy Court. This financial information may be examined in the Bankruptcy Court Clerk's Office.

**ARTICLE VI:
ALTERNATIVES TO CONFIRMATION
AND CONSUMMATION OF THE PLAN**

The Debtors and Committee believe that confirmation of the Plan represents the best mechanism for expediting a distribution of the Debtors Assets to holders of Claims. Indeed, the Debtors commenced these Bankruptcy Cases for the primary purpose of using the bankruptcy

process to facilitate a distribution of Assets through the Plan. The Debtors believe that the alternatives to confirmation of the Plan include (a) development of an alternative plan, (b) dismissal of the Bankruptcy Cases, or (c) conversion of the Bankruptcy Cases to cases under chapter 7 of the Bankruptcy Code and that each of these alternatives is inferior to confirmation of the Plan.

The Plan is a relatively straightforward plan of liquidation that substantially implements the rights that creditors and holders of Interests would otherwise have under a non-bankruptcy distribution of the Debtors' Assets. The Debtors do not believe that an alternative plan structure would benefit the Estates, in part because of the relative simplicity of the Plan. An alternative plan would simply introduce delay and added expense for little, or no, benefit. Therefore, the Debtors believe that an alternative plan is not appropriate.

Dismissal of the Bankruptcy Cases is also an inferior alternative. The Debtors commenced these Bankruptcy Cases specifically to propose and effectuate the Plan. A federal forum, which bankruptcy relief provides, is, in the Debtors' view, the best mechanism to reconcile claims in a timely fashion, determine who is entitled to receive distributions, and to effectuate those distributions. Relief in an alternative state forum is available — although the Debtors believe the process of reconciling claims, and making distributions will be substantially more time consuming and expensive through a state court proceeding. Therefore, dismissal of the Bankruptcy Cases is not an appropriate alternative to the Plan.

Conversion of these cases to cases under Chapter 7 is also an inferior alternative. Conversion of these cases to cases under Chapter 7 would result in the appointment of a Chapter 7 trustee and, likely, the retention of new professionals. The attendant cost and delay would negatively impact the timing and likely also the amount of the distribution to creditors. Furthermore, the flexibility of the plan process, as described in this Disclosure Statement, makes confirmation of the Plan more efficient and effective than conversion of these cases to Chapter 7.

Perhaps most importantly, in the event of a conversion to Chapter 7, Patriot has not agreed to limit the amount of the Patriot Secured Claim recovery to \$300,000, nor has it agreed to a carve-out from its collateral for the payment of all administrative expenses provided for under the Plan. The only funds that are unencumbered are the Vehicle Proceeds.

ARTICLE VII: CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The confirmation and execution of the Plan may have tax consequences to holders of Claims. The Plan Proponents do not offer an opinion as to any federal, state, local, or other tax consequences to holders of Claims and Interests as a result of the confirmation of the Plan. All holders of Claims and Interests are urged to consult their own tax advisors with respect to the federal, state, local and foreign tax consequences of the Plan. This Disclosure Statement is not intended, and should not be construed, as legal or tax advice to any Creditor, Interest holder, or other party in interest.

**ARTICLE VIII:
CONCLUSION AND RECOMMENDATION**

The Debtors and Committee believe that confirmation of the Plan is in the best interests of all holders of Claims and urge all holders of Claims in Classes 3, 4, 6 and 7 to vote to accept the Plan and to evidence such acceptance by returning their Ballots to the Voting Agent at the address set forth above so that they will actually be received on or before 4:00 p.m., Prevailing Eastern Time, on _____, 2018.

Dated: January 12, 2018

Auburn Armature, Inc., EASA I, LLC, and
EASA II, LLC, Debtors

By: /s/Geoffrey L. Murphy
Geoffrey L. Murphy, President

Dated: January 12, 2018
Syracuse, New York

MENTER, RUDIN & TRIVELPIECE, P.C.
*Counsel for Debtors and
Debtors in Possession*

By: /s/Jeffrey A. Dove
Jeffrey A. Dove, Esq. (Bar Roll No. 101532)
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EXHIBIT A

Plan of Liquidation

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK (SYRACUSE DIVISION)

In re:

AUBURN ARMATURE, INC., *et al.*,¹

Debtors.

Main Case No. 17-30743-5-MCR

Chapter 11
Jointly Administered

CHAPTER 11 PLAN OF LIQUIDATION

INTRODUCTION

Auburn Armature, Inc. ("AAI" or "Debtor"), EASA Acquisition I, LLC ("EASA I") and EASA Acquisition II, LLC ("EASA II") (collectively, the "Debtors") hereby propose the following Plan of Liquidation pursuant to Section 1121 of the Bankruptcy Code.

**ARTICLE I:
DEFINITIONS AND INTERPRETATION**

A. Rules of Interpretation.

Unless otherwise specified, all Article and Exhibit references in this Plan are to the respective Article of or Exhibit to this Plan, as the same may be amended or modified from time to time. The headings in this Plan are for convenience of reference only and shall not limit or otherwise affect the provisions hereof. Words denoting the singular number shall include the plural number and vice versa, unless the context requires otherwise. Pronouns stated in the masculine, feminine or neuter gender shall include the masculine, the feminine and the neuter. The words "herein," "hereof," "hereto," "hereunder," and others of similar import refer to this Plan as a whole, and not to any particular section, subsection, or clause contained in the Plan. In construing this Plan, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply, except where otherwise indicated. In computing any period of time prescribed or allowed by this Plan, the provisions of Bankruptcy Rule 9006(a) shall apply, except where otherwise indicated.

B. Definitions.

Terms and phrases, whether capitalized or not, that are used and not defined in this Plan, but that are defined in the Bankruptcy Code, have the meanings ascribed to them in the Bankruptcy Code. Unless otherwise provided in this Plan, the following terms have the respective meanings set forth below, and such meanings shall be

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Auburn Armature, Inc. [2853]; EASA Acquisition I, LLC [7967]; and EASA Acquisition II, LLC [0374].

equally applicable to the singular and plural forms of the terms defined, unless the context otherwise requires.

"Administrative Expense Claim" means a Claim for costs and expenses of administration of the Bankruptcy Cases Allowed under sections 503, 507(a)(1) or 507(b) of the Bankruptcy Code, including but not limited to any Claim for Professional Fees and any claim under section 326 of the Bankruptcy Code, and all fees and costs assessed against the Estates pursuant to 28 U.S.C. § 1930. For the avoidance of doubt, the term Administrative Expense Claim includes claims arising under section 503(b)(9) of the Bankruptcy Code.

"Administrative Expense Claim Bar Date" means the dates specified in Article II(A) of this Plan or as otherwise established by the Bankruptcy Court. For the avoidance of doubt, the Administrative Expense Claims Bar Date applies to claims asserted against the Debtors pursuant to section 503(b)(9) of the Bankruptcy Code.

"Administrative Tax Claim" means an Administrative Expense Claim held by a Governmental Unit for taxes (and for Allowed interest and/or penalties related to such taxes) for any tax year or period, all or any portion of which occurs or falls within the period from and including the Petition Date through and including the Effective Date.

"Allowed" means, as it relates to any type of Claim or Interest, a Claim or Interest: (i) as to which a Proof of Claim or Interest has been properly and timely filed and (a) the Claims and Interest Objection Bar Date has passed and no objection to the Claim or Interest has been filed, (b) if an objection has been timely filed, any portion of such Claim or Interest not subject to such objection, or (c) the Claim or Interest has been Allowed (but only to the extent allowed) by a Final Order; (ii) which the Debtors have scheduled as undisputed, noncontingent and liquidated in the Schedules; or (iii) which has been expressly allowed under the provisions of this Plan.

"Assets" means any asset of the Debtors or their respective Estates.

"Assumption List" means the Schedule X.A.1 to this Plan, as the same may be modified on or prior to the Confirmation Date.

"Ballot" means the ballot, the form of which has been approved by the Bankruptcy Court, accompanying the Disclosure Statement provided to each holder of a Claim or Interest entitled to vote to accept or reject this Plan, on which the holder may vote to accept or reject this Plan.

"Bankruptcy Cases" means the jointly administered Bankruptcy Cases of the Debtors, currently pending in the Bankruptcy Court, and enumerated as Case Nos. 17-30743, 17-30744 and 17-30745.

"Bankruptcy Code" means title 11 of the United States Code, as applicable to this Bankruptcy Cases.

"Bankruptcy Court" means the United States Bankruptcy Court for the Northern District of New York or, if such court ceases to exercise jurisdiction, the court or adjunct thereof that exercises jurisdiction over the Bankruptcy Cases.

"Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure, as amended and promulgated under section 2075 of title 28 of the United States Code, together with the local bankruptcy rules for the Bankruptcy Court as are now in effect or as the same may from time to time hereafter be amended.

"Bar Date" means November 15, 2017, the date fixed by the Bankruptcy Court as the last day for all holders of Claims (including Governmental Units) filing Claims or Interests, including certain Administrative Expense Claims, in the Bankruptcy Cases. For the avoidance of doubt, the Bar Date does not apply to the assertion of Claims arising under section 503(b)(9) of the Bankruptcy Code.

"Business Day" means any day which is not a Saturday, Sunday, or "legal holiday" within the meaning of Bankruptcy Rule 9006(a).

"Cash" means lawful currency of the United States and its equivalents, as well as checks drawn on any United States bank or by wire transfer.

"Claim" means a claim against the Debtors or their property, as such term is defined in Section 101(5) of the Bankruptcy Code.

"Claims and Interests Objection Bar Date" has the meaning ascribed to such term in Article VII(A)(3) of this Plan.

"Class" means one of the categories of Claims or Interests established under Article II of this Plan pursuant to Sections 1122 and 1123(a) of the Bankruptcy Code.

"Committee" means the Official Committee of Unsecured Creditors appointed by the Office of the United States Trustee on June 1, 2017.

"Confirmation Date" means the date on which the clerk of the Bankruptcy Court enters the Confirmation Order on the Bankruptcy Court's docket.

"Confirmation Hearing" means the hearing or hearings before the Bankruptcy Court pursuant to Section 1128 of the Bankruptcy Code to consider confirmation of this Plan, as such hearing or hearings may be continued, rescheduled or delayed.

"Confirmation Order" means the order of the Bankruptcy Court confirming this Plan pursuant to Section 1129 of the Bankruptcy Code, as such order may be amended, modified, or supplemented.

"Delta" means DeltaPoint Capital IV, LP, a secured creditor of the Debtors and the owner of the equity of AAI, and any affiliates of Delta holding a Claim against or Interest in one or more of the Debtors.

"Delta Secured Claim" means the secured claim held by Delta.

"Designated Notice" means notice and an opportunity for a hearing as defined in Section 102(a) of the Bankruptcy Code, with notice limited to the Plan Administrator, the United States Trustee, or their respective counsel, and other parties in interest who, after entry of the Confirmation Order, file a request for such notice with the clerk of the Court and serve a copy of such notice on counsel to the Plan Administrator.

"Disallowed Claim" means a Claim or portion thereof that: (i) has been disallowed by a Final Order, including but not limited to the Confirmation Order; (ii) is identified in the Schedules (a) in the amount of zero dollars, (b) in an unknown amount, or (c) as contingent, unliquidated, or Disputed, and as to which a Proof of Claim was not deemed filed or actually filed by the applicable Bar Date; (iii) is not identified in the Schedules and as to which no Proof of Claim has been filed or deemed filed by the Bar Date; or (iv) was not filed in a timely manner or proper manner as provided by a relevant Order of the Bankruptcy Court.

"Disallowed Interest" means an Interest or portion thereof that: (i) has been disallowed by a Final Order, including but not limited to the Confirmation Order; (ii) is identified in the Schedules (a) in the amount of zero dollars or zero Units, (b) in an unknown amount, or (c) as Disputed, and as to which a Proof of Interest was not deemed filed or actually filed by the applicable Bar Date; or (iii) is not identified in the Schedules and as to which no Proof of Interest has been filed or deemed filed by the Bar Date.

"Disbursing Agent" means the Plan Administrator acting as the disbursing agent for distributions made pursuant to this Plan or any third party hired or designated by the Plan Administrator for such purpose.

"Disclosure Statement" means the disclosure statement approved by the Bankruptcy Court as containing adequate information for the purpose of dissemination and solicitation of votes on and confirmation of this Plan, as it may be altered, amended or modified from time to time in accordance with the provisions of the Bankruptcy Code and the Bankruptcy Rules.

"Disputed" means any Claim or Interest or any portion thereof which is not Allowed or is Disallowed and which is (i) filed but for which no amount was scheduled by the Debtors in the Schedules; (ii) filed in an amount or priority different than was scheduled by the Debtors in the Schedules; (iii) scheduled or filed as contingent, unliquidated, or disputed; (iv) duplicate of another Claim or Interest; or (v) the subject of a pending application, motion, complaint, objection, or any other legal proceeding seeking to disallow, limit, subordinate, or estimate such Claim or Interest.

"Disputed Claims Reserve" means the reserve account established by the Plan Administrator pursuant to Article VIII(G) of this Plan.

"Distribution" means the Initial Distribution, any Interim Distribution, or the Final Distribution, as applicable.

"Distribution Date" means the date of any Distribution.

"Effective Date" is the date that this Plan becomes effective, which will be the first Business Day on which all of the conditions to the Effective Date in Article X(B) have been satisfied or waived.

"Estates" means the Estates for each Debtor created pursuant to Section 541 of the Bankruptcy Code from and after entry of the Order for Relief.

"Executory Contracts" means, collectively, the "executory contracts" and "unexpired leases" of the Debtors as of the Petition Date as such terms are used in Section 365 of the Bankruptcy Code.

"Exculpated Person" means, except as limited and restricted in Article IX of this Plan, the Debtors, the Committee, the Committee Members, but only in their roles as such, and any of the foregoing's respective agents, directors, members, employees, officers, or representatives, serving in such capacity after the Petition Date and prior to the Effective Date.

"Face Amount" means: (i) when used with respect to a Claim, (a) if no Proof of Claim has been filed, the amount of the Claim set forth in the Schedules, or (b) if a Proof of Claim has been filed, the amount asserted in the Proof of Claim; (ii) when used with respect to an Interest, (a) if no Proof of Interest has been filed, the amount of the Interest set forth in the Schedules, or (b) if a Proof of Interest has been filed, the amount asserted in the Proof of Interest.

"Final Decree" means the final decree entered by the Bankruptcy Court closing the Bankruptcy Cases pursuant to Bankruptcy Rule 3022. [Can we close two of the three cases on the Effective Date to save on UST costs?]

"Final Distribution" means the distribution of Cash made pursuant to this Plan which (i) after giving effect to such distribution, results in remaining Assets with a de minimis value, and (ii) the Plan Administrator determines, in accordance with the terms of the Plan Administrator Agreement, to be the final distribution to be made pursuant to this Plan.

"Final Distribution Date" means the date of the Final Distribution.

"Final Order" means a judgment, order, ruling, or other decree issued and entered by the Bankruptcy Court or by any state or other federal court or other tribunal having jurisdiction over the subject matter thereof which judgment, order, ruling, or other decree has not been reversed, stayed, modified, or amended and as to which: (i) the time to appeal or petition for review, rehearing or certiorari or move for reargument has expired or shall have been waived in writing in form and substance satisfactory to the Plan Proponents or the Plan Administrator and as to which no appeal or petition for review, rehearing or certiorari or motion for reargument is pending; or (ii) any appeal or petition for review, rehearing, certiorari or reargument has been finally decided and no

further appeal or petition for review, rehearing, certiorari or reargument can be taken or granted.

"Initial Distribution" means the distribution of Cash made pursuant to Article VIII(C) of this Plan.

"Initial Distribution Date" means the date on which the Plan Administrator makes the Initial Distribution, which date shall not be later than fourteen days after the Effective Date.

"Insider" means an insider within the meaning of Section 101(31) of the Bankruptcy Code.

"Interest" means any equity or similar interest in the Debtors.

"Interim Distribution" means any Distribution other than the Initial Distribution or the Final Distribution.

"Interim Distribution Date" means the date of any Interim Distribution.

"Key" means KeyBank National Association, the senior secured creditor of the Debtors.

"Key Secured Claim" means the secured claim held by Key.

"Lien" means a valid and enforceable lien, mortgage, security interest, pledge, charge, encumbrance, or other legally cognizable security device of any kind against any Asset of the Estates.

"Liquidation Fund" means all Cash of the Debtors and the Estates remaining after: (i) Payment in Full of all Allowed Administrative Claims, all Allowed Priority Claims, allowed Priority Tax Claims, and all Allowed Claims in Classes 1, 2 and 3; (ii) Payment in Full of all fees owing to the Clerk of the Bankruptcy Court, and fees owing to the United States Trustee; (iii) Payment in Full of all post-Confirmation Date fees and expenses, including, without limitation, such fees and expenses incurred or to be incurred by Professionals employed by the Plan Administrator through the closing of this Bankruptcy Cases and entry of a Final Decree (to the extent not included in the Operating Reserve); and (iv) funding of the Operating Reserve. For the avoidance of doubt, the Liquidation Fund does not include the Vehicle Proceeds which are allocated solely to holders of Claims in Class 6.

"Operating Reserve" shall have the meaning ascribed to such term in Article VIII(H) of this Plan.

"Patriot" means Patriot Capital II, L.P., the junior secured creditor of the Debtors.

"Patriot Unsecured Deficiency Claim" means the remaining amount owed to Patriot after satisfaction of the Patriot Secured Claim.

"Patriot Secured Claim" means the secured claim held by Patriot.

"Payment in Full" means with respect to an Allowed Claim or Interest, payment of the full Allowed amount of any Allowed Claim or Interest. After a Claim or Interest has received Payment in Full, the holder of such Claim or Interest shall be entitled to no other or further payment or Distribution of any kind under this Plan.

"Person" means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, joint ventures, trusts, land trusts, business trusts, unincorporated organizations, or other legal entities, irrespective of whether they are governments, agencies or political subdivisions thereof.

"Petition Date" means May 19, 2017.

"Plan" means this plan of liquidation (including all exhibits annexed hereto and any Plan Supplement), either in its present form or as it may be altered, amended or modified from time to time in accordance with the provisions of the Bankruptcy Code and the Bankruptcy Rules.

"Plan Administrator" means the person or entity appointed pursuant to Article VI.C. of the Plan and selected by the Committee and Patriot.

"Plan Administrator Agreement" means the agreement attached to this Plan or the Plan Supplement that governs the rights and obligations of the Plan Administrator.

"Plan Proponents" means the Debtors.

"Plan Supplement" means the supplement to the Plan to be filed by the Plan Proponents with the Bankruptcy Court, which supplement shall contain forms of certain substantially final documents required for the implementation of the Plan, no later than ten (10) days prior to the Confirmation Hearing. The Plan Supplement may include, among other potential items: (a) a substantially final version of the Plan Administrator Agreement, (b) the identity of the Plan Administrator, and [(c) a list of retained Avoidance Actions [TBD]].

"Priority Claim" means a Claim entitled to priority in payment under Section 507 of the Bankruptcy Code, excluding any Claim that is an Administrative Expense Claim or a Priority Tax Claim.

"Priority Tax Claim" means a Claim entitled to priority in payment under Section 502(i) or Section 507(a)(8) of the Bankruptcy Code.

"Professional" means any Person employed or to be compensated pursuant to Sections 326, 327, 328, 330, 331, 503(b), or 1103 of the Bankruptcy Code.

"Professional Fees" means a Claim by a Professional for compensation or reimbursement of expenses pursuant to Sections 326, 327, 328, 330, 331, 503(b) or 1103 of the Bankruptcy Code in connection with an application made to the Bankruptcy Court in the Bankruptcy Cases.

"Proof of Claim" means any form approved by the Bankruptcy Court for a creditor to file a Claim against the Debtors that arose prior to the Petition Date.

"Proof of Interest" means any form approved by the Bankruptcy Court for the holder of an Interest in the Debtors to file such Interest.

"Pro Rata" means, with respect to the holder of a Class 3 Unsecured Claim, the holder's Allowed Claim divided by the sum of all Allowed Class 3 Unsecured Claims.

"Schedules" means the Schedules of Assets and Liabilities and Statement of Financial Affairs that were filed by the Debtors on the Petition Date with the Clerk of the Bankruptcy Court pursuant to Bankruptcy Rule 1007.

"Section 503(b)(9) Proof of Claim Form" means the proof of claim form annexed as Schedule X.A.2 to this Plan that holders of claims arising under section 503(b)(9) of the Bankruptcy Code can use to assert claims prior to the Administrative Claim Bar Date.

"Solicitation Procedures Order" means that order of the Bankruptcy Court entered on the docket in the Bankruptcy Cases at Docket No. [REDACTED] approving, among other things, certain procedures for the solicitation of votes on this Plan.

"Subordinated Unsecured Claim" means an Unsecured Claim subject to an order of the Bankruptcy Court, including but not limited to the Confirmation Order, subordinating such Unsecured Claim to all other Unsecured Claims.

"Unsecured Claim" means any Claim that is not an Administrative Expense Claim, a Priority Tax Claim, a Priority Claim, the Key Secured Claim, the Patriot Secured Claim, the Delta Secured Claim, an Other Secured Claim, or a Subordinated Unsecured Claim.

"Vehicle Proceeds" means the proceeds of \$90,326.02 received from the liquidation of the Debtors' unencumbered vehicles to be distributed to holders of Class 6 Unsecured Claims.

"Voting Deadline" means the deadline set by the Bankruptcy Court for parties entitled to vote on this Plan to submit their Ballots to accept or reject this Plan.

"Voting Record Date" means, for purposes of establishing who can vote on this Plan, the date on which the Bankruptcy Court enters an order on the docket in the Bankruptcy Cases finding that the Disclosure Statement contains adequate information within the meaning of Section 1125 of the Bankruptcy Code.

**ARTICLE II:
DESIGNATION AND TREATMENT OF UNCLASSIFIED
ADMINISTRATIVE EXPENSE CLAIMS AND PRIORITY TAX CLAIMS**

A. Administrative Expense Claims.

1. *Bar Date for Administrative Expense Claims.* Except as may otherwise be provided by separate order of the Bankruptcy Court, any holder of an Administrative Expense Claim [Should a form be attached to the Plan for these claims?], including claims asserted under section 503(b)(9) of the Bankruptcy Code, other than an Administrative Expense Claim for Professional Fees, that has not been paid, released, or otherwise settled prior to the Effective Date must file any request for payment of the Administrative Expense Claim on or before the date that is thirty (30) days after the Effective Date of the Plan. **Holders of claims arising under section 503(b)(9) of the Bankruptcy Code must submit their claim on the Section 503(b)(9) Proof of Claim Form annexed as Schedule X.A.2 to this Plan before the Administrative Expense Bar Date.**

Any request for payment of an Administrative Expense Claim that is subject to this Article II that is not timely filed as set forth above will be forever barred and treated as Disallowed by operation of confirmation of this Plan, without the need for any party to file any objection or other pleading, and holders of such Administrative Expense Claims shall be prohibited from asserting such Administrative Expense Claims in any manner against the Debtors, the Plan Administrator, or any of the foregoing parties' assets, accountants, advisors, agents, attorneys, consultants, directors, employees, members, officers, representatives, or Professionals.

2. *Distributions on Account of Allowed Administrative Expense Claims.* Except if the holder of an Allowed Administrative Expense Claim agrees to a different treatment, each holder of an Allowed Administrative Expense Claim shall receive, in full satisfaction, release and discharge of and in exchange for such Claim, Cash in accordance with Article VIII(A) of this Plan.

B. Priority Tax Claims.

The Internal Revenue Service has filed a claim in the amount of \$7,000 for estimated FUTA obligations for the period ending December 31, 2017. The New York State Department of Taxation and Finance has filed a claim in the amount of \$25,574.01 for estimated corporate taxes for the period ending December 31, 2017. The Debtor does not believe that there will be any unpaid Priority Tax Claims actually due once the appropriate returns are filed, but in the event that there are valid Priority Tax Claims, each holder of an Allowed Priority Tax Claim shall receive, in full satisfaction, release and discharge of and in exchange for such Claim, Distributions as set forth in Article VIII(B) of this Plan.

**ARTICLE III:
CLASSIFICATION AND TREATMENT OF
CLAIMS AND EQUITY INTERESTS**

A. Designation of Classes.

For purposes of voting, distribution and confirmation of this Plan, and as established in the Solicitation Procedures Order, this Plan classifies the Claims against and Interests in the Debtors as follows:

Class 1 — Priority Claims

Class 2 — Key Secured Claim

Class 3 — Patriot Secured Claim

Class 4 — Delta Secured Claim

Class 5 — Other Secured Claims

Class 6 — Unsecured Claims

Class 7 — Subordinated Unsecured Claims

Class 8 — Interests

B. Treatment of Classified Claims and Interests.

1. *Class 1 — Allowed Priority Claims.* Each holder of an Allowed Priority Claim will receive in full satisfaction, release and discharge of and in exchange for such Claim: (i) the amount of such Allowed Priority Claim, with interest, if any, as the Bankruptcy Court may determine, in Cash, on or as soon as practicable after the later of (a) the Effective Date, or (b) the date that is ten (10) Business Days after such Claim is Allowed; or (ii) such other treatment as may be agreed upon in writing by the holder of such Claim and the Debtors or Plan Administrator, as applicable.

Class 1 Claims are unimpaired under the Plan, are deemed to accept the Plan, and are not entitled to vote on the Plan.

2. *Class 2 — Key Secured Claim.* The Key Secured Claim has been satisfied by payment during the Bankruptcy Cases, with the exception of the right to receive up to \$50,000 from any recovery by the Debtors on account of certain accounts receivable put back on the Debtors by the purchaser of substantially all of the Debtors' assets. Such right is included in the Final Order Approving the Debtors' Emergency Motion For Order Authorizing The Debtors To Incur Post-Petition Senior Secured, Super-Priority Indebtedness, And Providing Adequate Protection, All Pursuant to Sections 361, 363 And 364 Of the Bankruptcy Code (the "Final DIP Order") [Dkt. No. 112]. Key is entitled

to receive 75% of the proceeds of the rejected receivables until it receives a total of \$50,000.

The Class 2 Key Secured Claim is unimpaired under the Plan, is deemed to accept the Plan, and is not entitled to vote on the Plan.

3. *Class 3 — Patriot Secured Claim.* Patriot has agreed to have the Patriot Secured Claim fixed in the amount of \$300,000 even through the face amount of the claim is at least \$6.275 million. The holder of the Patriot Secured Claim shall receive, on the Initial Distribution Date, payment of \$300,000 in full satisfaction, release, and discharge of and in exchange for such Claim. The balance of Patriot's collateral, which for the avoidance of doubt does not include the Vehicle Proceeds, will be distributed as described below.

The Class 3 Patriot Secured Claim is impaired under the Plan and the holder of such Claim is entitled to vote on the Plan.

4. *Class 4 — Delta Secured Claim.* Delta was listed in the Debtors' Schedules as holding claims in the approximate amount of \$2.8 million secured by a third priority lien on substantially all of the Debtors' assets. As evidenced by the fixed amount of the Patriot Secured Claim, the value of the Debtors' assets is insufficient to provide any security to Delta. Accordingly, under 11 U.S.C. §506(a)(1), Delta's claim shall be treated as entirely unsecured and shall be subordinated to the Class 6 Unsecured Claims and treated as a Class 7 subordinated unsecured claim.

The Class 4 Delta Secured Claim is impaired under the Plan and the holder of such Claim is deemed to have rejected the Plan and is not entitled to vote on the Plan.

5. *Class 5 — Other Secured Claims.* The holders of any other Allowed Claims secured by a first priority security interest in the Debtors' assets, if any, shall be entitled to recover such collateral in full satisfaction and discharge of such claim.

Class 5 Claims are unimpaired under the Plan and the holders of such Claims are deemed to accept the Plan.

6. *Class 6 — Unsecured Claims.* Each holder of an Allowed Unsecured Claim in Class 6 (excluding the Patriot Unsecured Deficiency Claim) will receive a pro rata share of the Vehicle Proceeds. Each holder of an Allowed Unsecured Claim in Class 6, including Patriot on account of the Patriot Unsecured Deficiency Claim, shall receive a pro rata distribution of the Liquidation Fund.

Class 6 Claims are impaired under the Plan and the holders of such Claims are entitled to vote on the Plan.

7. *Class 7 — Subordinated Unsecured Claims.* The holders of Allowed Subordinated Unsecured Claims shall receive a pro rata distribution from the Liquidation Fund, if and only to the extent that any cash remains in the Liquidation Fund after payment in full of all Allowed Class 6 Claims.

Class 7 Claims are impaired under the Plan and the holders of such Claims are entitled to vote on the Plan.

8. *Class 8 — Interests.* The holders of Interests in the Debtors shall receive no distributions on account of such Interests.

All Interests shall be deemed extinguished on the Effective Date of the Plan, and the holders of Interests are deemed to have rejected the Plan and are not entitled to vote on the Plan.

C. Impairment, Classification, and Related Disputes.

If a holder of a Claim or Interest disputes the classification of a Claim or Interest or the treatment of a Class (including whether a Class is impaired or unimpaired), the holder of the Claim or Interest may file a motion with the Bankruptcy Court to challenge the classification, characterization or treatment of the Claim, the Interest, or the Class or may file an objection to confirmation of this Plan. The deadline to file any such motion or objection is the deadline set by the Bankruptcy Court to object to confirmation of this Plan. If the Bankruptcy Court does not grant the motion or otherwise confirms this Plan without conditioning confirmation upon any grounds raised in such a motion or objection, the treatment, characterization, and classification set forth in this Plan will be binding upon all holders of Claims and Interests.

D. Postpetition Interest

Nothing in the Plan or the Disclosure Statement will be deemed to entitle the holder of a Claim to receive postpetition interest on account of such Claim, except to the extent that the Holder of a Claim has the benefit of a Lien on assets that exceed the value of such Claim or the Plan expressly provides for postpetition interest on account of such Claim.

**ARTICLE IV:
ACCEPTANCE OR REJECTION OF THIS PLAN**

A. Classes and Claims Entitled to Vote.

Creditors in Classes 1, 2 and 5 are unimpaired and are therefore deemed to accept this Plan. Holders of Claims in Class 3, 6 and 7 are impaired and may vote on this Plan. Holders of Class 4 Claims and Class 8 Interests shall neither receive nor retain any property under this Plan and are therefore deemed to have rejected the Plan.

Class	Status	Voting Rights
Class 1 – Priority Claims	Unimpaired	Not Entitled to Vote and deemed to accept the Plan.
Class 2 – Key Secured Claim	Unimpaired	Not Entitled to Vote and deemed to accept the Plan.
Class 3 – Patriot Secured Claim	Impaired	Entitled to Vote
Class 4 – Delta Secured Claim	Impaired	Not Entitled to Vote and deemed to reject the Plan.
Class 5 – Other Secured Claims	Unimpaired	Not Entitled to Vote and deemed to accept the Plan.
Class 6 – Unsecured Claims	Impaired	Entitled to Vote
Class 7 – Subordinated Unsecured Claims	Impaired	Entitled to Vote
Class 8 – Interests	Impaired	Not Entitled to Vote and deemed to reject the Plan.

B. Acceptance by a Class of Claims.

Except as provided in Section 1126(e) of the Bankruptcy Code, a Class of Claims will accept this Plan if holders of one half in number and two-thirds in amount of Claims in that Class, actually voting, timely and properly vote to accept this Plan.

C. Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code.

The Plan Proponents reserve the right to seek confirmation pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests.

**ARTICLE V:
EFFECTS OF CONFIRMATION**

A. Assets to Remain in Estates; No Revesting of Assets.

Notwithstanding Section 1141(b) of the Bankruptcy Code, Assets shall not revert in the Debtor, but shall remain subject to the jurisdiction of the Bankruptcy Court, under the exclusive control of the Plan Administrator, until distributed to holders of Allowed Claims and Interests, as applicable, in accordance with the provisions of this Plan and the Confirmation Order.

B. Preservation and Retention of Claims and Defenses of the Debtors and Right to Object to Claims and Interests.

Confirmation of this Plan will have no impact upon, will not waive and will not render res judicata any claims or defenses the Debtors or the Plan Administrator, as applicable, may have (including rights of setoff) in any action brought by or against them. All of the Debtors claims and causes of action are specifically preserved and upon the Effective Date, shall be deemed assigned to the Plan Administrator. The rights and claims preserved and to be assigned include, but are not limited to, all rights and claims the Debtors have under Sections 502(d), 544, 545, 547, 548, 552(b) or 553 of the Bankruptcy Code.

C. Authority to Effectuate this Plan.

Except as expressly set forth in this Plan, on the Effective Date, all matters provided for under this Plan will be authorized and approved without further approval or order of the Bankruptcy Court.

D. No Waiver of Legal Privileges.

Confirmation of this Plan will not waive the attorney-client, work product or other legal privileges of the Debtors, and such privileges will be specifically preserved for the benefit of and transferred to the Plan Administrator.

E. Closing of EASA I and EASA II Cases.

Because EASA I and EASA II have no debts or assets independent of AAI, confirmation of the Plan shall also constitute, and the Confirmation Order shall direct, the closing of the EASA I and EASA II cases.

**ARTICLE VI:
MEANS OF IMPLEMENTATION OF THIS PLAN**

A. Entity Existence.

1. *Continued Entity Existence.* The Debtors shall continue in existence after the Effective Date pursuant to the terms of this Plan, their by-laws and other entity governance documents, as the same were in effect prior to the Effective Date, except to the extent that such entity governance documents are deemed amended by the terms of this Plan, for the limited purpose of (i) effectuating the terms of this Plan, (ii)

liquidating the Assets, (iii) making distributions in accordance with this Plan; and (iv) filing appropriate tax returns.

2. *Dissolution of Debtors.* As soon as practicable after the Plan Administrator liquidates or otherwise disposes of the Assets and makes the Final Distribution, the Plan Administrator may, at the expense of the Estates, (i) unless otherwise permitted by the Bankruptcy Court, provide for the retention of books and records delivered to or created by the Plan Administrator until the time that such books and records are no longer required to be retained under applicable law, and file a certificate with the Bankruptcy Court stating the location at which such books and records are being stored, (ii) file a certificate with the Bankruptcy Court stating that the Plan Administrator has liquidated or otherwise disposed of the Assets and made a Final Distribution under this Plan, and (iii) file a certificate of cancellation or any necessary paperwork to effectuate the dissolution of the Debtors in accordance with applicable law. In the discretion of the Plan Administrator, the dissolution of EASA I and EASA II may be effectuated at any time after the Effective Date.

B. Entity Governance Documentation.

On the Effective Date, the governance documents will be deemed restated to, among other things, (i) prohibit the issuance of non-voting equity securities and (ii) limit the activities of the Debtors to matters related to the implementation of this Plan and to matters reasonably incidental thereto.

C. The Plan Administrator.

1. *Appointment of the Plan Administrator.* The identity of the Plan Administrator shall be included in the Plan Supplement. Such appointment shall become effective upon the Effective Date.

2. *Rights, Powers, and Duties of the Plan Administrator.* The Plan Administrator will succeed to all of the rights and powers of the Debtors necessary or appropriate to effectuate the terms of this Plan. The rights and obligations of the Plan Administrator shall be set forth in the Plan Administrator Agreement.

3. *Compensation of the Plan Administrator.* The Plan Administrator will be compensated from the Operating Reserve. The compensation payable to the Plan Administrator shall be based on the hourly rates of the Plan Administrator and those persons employed by the Plan Administrator to effectuate the terms of this Plan, as well as the other expenses incurred to effectuate this Plan. The Plan Administrator may pay itself compensation from the Operating Reserve without prior order of the Bankruptcy Court. Unless otherwise ordered by the Bankruptcy Court, the Plan Administrator shall file a notice with the Bankruptcy Court on a quarterly basis summarizing all compensation paid to the Plan Administrator from and after the Effective Date.

4. *Limitations on Liability.* The Plan Administrator shall not incur liability to any Entity by reason of discharge of its duties as set forth in this Plan, except in the event of gross negligence or willful misconduct.

5. *Retention of Professionals.* The Plan Administrator may retain attorneys, accountants, or other professionals to represent the interests of the Plan Administrator or the Debtors, including attorneys, accountants, and other professionals previously employed by the Debtors. The Plan Administrator may compensate such Professionals from the Operating Reserve without prior order of the Bankruptcy Court.

D. Resignation of Officers and Directors.

As of the Effective Date, any of the Debtors' remaining officers and members of their boards of directors shall be deemed to have resigned, if they have not already done so, without the necessity of any further action or writing, and they shall be released from any responsibilities, duties, and obligations that arise after the Effective Date to the Debtors or their creditors under the Plan or applicable law.

[In this section we should reference the source of funding for the Plan even if it is no more than saying it is all the cash and other assets of the estate due to Patriot's waiver of a portion of its claim]

**ARTICLE VII:
PROVISIONS FOR THE RESOLUTION OF CLAIMS
AGAINST AND INTERESTS IN THE DEBTORS AND DISPOSITION OF ASSETS**

A. Objections To and Resolution of Claims Against and Interests in the Debtors.

1. *Authority to Object to and Resolve Objections to Claims and Interests.* The Debtor or the Plan Administrator, as applicable, may prosecute, settle, or decline to pursue objections to any Claims against or Interests in the Debtors in accordance with the terms of this Plan, whether objections to the Claims or Interests were filed prior to or after the Effective Date. If the Plan Administrator declines to prosecute or pursue an objection to any Claim, then Patriot may do so, at its own expense.

2. *Limitations on Filing Objections to Claims and Interests.* From and after the Effective Date, no party other than the Plan Administrator or Patriot may object to Claims or Interests.

3. *Deadline for Objection to Claims and Interests.* The deadline to file any objections to Claims and Interests, including Administrative Expense Claims, that are not subject to a pending objection on the Effective Date shall be one hundred and twenty (120) days after the Effective Date (the "**Claim and Interests Objection Bar Date**"). The Plan Administrator may seek one or more extensions from the Bankruptcy Court of the time to file an objection to any Claim or Interest. The filing of a motion by the Plan Administrator to extend the time to file an objection to a timely filed Claim or Interest will automatically extend the date by which the Plan Administrator must file objections to a timely filed Claim or Interests until a Final Order is entered on the motion.

4. *Bankruptcy Court Approval.* Resolution by the Plan Administrator of any Disputed Claim or Interest which is not opposed by Patriot within 15 days of notice of such resolution being given to Patriot, shall not require approval by the Bankruptcy Court. If Patriot provides the Plan Administrator with written notice of its opposition to a proposed resolution within such 15 notice day period, the Plan Administrator shall be required to obtain Court approval for the resolution. The Plan Administrator may resolve any Disputed Claim or Interest where the Face Amount of such Disputed Claim or Interest is equal to or less than \$100,000 without any requirement for the consent of Patriot or approval of the Bankruptcy Court. If Patriot pursues an objection to a Claim in accordance with Article VII(A)(1) above, no approval of the Plan Administrator or Court shall be required for any resolution of such objection.

5. *Estimation of Claims.* The Plan Administrator or the Debtors, as applicable, may at any time request that the Bankruptcy Court estimate any Claim pursuant to section 502(c) of the Bankruptcy Code. The Bankruptcy Court may estimate Claims to: (i) establish the Allowed amount of the Claim for purposes of voting and distribution; or (ii) to establish the maximum amount of any such Claim, without prejudice to the Plan Administrator later objecting to the Claim.

B. Liquidation of Assets.

The Plan Administrator may sell or dispose of assets. From and after the Effective Date, the Plan Administrator may use, sell, assign, transfer, abandon or otherwise dispose of the Assets at a public or private sale without Bankruptcy Court approval. The Plan Administrator shall also be entitled to settle claims of the Estates having a face value of \$75,000 or less without Bankruptcy Court approval.

ARTICLE VIII: DISTRIBUTIONS

A. Distributions on Account of Allowed Administrative Expense Claims.

Subject to rights of set-off preserved under this Plan, the Plan Administrator will pay Allowed Administrative Expense Claims in full, in Cash, on or as soon as practicable after the later of (a) the Initial Distribution Date, or (b) the date that is ten (10) Business Days after the Claim becomes an Allowed Administrative Expense Claim; or (c) at such other time and in such other manner as may be agreed upon in writing between the holder of the Allowed Administrative Expense Claim and the Plan Administrator.

B. Distributions on Account of Allowed Priority Claims and Priority Tax Claims.

Subject to rights of set-off preserved under this Plan, in the Plan Administrator's discretion, the Plan Administrator will pay Allowed Priority Claims and Allowed Priority Tax Claims in full and in Cash on or as soon as practicable after the later of (a) the Initial Distribution Date, or (b) the date that is ten (10) Business Days after the Claim

becomes an Allowed Priority Claim or Allowed Priority Tax Claim; or (c) at such other time and in such other manner as may be agreed upon in writing between the holder of the Allowed Priority Claim or Allowed Priority Tax Claim and the Plan Administrator.

C. Distributions on Account of Classified Claims.

1. Claims Allowed Prior to the Initial Distribution Date. Subject to rights of set-off preserved under this Plan, on the Initial Distribution Date, the Plan Administrator will distribute Cash to each holder of a Claim in Classes 1 through 3 that is Allowed prior to the Initial Distribution Date as provided in this Plan.

2. Claims Allowed on or After the Initial Distribution Date. Subject to rights of set-off preserved under this Plan, for Claims Allowed on or after the Initial Distribution Date, the Plan Administrator will make a distribution to the holder of such an Allowed Claim on the first Interim Distribution Date after such Claim is Allowed in an amount equal to the amount that would have been paid to the holder if the Claim had been Allowed prior to the Initial Distribution Date.

D. Distributions Paid to Holders of Record.

The Disbursing Agent will make Distributions under this Plan to the holder of record of Allowed Claims. For purposes of making Distributions, the following applies: (i) if no Proof of Claim has been filed, the holder of record and its address will be as identified in the Schedules; (ii) if a Proof of Claim has been filed, the holder of record and its address will be as identified in the Proof of Claim; (iii) if a notice of transfer of Claim has been properly filed pursuant to Rule 3001(e) of the Bankruptcy Rules not less than thirty days prior to any Distribution Date and no objection to the transfer of Claim has been filed, then to the holder of record and its address as identified on the notice of transfer of Claim as filed with the Bankruptcy Court.

E. No Distributions on Account of Disputed or Disallowed Claims.

Except as may otherwise be ordered by the Bankruptcy Court or authorized under the terms of this Plan, the Plan Administrator will make no Distribution to the holder of a Disputed Claim until the Disputed Claim becomes an Allowed Claim. The Plan Administrator will not make Distributions to holders of Disallowed Claims.

F. Setoff.

The Plan Administrator may set-off against any otherwise Allowed Claim or Interest (and distributions to be made thereto), the claims, rights and causes of action of any nature (regardless of whether such claims, rights, or causes of action are reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured) that the Debtors or the Estates may hold under the Bankruptcy Code or applicable non-bankruptcy law (and notwithstanding any limitations or restrictions placed on such rights under the Bankruptcy Code) against the holder of an otherwise Allowed Claim or Interest or any recipient of any distribution in respect of an otherwise Allowed Claim or Interest. Neither

the failure to effect such a set-off nor the Allowance of any Claim or Interest under this Plan will waive or release any such Claims, rights and causes of action that the Debtors or Plan Administrator, as applicable, may possess under the Bankruptcy Code or applicable nonbankruptcy law.

Holders of Claims can only exercise setoff rights against the Debtors or Plan Administrator, as applicable, if such setoff was formally asserted in a timely filed Proof of Claim or in a pleading filed with the Bankruptcy Court prior to entry of the Confirmation Order.

G. The Disputed Claims Reserve.

On the Effective Date, the Plan Administrator will establish and maintain a reserve (the "Disputed Claims Reserve") to reserve for and fund the payment of Disputed Claims. The amount of the Disputed Claims Reserve will be equal to the sum of the following: (i) the Face Amount of all unpaid Disputed Priority Claims, Disputed Priority Tax Claims, Disputed Administrative Claims and Class 1 Disputed Claims, and (ii) the estimated amount of money that would otherwise have been distributed to all Class 6 Disputed Claims if such Disputed Claims had been Allowed Claims. There shall be no requirement to hold any amounts in reserve for Class 7 Claims or Class 8 Interests. The Plan Administrator will, from time to time, recalculate the amount of the Disputed Claims Reserve and may use Cash withdrawn from the Disputed Claims Reserve for distributions in accordance with the terms of this Plan.

H. The Operating Reserve.

From and after the Effective Date, the Plan Administrator will establish and maintain a reserve (the "Operating Reserve") to fund the payments required to be made under this Plan, fees to the Clerk of the Bankruptcy Court, and fees to the United States Trustee, as well as to enable the Plan Administrator to pay post-Effective Date fees and expenses, including, without limitation, those incurred or to be incurred by Professionals employed by the Plan Administrator through the closing of this Bankruptcy Cases and entry of a Final Decree. The initial Operating Reserve shall be fixed at \$40,000. The Plan Administrator may, from time to time, recalculate the amount of the Operating Reserve.

I. Maintenance of the Disputed Claims Reserve, the Operating Reserve, and Other Cash of the Debtors and the Estates.

Except as otherwise provided in this Plan, the Plan Administrator may hold Cash of the Estates in one or more accounts that the Plan Administrator determines to be in the best interests of the Estates. Any reference to the establishment or maintenance of any reserves contained in this Plan, including the Disputed Claims Reserve and the Operating Reserve, will not require the Plan Administrator to establish separate deposit or similar accounts for such reserves. The establishment of reserves under this Plan may be accomplished by accounting, general ledger, paper, or other book entry, as the Plan Administrator may determine.

J. Finality of Distributions.

All Distributions made under this Plan are final, and no party may seek disgorgement of any Distributions made under this Plan by the Plan Administrator.

K. Manner of Payment; Delivery of Distributions.

Except as otherwise set forth in this Plan, the Disbursing Agent will make all Distributions under this Plan in Cash made by check drawn on a domestic bank or by wire transfer or ACH transfer from a domestic bank. Wire transfer or ACH fees, if any, imposed on a Distribution, shall be deducted from the Distribution.

L. Undeliverable Distributions.

A Distribution shall be deemed undeliverable if: (a) the holder of the Claim has not provided the Plan Administrator with necessary tax documentation for at least ninety days after the Plan Administrator has first requested it; (b) the holder of the Claim has not cashed or otherwise negotiated a Distribution for at least ninety days after the date of the mailing of the check; or (c) after exercising reasonable diligence to locate the holder of a right to receive a Distribution, the Plan Administrator is unable to locate such holder. If a Distribution is deemed to be undeliverable as provided herein, the Claim upon which such Distribution was paid or was available to be paid shall be deemed to be a Disallowed Claim and any such Distribution will become an asset of the Estates available for Distribution to holders of Allowed Claims.

M. Fractional Amounts.

The Disbursing Agent may elect not to make Distributions of Cash in fractions of dollars. Whenever any payment of a fraction of a dollar under this Plan would otherwise be called for, the Disbursing Agent may round the amount of such Distribution to the nearest dollar (up or down).

N. De Minimis Distributions.

The Plan Administrator shall have no duty to make a distribution on account of any Allowed Claim (i) if the aggregate amount of all distributions authorized to be made on such date is less than \$30,000, in which case such distributions shall be deferred to the next distribution, (ii) if the amount to be distributed to a holder on the particular distribution date is less than \$25.00, unless such distribution constitutes the final distribution to such Holder, or (iii) if the amount of the final distribution to such Holder is \$5.00 or less, in which case no distribution will be made to that holder, such distribution shall revert to the Plan Administrator for distribution on account of other Allowed Claims, and that holder shall be forever barred from asserting such claim against the Assets or the Plan Administrator.

After Final Distributions have been made in accordance with the terms of the Plan and the Plan Administrator Agreement, if the amount of remaining is less than \$10,000, the Plan Administrator shall donate such amount to the American Bankruptcy

Institute Endowment Fund, a not-for-profit nonreligious organization dedicated to, among other things, promoting research and scholarship in the area of insolvency, free of any restrictions thereon, notwithstanding any federal or state escheat laws to the contrary.

0. Compliance with Tax Requirements/Allocations.

The Plan Administrator will comply with tax withholding and reporting requirements imposed by any governmental unit in making Distributions under this Plan, and will be responsible for filing any tax returns relating to the Estates. All Distributions pursuant to this Plan will be subject to withholding and reporting requirements. The Plan Administrator may withhold Distributions due to any holder of an Allowed Claim until the holder provides the Plan Administrator with the necessary information to comply with withholding requirements of any governmental unit. The Plan Administrator will pay any withheld Distributions to the appropriate authority. If the holder of an Allowed Claim fails to provide the Plan Administrator with the information necessary to comply with withholding requirements of any governmental unit within 90 days after the date of first notification by the Plan Administrator to the holder of the need for such information, then the holder's Distributions will be treated as undeliverable. For tax purposes, Distributions received in respect of an Allowed Claim will be allocated first to the principal amount of the Claim, with any excess allocated to unpaid accrued interest.

**ARTICLE IX:
SATISFACTION OF CLAIMS, INJUNCTIONS,
AND LIMITATIONS OF LIABILITY**

A. Satisfaction of Claims; Injunction.

Pursuant to Section 1141(d)(3) of the Bankruptcy Code, confirmation of this Plan will not discharge Claims against the Debtors. However, no holder of a Claim against or Interest in the Debtors may, on account of such Claim or Interest, seek or receive any payment or other distribution from, or seek recourse against, the Debtors, the Plan Administrator, the Disbursing Agent, or the Estates, except as expressly provided in this Plan. Accordingly, except as otherwise provided in this Plan, the Confirmation Order shall provide, among other things, that from and after confirmation of this Plan until entry of the Final Decree, all Persons who have held, hold, or may hold Claims against or Interests in the Debtors are enjoined from taking any of the following actions against the Debtors, the Plan Administrator, the Disbursing Agent, or the Estates: (i) commencing or continuing, in any manner or any place, any action or other proceeding; (ii) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order; (iii) creating, perfecting, or enforcing any lien or encumbrance; and (iv) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of this Plan; provided, however, that nothing contained herein shall: (i) preclude any Person from exercising their rights pursuant to and consistent with the terms of this Plan; or (ii) enjoin or otherwise stay or limit any action or other

undertaking not stayed under Section 362 of the Bankruptcy Code. Notwithstanding anything to the contrary set forth in this Plan, all rights of setoff and recoupment are preserved, and the injunctions referenced in this Article IX will not enjoin the valid exercise of such rights of setoff or recoupment.

B. No liability for Solicitation or Participation.

Pursuant to section 1125(e) of the Bankruptcy Code, Persons that solicit acceptances or rejections of this Plan, in good faith and in compliance with the applicable provisions of the Bankruptcy Code, shall not be liable, on account of such solicitation or participation, for violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of this Plan or the offer, issuance, sale, or purchase of securities.

C. Limitation of liability of Exculpated Persons.

Exculpated Persons shall not have or incur any liability to any Person for any act taken or omission made in good faith in connection with or in any way related to negotiating, formulating, implementing, confirming, or consummating this Plan, the Disclosure Statement, or any contract, instrument, release, or other agreement or document created in connection with or related to this Plan or any aspect of the Bankruptcy Cases. Exculpated Persons shall have no liability to any Person for actions taken in good faith under or relating to this Plan, including, without limitation, failure to obtain confirmation of this Plan or to satisfy any condition or conditions, or refusal to waive any condition or conditions precedent to confirmation or to the occurrence of the Effective Date. Further, Exculpated Persons shall not have or incur any liability to any Person for any act or omission in connection with or arising out of their administration of this Plan or the property to be Distributed under this Plan or the operations or activities of any Exculpated Person except for gross negligence or willful misconduct, as determined by the Bankruptcy Court, and, in all respects, Exculpated Persons shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under this Plan.

D. Term of Injunctions and Stays.

Unless otherwise provided herein or in another order of the Bankruptcy Court, all injunctions or stays provided for in the Bankruptcy Cases pursuant to Sections 105, 362, and 524 of the Bankruptcy Code, or otherwise, and in effect on the Confirmation Date shall remain in full force and effect until the Effective Date; provided however, that the provisions of Section 362 of the Bankruptcy Code will remain in effect with respect to property of the Estates until entry of the Final Decree.

E. Release of Liens.

Except as otherwise provided in this Plan or the Confirmation Order, all Liens, security interests, deeds of trust, or mortgages against property of the Debtors or the

Estates shall and shall be deemed to be released, terminated, and nullified on the Effective Date.

F. Cancellation of Instruments.

Unless otherwise provided for herein, on the Effective Date, all promissory notes, instruments, indentures, agreements, or other documents evidencing, giving rise to, or governing any Claim against or Interest in the Debtors shall be deemed extinguished and represent only the right, if any, to participate in the Distributions contemplated by this Plan.

G. Release of Patriot.

In consideration of Patriot's agreement to carve out funds from its collateral to permit payment of priority unsecured claims and also limit its recovery on its Class 3 Secured Claim to \$300,000 thereby providing funds to enable a distribution to Class 6 Unsecured Claims, and pursuant to section 1123(b) of the Bankruptcy Code and except as otherwise specifically provided in this Plan, on the Effective Date Patriot and its partners (but with respect to the Patriot partners, only in their roles as such and with respect to actions taken during and related to the Bankruptcy Cases), shall be released and discharged by the Debtors, the Estate and the Plan Administrator, from any and all claims, obligations, rights, suits, damages, Causes of Action, remedies and liabilities whatsoever, including any derivative claims asserted or assertable on behalf of Debtors, including but not limited to direct or derivative claims that could be asserted by the Committee, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity or otherwise, that the Committee, Debtors, the Estates, the Plan Administrator or their respective affiliates, if any, would have been legally entitled to assert in their own right or on behalf of the holder of any Claim or Interest or other Person, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the financial accommodations provided to the Debtors by Patriot, the Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any asset or security of the Debtors, the subject matter of, or the transactions or event giving rise to any Claim or Interest that is treated in this Plan, the business or contractual arrangements between the Debtors and Patriot, the restructuring of Claims before or during the Chapter 11 Cases, the negotiation, formulation or preparation of this Plan, the Disclosure Statement, the Plan Supplement or related agreements, instruments or documents.

**ARTICLE X:
OTHER PLAN MATTERS**

A. Executory Contracts and Unexpired Leases.

1. Rejection of Unassumed Executory Contracts and Unexpired Leases.
From and after the Effective Date, all Executory Contracts that exist between the Debtors and any Person, which have not previously been assumed, assumed and assigned, rejected, or included on the Assumption List, will be deemed rejected

pursuant to section 365 of the Bankruptcy Code. Executory Contracts included on the Assumption List are assumed, effective on the Effective Date of this Plan. Entry of the Confirmation Order shall constitute approval, pursuant to section 365(a) of the Bankruptcy Code, of the rejection or assumption, as appropriate, of such Executory Contracts rejected or assumed pursuant to this Plan.

2. *Claims for Rejection Damages.* Proofs of Claim for damages allegedly arising from the rejection of any Executory Contract pursuant to this Plan must be filed with the Bankruptcy Court and served on the Plan Administrator not later than thirty (30) days after the Effective Date. All Proofs of Claim for such damages not timely filed and properly served as prescribed herein shall be forever barred and the holder of such a Claim shall not be entitled to participate in any distribution under this Plan.

3. *Objections to Proofs of Claim Based on Rejection Damages.* Objections to any Proof of Claim based on the rejection of an Executory Contract pursuant to this Plan may be made as otherwise set forth in this Plan.

B. Conditions Precedent to the Effective Date.

The following are conditions precedent to the Effective Date of this Plan: (i) the Bankruptcy Court has entered the Confirmation Order in a form reasonably acceptable to the Plan Proponents; (ii) no stay of the Confirmation Order is in effect; and (iii) all of the other actions needed to be taken or documents needed to be executed or approved to implement the Plan, as determined by the Plan Proponents, have been taken, executed, or approved.

C. Retention of Jurisdiction.

From and after the Effective Date, and notwithstanding the entry of the Confirmation Order, to the extent it has jurisdiction, the Bankruptcy Court shall retain exclusive jurisdiction of the Bankruptcy Cases and all matters arising under, arising out of, or related to the Bankruptcy Cases, this Plan, and the Confirmation Order to the fullest extent permitted by law, including, among other things, jurisdiction to:

- (a) hear and determine motions, applications, adversary proceedings, and contested matters pending or commenced after the Effective Date;
- (b) hear and determine objections (whether filed before or after the Effective Date) to any Claim or Interest, and to enter any order requiring the filing of Proof of any Claim or Interest before a particular date;
- (c) estimate any Claim at any time, including, without limitation, during litigation concerning any objection to such Claim, including any pending appeal;
- (d) ensure that Distributions to holders of Allowed Claims are accomplished as provided in this Plan;

- (e) enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, or vacated;
- (f) issue or construe such orders or take any action as may be necessary for the implementation, execution, enforcement and consummation of this Plan and the Confirmation Order, and hear and determine disputes arising in connection with the foregoing;
- (g) hear and determine any applications to modify this Plan, to cure any defect or omission or to reconcile any inconsistency in this Plan, the Disclosure Statement, or in any order of the Bankruptcy Court including, without limitation, the Confirmation Order;
- (h) hear and determine any action concerning the determination of taxes, tax refunds, tax attributes, and tax benefits and similar or related matters with respect to the Debtors or the Estates including, without limitation, matters concerning federal, state and local taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;
- (i) hear and determine any other matters related hereto and not inconsistent with chapter 11 of the Bankruptcy Code; and
- (j) enter the Final Decree.

D. Modification of the Plan.

The Plan Proponents may alter, amend, or modify this Plan under Section 1127 of the Bankruptcy Code or as otherwise permitted by applicable law at any time prior to the Confirmation Date.

E. Revocation or Withdrawal of this Plan.

The Plan Proponents may revoke or withdraw this Plan at any time prior to the Confirmation Date. If the Plan Proponents revokes or withdraws this Plan prior to the Confirmation Date, this Plan shall be deemed null and void. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any claims by or against the Plan Proponents or any other Person or to prejudice in any manner the rights of the Plan Proponents or any Person in any further proceedings involving the Plan Proponents.

**ARTICLE XI:
EFFECTS OF CONFIRMATION**

A. Binding Effect of Confirmation.

Confirmation will bind the Debtors, all Holders of Claims, Administrative Expense Claims, or Interests and other parties in interest to the provisions of the Plan whether or

not the Claim, Administrative Expense Claim, or Interest of such holder is Impaired under the Plan and whether or not the Holder of such Claim, Administrative Expense Claim, or Interest has accepted the Plan.

B. Good Faith.

Confirmation of the Plan shall constitute a finding that: (i) the Plan has been proposed in good faith and in compliance with applicable provisions of the Bankruptcy Code; and (ii) all Persons' solicitations of acceptances or rejections of the Plan and the offer, issuance, sale, or purchase of a security offered or sold under the Plan have been in good faith and in compliance with applicable provisions of the Bankruptcy Code.

C. No Limitations on Effect of Confirmation.

Nothing contained in the Plan shall limit the effect of Confirmation as described in section 1141 of the Bankruptcy Code.

**ARTICLE XII:
MISCELLANEOUS PROVISIONS**

A. Exemption from Transfer Taxes.

All transfers of Assets made pursuant to the terms of this Plan shall be exempt from all stamp, transfer, and similar taxes within the meaning of section 1146(c) of the Bankruptcy Code, to the fullest extent permitted by law.

B. Closing of the Bankruptcy Cases.

When all Disputed Claims in the AAI case have become Allowed Claims or have been Disallowed by Final Order, and the Plan has otherwise been substantially consummated, the Plan Administrator shall seek authority from the Bankruptcy Court to close the AAI Bankruptcy Case in accordance with the Bankruptcy Code and the Bankruptcy Rules. As set forth above, the entry of the Confirmation Order shall provide for the closure of the EASA I and EASA II Bankruptcy Cases.

C. No Admissions.

Notwithstanding anything herein to the contrary, nothing contained in this Plan shall be deemed an admission by the Debtors with respect to any matter set forth herein including, without limitation, liability on any Claim or Interest or the propriety of any classification of any Claim or Interest.

D. Controlling Documents.

If there is an inconsistency or ambiguity between any term or provision contained in the Disclosure Statement and this Plan, the terms and provisions of this Plan shall control. To the extent there is an inconsistency or ambiguity between any term or provision contained in this Plan, any document contained in the Plan Supplement and

the Confirmation Order, the terms and provisions of the Confirmation Order shall control.

E. Governing Law.

Except to the extent the Bankruptcy Code, the Bankruptcy Rules, or other federal or state laws are applicable, the laws of the State of New York shall govern the construction, implementation, and enforcement of this Plan and all rights and obligations arising under this Plan, without giving effect to the principles of conflicts of law.

F. Successors and Assigns.

The rights, benefits and obligations of any Person named or referred to in this Plan will be binding upon, and will inure to the benefit of, the heir, executor, administrator, representative, successor, or assign of such Person.

G. Severability.

Should the Bankruptcy Court determine, on or prior to the Confirmation Date, that any provision of this Plan is either illegal or unenforceable on its face or illegal or unenforceable as applied to any Claim or Interest, the Bankruptcy Court, at the request of the Plan Proponents, may alter and modify such provision to make it valid and enforceable to the maximum extent practicable consistent with the original purpose of such provision. Notwithstanding any such determination, interpretation, or alteration, the remainder of the terms and provisions of this Plan shall remain in full force and effect.

H. Integration.

The Assumption List is incorporated in and is a part of this Plan as if fully set forth herein.

I. Binding Effect.

This Plan shall be binding on and inure to the benefit of (and detriment to, as the case may be) the Debtors and all holders of Claims or Interests (whether or not they have accepted this Plan) and their respective personal representatives, successors and assigns.

J. Withholding and Reporting.

In connection with this Plan and all instruments issued in connection therewith and distributions thereunder, the Plan Administrator shall comply with all withholding and reporting requirements imposed by any federal, state, local, or foreign taxing authority and all distributions hereunder shall, to the extent applicable, be subject to any such withholding and reporting requirements. Notwithstanding anything herein to the contrary, in calculating and making the payments under this Plan, the Plan Administrator may deduct from such payments any necessary withholding amount.

K. Other Documents and Actions.

Subject to the provisions of the Plan, the Plan Administrator may execute, deliver, file, or record such documents, contracts, instruments, releases and other agreements, and take such other action as is reasonable, necessary, or appropriate to effectuate the transactions provided for in this Plan, without any further action by or approval of the Bankruptcy Court.

L. Designated Notice.

Notwithstanding any other provision of this Plan, when notice and a hearing is required with regard to any action to be taken under the Plan, Designated Notice shall be adequate.

M. Plan Supplement.

No later than ten (10) days prior to the Confirmation Hearing, the Plan Proponents shall file with the Bankruptcy Court the Plan Supplement, which shall contain such substantially final agreements, other documents and information as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. Holders of Claims or Interests may obtain a copy of the Plan Supplement upon written request to the Debtors.

O. Preservation of Insurance.

The Debtors' release from and payment of Claims as provided in the Plan shall not diminish or impair the enforceability of any insurance policy that may cover any Claims.

R. Dissolution of Committee and Debtors' Professional Persons.

On the Effective Date, the Committee shall dissolve and all members, employees agents, and Professionals thereof shall be released and discharged for all rights and duties arising from or related to the Bankruptcy Cases. The Professionals retained by the Committee and the members thereof will not be entitled to assert any fee claims for any services rendered or expenses incurred after the date on which the Committee is dissolved, except for reasonable fees for services rendered, and actual and necessary costs incurred, in connection with any applications for allowance of Professional Fees pending on the Effective Date or filed and served after the Effective Date pursuant to the Plan.

On the Effective Date, the Debtors' Professional Persons shall be deemed terminated, but may be re-hired in the Plan Administrator's discretion after the Effective Date.

S. Waiver of Stay.

The Plan Proponents request as part of the Confirmation Order a waiver from the Bankruptcy Court of the fourteen (14) day stay of Bankruptcy Rule 3020(e) and, to the extent applicable, a waiver of the fourteen (14) day stay of Bankruptcy Rule 6004(h).

T. Substantial Consummation

On the Effective Date, the Plan shall be deemed substantially consummated under Bankruptcy Code sections 1101 and 1127(b).

U. U.S. Trustee 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. From and after the Effective Date, the Plan Administrator shall pay, on behalf of the Debtors, the fees assessed against their Estates until such time as the particular chapter 11 case is closed, dismissed or converted. In addition, the Plan Administrator shall file post confirmation quarterly reports in conformity with the U.S. Trustee guidelines until entry of an order closing or converting the Bankruptcy Cases.

Dated: January 12, 2018
Syracuse, New York

MENTER, RUDIN & TRIVELPIECE, P.C.
Counsel for Debtors and Debtors in Possession

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SCHEDULE X.A.1.

Assumption List

None.

SCHEDULE X.A.2.

§ 503(b)(9) Proof of Claim Form

Fill in this information to identify the case:

Debtor 1 _____

Debtor 2 _____
(Spouse, if filing)

United States Bankruptcy Court for the _____

Case Number _____

§ 503(b)(9) Proof of Claim

Read the instructions before filling out this form.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents;** they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the 503(b)(9) Claim

1. Who is the current creditor	Name of the current creditor (the person or entity to be paid for this claim): Other names the creditor used with the debtor: _____	
2. Has this claim been acquired from someone else?	<input type="checkbox"/> No <input type="checkbox"/> Yes. From Whom? _____	
3. Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Where should notices to the creditor be sent? Name: _____ Address: _____ Telephone: _____ Email: _____	Where should payments to the creditor be sent? (If different): Name: _____ Address: _____ Telephone: _____ Email: _____ Uniform claim identified for electronic payments in Chapter 13 (if you use one): _____
4. Does this claim amend one already filed?	<input type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	

Part 2: Give Information About the Claim

6.	Do you have any number you use to identify the debtor?	<input type="checkbox"/> No <input type="checkbox"/> Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____
7.	How much is the claim?	\$ _____ <div style="float: right;"> Does this amount include interest or other charges: <input type="checkbox"/> No <input type="checkbox"/> Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A). </div>
8.	What is the basis of the claim?	Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information.
9.	Is all or part of the claim secured?	<input type="checkbox"/> No <input type="checkbox"/> Yes. The claim is secured by a lien on property. Nature of property: <input type="checkbox"/> Real Estate. If the claim is secured by the debtor's principal residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410A) with this Proof of claim. <input type="checkbox"/> Motor Vehicle. <input type="checkbox"/> Other. Describe: _____ Basis for perfection: _____ Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.) Value of property: \$ _____ Amount of the claim that is secured: \$ _____ Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amounts should match the amount in line 7.) Amount necessary to cure any default as of the date of the petition: \$ _____ Annual Interest Rate (when case was filed) _____ % <input type="checkbox"/> Fixed <input type="checkbox"/> Variable
10.	Is this claim based on a lease?	<input type="checkbox"/> No <input type="checkbox"/> Yes. Amount necessary to cure any default as of the date of the petition. \$ _____
11.	Is this claim subject to a right of setoff?	<input type="checkbox"/> No <input type="checkbox"/> Yes. Identify the property: _____

* Amounts are subject to adjustment on 4/01/19 and every 3 years after that for cases begun on or after the date of adjustment.

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EXHIBIT B

Sources and Uses of Cash

	Auburn Armature Inc. Waterfall					Week Endings: Assumptions	As of: 11/14/17	1	2	3	4	5	6	7	8	9	10	11	12	15
							Start Cash	11/25/17	12/2/17	12/9/17	12/16/17	12/23/17	as of 12/28	1/6/18	1/13/18	1/20/18	1/27/18	2/3/18	2/10/18	3/3/18
Cash in Debtors Accounts:						From AAI Co Sale: Starting Cash	\$ 1,414,284	1,414,284	1,411,784	1,407,676	1,425,574	1,405,018	1,399,206	1,399,638	1,390,470	1,387,970	1,385,470	1,382,970	1,026,320	1,076,320
	HSE Trust Account						\$ 240,223													
	Debtors Key Bank(s) DDA						\$ 1,174,061													
a.	Cash Receipts:																			
	AR 120 Rejected Oct 31 from Buyer	\$325,000				Collection Estimate (20% - 40%) (\$80,000 to \$150,000)												\$ 50,000	\$ 50,000	
	AR Collected on Behalf of Buyer							\$	2,576	\$ 5,443	\$ 6,943	\$ -	\$ 432	\$ 5,832						
	Unreconciled Prior Periods Amount							\$ -	\$ 15,023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Auction Proceeds	Estate Asset						\$ -	\$ -	\$ 15,672		\$ -	\$ -					\$ -	\$ -	\$ -
	Total Receipts & Cash On Hand						\$ 1,414,284	\$ 1,414,284	\$ 1,429,384	\$ 1,428,791	\$ 1,432,518	\$ 1,405,018	\$ 1,399,638	\$ 1,405,470	\$ 1,390,470	\$ 1,387,970	\$ 1,385,470	\$ 1,432,970	\$ 1,076,320	\$ 1,076,320
b.	(b)(9) Claims:						\$ (397,000)											\$ (397,000)		
c.	Professional Fees:																			
		Geoff Murphy				Contractor w Court Agreement		(2,500)	(2,500)	(2,500)	(7,500)	(2,500)	-	(5,000)	(2,500)	(2,500)	(2,500)	(2,500)	-	(487,013)
		Others						\$ (2,500)	\$ (2,500)	\$ (2,500)	\$ (7,500)	\$ (2,500)	\$ -	\$ (5,000)	\$ (2,500)	\$ (2,500)	\$ (2,500)	\$ (2,500)	\$ -	\$ (487,013)
	Ch 11 UST								(4,875)		-		-					(7,150)		(2,275)
	Other							\$ (2,500)	\$ (7,375)	\$ (2,500)	\$ (7,500)	\$ (2,500)	\$ -	\$ (5,000)	\$ (2,500)	\$ (2,500)	\$ (2,500)	\$ (9,650)	\$ -	\$ (489,288)
d.	Cash Disbursements:																			
	Vendor Payments					Misc Trailing Exps		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Bank & Credit Card Fees					Bank Fees		\$ -	\$ (1,333)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Employee Wages/ETC					ADP Charge for W-2 Processing		\$ -	\$ -	\$ (717)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Other							\$ -	\$ -	\$ -	\$ -	\$ (3,312.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	AR Collected by AAI for UEP					Including: Payment to Buyer Less Computer Proceeds Already in Bank Acct		\$ -	\$ (13,000)	\$ -	\$ (20,000)	\$ -	\$ -	\$ (10,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
e.	Secured Creditor Payment					Up to \$50,000		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (50,000)
	Total Disbursements							(2,500)	(21,708)	(3,217)	(27,500)	(5,812)	-	(15,000)	(2,500)	(2,500)	(2,500)	(406,650)	-	(539,288)
e.	Weekly Cash Flow							1,411,784	1,407,676	1,425,574	1,405,018	1,399,206	1,399,638	1,390,470	1,387,970	1,385,470	1,382,970	1,026,320	1,076,320	537,032
	Balances					HSE Escrow	240,223	240,223	240,223	240,223	240,223	240,223	240,223	240,223	240,223	240,223	240,223	240,223	240,223	
	Balances					DIP Account	1,171,561	1,167,453	1,167,453	1,185,351	1,164,795	1,158,983	1,159,415	1,150,247						