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ATTORNEYS FOR DEBTORS
AND DEBTORS IN POSSESSION

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

In re:	)	Chapter 11 Cases
)	
HYDROSCIENCE TECHNOLOGIES, INC.,	)	Case No. 17-41442-rfn11
SOLID SEISMIC, LLC,	)	Case No. 17-41444-rfn11
)	
Debtors.	)	Jointly Administered Under
	)	Case No. 17-41442-rfn11
)	
)	

DISCLOSURE STATEMENT PURSUANT TO SECTION 1125 OF THE UNITED STATES BANKRUPTCY CODE WITH RESPECT TO THE JOINT CHAPTER 11 PLAN FOR HYDROSCIENCE TECHNOLOGIES, INC. AND SOLID SEISMIC, LLC

Dated: December 20, 2017.

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Hydroscience Technologies, Inc. (“HTI”) and Solid Seismic, LLC (“SSC,” and together with HTI, the “Debtors”), the Debtors in the above-captioned jointly-administered chapter 11 case, hereby submit this Disclosure Statement Pursuant to Section 1125 of the United States Bankruptcy Code with Respect to the Joint Chapter 11 Plan for Hydroscience Technologies, Inc. and Solid Seismic, LLC (the “Disclosure Statement”). This Disclosure Statement is to be used in connection with the solicitation of votes on the Joint Chapter 11 Plan for Hydroscience Technologies, Inc. and Solid Seismic, LLC dated December 20, 2017 (the “Plan”). A copy of the Plan is attached hereto as **Exhibit “1”**. Unless otherwise defined herein, terms used herein have the meanings ascribed thereto in the Plan (see Article I of the Plan). Consequently, parties-in-interest are urged to carefully review the Plan in conjunction with this Disclosure Statement.

For a general summary of the proposed treatment of Claims or Interests under the Plan, please see the chart below.

I. NOTICE TO HOLDERS OF CLAIMS

A. Generally

The purpose of this Disclosure Statement is to enable Creditors whose Claims are impaired to make an informed decision in exercising their right to vote to accept or reject the Plan.

THIS DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE PLAN. PLEASE READ THIS DOCUMENT WITH CARE.

On December __, 2017, the Bankruptcy Court entered an *Order (I) Conditionally Approving Proposed Disclosure Statement, (II) Scheduling Combined Hearing on Approval of Disclosure Statement, Confirmation of Chapter 11 Plan, and Approval of Sale Motion and Setting Related Deadlines, (III) Approving Form of Voting and Notice, Including Notice by Publication, and (IV) Approving Related Matters* [Docket No. __] (“Solicitation Order”). Pursuant to section 105(d) of the Bankruptcy Code and Rule 3017 of the Federal Rules of Bankruptcy Procedure, the Solicitation Order (I) conditionally approved this Disclosure Statement, (II) set a hearing for final approval of this Disclosure Statement, confirmation of the Debtors’ Plan, and approval of the Debtors’ *Motion for Order Approving/Authorizing (i) Sale of Substantially All of the Debtors’ Assets Free and Clear of Liens, Claims, Encumbrances, and Interests, and (ii) Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in Connection with the Sale* (the “Sale Motion”) [Docket No. __], (III) approved the Debtors’ voting procedures, materials for solicitation of the Plan, and form of notice, including notice by publication, and (IV) granted related relief, including shortened notice and deadlines relating to the confirmation of the Plan. The various deadlines and scheduling on the Solicitation Order are set forth below.

The statements contained in the Disclosure Statement are made as of the date hereof unless another time is specified, and neither delivery of the Disclosure Statement nor any exchange of rights made in connection with the Plan shall, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date the Disclosure Statement and the materials relied on in preparation of the Disclosure Statement were compiled.

For the convenience of Creditors and parties-in-interest, this Disclosure Statement summarizes the terms of the Plan, but the Plan itself qualifies all summaries. This Disclosure Statement is qualified in their entirety by the terms of the Plan. If any inconsistency exists between the Plan and the Disclosure Statement, the terms of the Plan are controlling. In the event of conflict between the Plan and Confirmation Order, the Confirmation Order will control.

Each Claimant should consult the Claimant's individual attorney, accountant and/or financial advisor as to the effect of the Plan on such Claimant.

Each holder of a Claim or Interest entitled to vote to accept or reject the Plan should read this Disclosure Statement and the Plan in their entirety before voting. No solicitation of votes to accept or reject the Plan may be made except pursuant to this Disclosure Statement and section 1125 of the Bankruptcy Code. Except for the Debtors' Estate and their professionals, no person has been authorized to use or promulgate any information concerning the Debtors, the Debtors' business, or the Plan, other than the information contained herein, in connection with the solicitation of votes to accept or reject the Plan. No holder of a Claim entitled to vote on the Plan should rely upon any information relating to the Debtors, the Debtors' business, or the Plan other than that contained in this Disclosure Statement and the exhibits thereto. Unless otherwise indicated, the source of all information set forth herein was the Debtors.

The Disclosure Statement may not be relied on for any purpose other than to determine whether to vote in favor of or against the Plan and related options and elections, and nothing contained herein shall constitute an offer to sell or purchase a security as defined by state or Federal securities law or an admission of any fact or liability by any party, or be admissible in any proceeding involving the Debtors or any other party, or be deemed conclusive evidence of the tax or other legal effects of the reorganization of the Debtors on holders of Claims or Interests. Certain of the information contained in the Disclosure Statement, by their nature, is forward looking, contains estimates and assumptions which may prove to be wrong, and contains forecasts which may prove to be wrong or which may be materially different from actual results.

After carefully reviewing this Disclosure Statement, including the attached exhibits, please indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the enclosed Ballot and returning the same to the address set forth on the Ballot, in the enclosed return envelope so that it will be received by no later than **5:00 P.M., Central Time on January , 2018**. If you do not vote to accept the Plan, or if you are the holder of an unimpaired Claim or Interest, you may be bound by the Plan if it is accepted by the requisite holders of Claims or Interests.

TO BE SURE YOUR BALLOT IS COUNTED, YOUR BALLOT MUST BE RECEIVED NO LATER THAN 5:00 P.M., Central Time, on January , 2018. For detailed voting instructions and the name, address, and phone number of the person you may contact if you have questions regarding the voting procedures, this process is explained below.

Pursuant to section 105(d) of the Bankruptcy Code and Rule 3017 of the Bankruptcy Rules, the Bankruptcy Court has scheduled the Confirmation Hearing to consider final approval of the Disclosure Statement and confirmation of the Plan on **January , 2018 at 1:30 p.m. Central Time**, in the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division. The Bankruptcy Court has directed that objections, if any, to confirmation of the Plan be filed and served on or before **5:00 p.m. Central Time on January , 2018**. Any

response to any objection to the Plan must be filed by **5:00 p.m. Central Time on January , 2018.**

THE DEBTORS SUPPORT CONFIRMATION OF THE PLAN AND URGE ALL HOLDERS OF IMPAIRED CLAIMS AND INTERESTS TO VOTE TO ACCEPT THE PLAN.

B. Summary of Treatment under the Plan

The following is an estimate of the numbers and amounts of classified Claims and Interests to receive treatment under the Plan, and a summary of the proposed treatment of such Claims and Interests under the Plan. Reference should be made to the entire Disclosure Statement and to the Plan for a complete description of the classification and treatment of Claims and Interests.

The Bar Date for filing proofs of Claim was August 17, 2017. The table below is drawn from the Debtors' Schedules and filed proofs of Claim. The final universe of Claims, as actually Allowed, may differ from this table.

Class	Treatment
<p><u>Class 1</u> – Secured Tax Claims</p> <p>Estimated Amount: \$ \$6,573.27</p> <p>Estimated Number of Holders: 1</p>	<p>Unimpaired</p> <p>Holders of Allowed Class 1 Claims shall be treated as follows:</p> <p>Each holder of an Allowed Secured Tax Claim shall receive (a) one Cash payment in an amount equal to the principal amount of such Allowed Secured Tax Claim, plus interest at the rate and in the manner prescribed by applicable state law from the later of the Petition Date or the first day after the last day on which such Secured Tax Claim may be paid without penalty, on the Initial Distribution Date, or (b) such other treatment as may be agreed to in writing by the holder of the Secured Tax Claim and the Liquidating Trustee. The Liens securing such Secured Tax Claims shall remain unimpaired and unaffected until each such Class 1 Claim is paid in full.</p> <p>Estimated Recovery: 100%</p>

Class	Treatment
<p><u>Class 2</u> – Other Secured Claims</p> <p>Estimated Amount: \$20,398.44</p> <p>Estimated Number of Holders: 1</p>	<p>Unimpaired</p> <p>Holders of Allowed Class 2 Claims shall be treated as follows:</p> <p>On or before the Initial Distribution Date, the Debtors shall surrender, to the holder of each Allowed Other Secured Claim, the Collateral that secures their Claim, to the extent any such Collateral was not previously surrendered. Such surrender of Collateral shall be in full satisfaction of such Allowed Other Secured Claim.</p> <p>Estimated Recovery: Return of 100% of Collateral</p>
<p><u>Class 3</u> – Priority Non-Tax Claims</p> <p>Estimated Amount: \$37,195.37</p> <p>Estimated Number of Holders: 21</p>	<p>Unimpaired</p> <p>Each holder of an Allowed Priority Non-Tax Claim shall receive (a) one Cash payment in an amount equal to the principal amount of such Allowed Priority Non-Tax Claim, plus interest at the rate and in the manner prescribed by applicable state law from the later of the Petition Date or the first day after the last day on which such Priority Non-Tax Claim may be paid without penalty, on the Initial Distribution Date, or (b) such other treatment as may be agreed to in writing by the holder of the Priority Non-Tax Claim and the Liquidating Trustee.</p> <p>Estimated Recovery: 100%</p>
<p><u>Class 4</u> – General Unsecured Claims*</p> <p>Estimated Amount: \$3.3 million</p> <p>Estimated Number of Holders: 140[†]</p> <p>*Solely for purposes of implementing the Plan, including for purposes of voting and distributions to be made under the Plan, the Confirmation Order shall substantively consolidate the Debtors such that each Claim filed will be deemed a single obligation of the Consolidated Debtors.</p> <p>[†]The estimated amount and number of General Unsecured Claims is based on the approval of the Plan Settlement and presumes the disallowance of certain duplicative and Contested Claims.</p>	<p>Impaired</p> <p>Holders of Allowed Class 4 Claims shall be treated as follows:</p> <p>Each holder of an Allowed General Unsecured Claim shall receive a Pro Rata Share of the Net Liquidating Trust Assets after the satisfaction of, or allocation of an appropriate Reserve for, the following: (i) Allowed Administrative Expense Claims, (ii) Allowed Priority Tax Claims, (iii) Allowed Claims in Classes 1 through 3, and (iv) Trust Expenses. The timing of the distribution(s) of the Net Liquidating Trust Assets shall be at the discretion of the Liquidating Trustee except to the extent limited by the express terms of the Plan, the Liquidating Trust Agreement, or applicable law.</p> <p>Estimated Recovery: ___% to ___%</p>

Class	Treatment
<p><u>Class 5 – Resolved Claims</u></p> <p>Estimated Amount: \$11,287,100[†]</p> <p>Estimated Number of Holders: 3</p> <p>[†]The estimated amount of Resolved Claims is based on the approval of the Plan Settlement.</p>	<p>Impaired</p> <p>Holders of Class 5 Claims shall be treated as follows:</p> <p>On the Effective Date, the Tokio Marine Claim shall be Allowed in the amount of \$4,616,818.92. On account of the Allowed Tokio Marine Claim, Tokio Marine shall be entitled to receive a cash payment of \$500,000 on the Effective Date (the “<u>Tokio Marine Payment</u>”), which shall be paid in full in cash in advance of, <i>inter alia</i>, any payment to the holders of Class 4 General Unsecured Claims; <i>however</i>, Tokio Marine shall not be entitled to any other or further distribution from the Liquidating Trust on the balance of the Allowed Tokio Marine Claim until all Administrative Claims, Priority Tax Claims, Trust Expenses, and Allowed Claims in Classes 1, 3 and 4 have been paid in full.</p> <p>On the Effective Date, the MHI Claim shall be allowed in the amount of \$2,713,523.08 and the Seemap Claim shall be Allowed in the amount of \$3,956,758; <i>however</i>, the holders of the MHI Claim and the Seemap Claim shall not be entitled to receive any distribution from the Liquidating Trust until all Administrative Claims, Priority Tax Claims, Trust Expenses, and Allowed Claims in Classes 1, 3 and 4 have been paid in full. After payment in full of all Administrative Claims, Priority Tax Claims, Trust Expenses, and Allowed Class 1, 3, and 4 Claims, the holders of the Tokio Marine Claim, MHI Claim, and Seemap Claim shall receive a Pro Rata Share of the remaining Net Liquidating Trust Assets.</p> <p>Estimated Recovery: Tokio Marine: \$500,000</p> <p>Estimated Recovery: MHI and Seemap: None</p>
<p><u>Class 6 – Insider Claims</u></p> <p>Estimated Amount: \$341,333.55</p> <p>Estimated Number of Holders: 2</p>	<p>Impaired</p> <p>The Insider Claims shall be disallowed in their entirety on the Effective Date. The holders of the Insider Claims shall not be entitled to receive or retain any property on account of the Insider Claims under the Plan.</p> <p>Estimated Recovery: None</p>

Class	Treatment
<u>Class 7 – Interests</u>	<p data-bbox="738 226 862 262">Impaired</p> <p data-bbox="738 296 1463 359">Holders of Allowed Class 7 Claims shall be treated as follows:</p> <p data-bbox="738 392 1463 527">All Interests in the Debtors shall be extinguished and shall cease to exist as of the Effective Date. The holders of such Interests shall not receive or retain any property on account of such Interests under the Plan.</p> <p data-bbox="738 560 1118 596">Estimated Recovery: None</p>

The total universe of Claims, as ultimately Allowed, may be greater or smaller than as reflected in the above analysis.

II. EXPLANATION OF CHAPTER 11

A. Overview of Chapter 11

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. Pursuant to chapter 11, a debtor-in-possession attempts to reorganize their business for the benefit of the debtor, its creditors, and other parties-in-interest. The Debtors' Chapter 11 cases commenced with the filing of voluntary chapter 11 petitions on April 3, 2017.

The commencement of a chapter 11 case creates an estate comprising all the legal and equitable interests of the Debtors in property as of the date the petition is filed. Sections 1101, 1107, and 1108 of the Bankruptcy Code provide that the Debtors may continue to operate their business and remain in possession of their property as "Debtors in possession" unless the bankruptcy court orders the appointment of a trustee. In the present chapter 11 case, the Debtors remained in possession of their property and continued to operate their business as debtors-in-possession.

The filing of a chapter 11 petition also triggers the automatic stay provisions of the Bankruptcy Code. Section 362 of the Bankruptcy Code provides, *inter alia*, for an automatic stay of all attempts to collect pre-petition claims from the Debtors or otherwise interfere with their property or business. Except as otherwise ordered by the bankruptcy court, the automatic stay remains in full force and effect until the effective date of a confirmed plan of reorganization.

The formulation of a plan of reorganization is the principal purpose of a chapter 11 case. The plan sets forth the means for satisfying the claims against and interests in the Debtors. Generally, unless a trustee is appointed, only the Debtors may file a plan during the first 120 days of a chapter 11 case (the "Exclusive Period"). However, section 1121(d) of the Bankruptcy Code permits the court to extend or reduce the Exclusive Period upon a showing of "cause." After the Exclusive Period has expired, a creditor or any other party in interest may file a plan, unless the Debtors have filed a plan within the Exclusive Period, in which case, the Debtors are generally given 60 additional days (the "Solicitation Period") during which they may solicit acceptances of their plan. The Solicitation Period may also be extended or reduced by the court upon a showing of "cause."

B. Plan of Reorganization

Although referred to as a plan of reorganization, a plan may provide anything from a complex restructuring of the Debtors' business and their related obligations to a simple liquidation of the Debtors' assets. In the Debtors' chapter 11 cases, the Plan incorporates a Plan Settlement, as described in detail in section 6.01 of the Plan, which generally provides for the sale of substantially all the Debtors' Assets, including their Intellectual Property and any related equipment as more specifically described in the APA, to the Purchaser for \$3.0 million in cash at closing. The \$271,889.50 outstanding account receivable from Omniquest and all work in progress, however, shall remain property of the Debtors' Estate. The Plan Settlement also involves the waiver, reduction, subordination, and/or disallowance of other claims to provide for a greater recovery to general unsecured creditors. The specifics of the Plan Settlement are set forth in section 6.01 of the Plan and are also described in Art. V(G)(1), *infra*.

Following the sale, the Cash Proceeds received from the Purchaser and the Debtors' Remaining Assets, including all Estate Accounts Receivable and work in progress, will vest in the Liquidating Trust, and the Liquidating Trustee shall liquidate the Trust Assets, wind-down the Debtors' affairs and undertake the dissolution of the Debtors. To achieve this result, the Plan provides for the substantive consolidation of the Debtors for purposes of voting and distributions under the Plan, such that the assets and liabilities of the Debtors will be deemed merged and any claim against either of the Debtors will be deemed to have been filed against the consolidated Debtors.

After a plan of reorganization has been filed, the holders of impaired claims against or interests in Debtors are permitted to vote to accept or reject the plan. Before soliciting acceptances of the proposed plan, section 1125 of the Bankruptcy Code requires the Debtors to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment about the plan. This Disclosure Statement is presented to holders of Claims against and Interests in the Debtors to satisfy the requirements of section 1125 of the Bankruptcy Code.

If all classes of claims and interests accept a plan of reorganization, the bankruptcy court may nonetheless still not confirm the plan unless the court independently determines that the requirements of section 1129 of the Bankruptcy Code have been satisfied. Section 1129 sets forth the requirements for confirmation of a plan and, among other things, requires that a plan meet the "best interests of creditors" test and be "feasible." The "best interests of creditors" test generally requires that the value of the consideration to be distributed to the holders of claims and interests under a plan may not be less than those parties would receive if the Debtors were liquidated pursuant to a hypothetical liquidation occurring under Chapter 7 of the Bankruptcy Code. Under the "feasibility" requirement, the court generally must find that there is a reasonable probability that the Debtors will be able to meet their obligations under their plan without the need for further financial reorganization.

The Debtors believe that the Plan satisfies all the applicable requirements of section 1129(a) of the Bankruptcy Code, including, in particular, the "best interests of creditors" test and the "feasibility" requirement. The Debtors support confirmation of the Plan and urge all holders of impaired Claims to accept the Plan.

Chapter 11 does not require that each holder of a claim against or interest in Debtors vote in favor of a plan of reorganization in order for the bankruptcy court to confirm the plan. At a minimum, however, the plan must be accepted by a majority in number and two-thirds in

amount of those claims actually voting in at least one class of impaired claims under the plan. The Bankruptcy Code also defines acceptance of the plan by a class of interests (equity securities) as acceptance by holders of two-thirds of the number of shares actually voting. In the present case, only the holders of Claims who actually vote will be counted as either accepting or rejecting the Plan.

In addition, classes of claims or interests that are not “impaired” under a plan of reorganization are conclusively presumed to have accepted the plan and thus are not entitled to vote. Accordingly, acceptances of a plan will generally be solicited only from those persons who hold claims or interests in an impaired class. A class is “impaired” if the legal, equitable, or contractual rights attaching to the claims or interests of that class are modified in any way under the plan. However, if holders of the claims or interests in a class do not receive or retain any property on account of such claims or interests, then each such holder is deemed to have voted to reject the plan and does not actually cast a vote to accept or reject the plan.

Classes 1, 2, and 3 are unimpaired under the Plan and are presumed to have accepted the Plan. Classes 4, 5, and 6 are impaired under the Plan. Holders of Class 4 and Class 5 Claims are entitled to vote on the Plan. Although Class 6 is also impaired, holders of Class 6 Claims shall not receive or retain any property on account of their claims. Therefore, the holders of Class 6 Claims are deemed to have rejected the Plan and will not vote on the Plan. Class 7 Interests are also impaired under the Plan. However, holders of Class 7 Interests in the Debtors shall not receive or retain any property on account of their Interests and, therefore, are deemed to have rejected the Plan and will not vote on the Plan.

The bankruptcy court may also confirm a plan of reorganization even though fewer than all the classes of impaired claims and interests accept it. For a plan of reorganization to be confirmed despite their rejection by a class of impaired claims or interests, the proponents of the plan must show, among other things, that the plan does not “discriminate unfairly” and that the plan is “fair and equitable” with respect to each impaired class of claims or interests that has not accepted the plan.

Under section 1129(b) of the Bankruptcy Code, a plan is “fair and equitable” as to a class of rejecting claims if, among other things, the plan provides: (a) with respect to secured claims, that each such holder will receive or retain on account of their claim property that has a value, as of the effective date of the plan, equal to the allowed amount of such claim; and (b) with respect to unsecured claims and interests, that the holder of any claim or interest that is junior to the claims or interests of such class will not receive or retain on account of such junior claim or interest any property at all unless the senior class is paid in full.

A plan does not “discriminate unfairly” against a rejecting class of claims if (a) the relative value of the recovery of such class under the plan does not differ materially from that of any class (or classes) of similarly situated claims, and (b) no senior class of claims is to receive more than 100% of the amount of the claims in such class.

The Debtors believe that the Plan has been structured so that it will satisfy these requirements as to any rejecting Class of Claims, and can therefore be confirmed, if necessary, over the objection of any Classes of Claims. The Debtors, however, reserve the right to request confirmation of the Plan under the “cramdown” provisions of section 1129 of the Bankruptcy Code.

III. THE DEBTORS AND THEIR BUSINESS

A. The Debtors

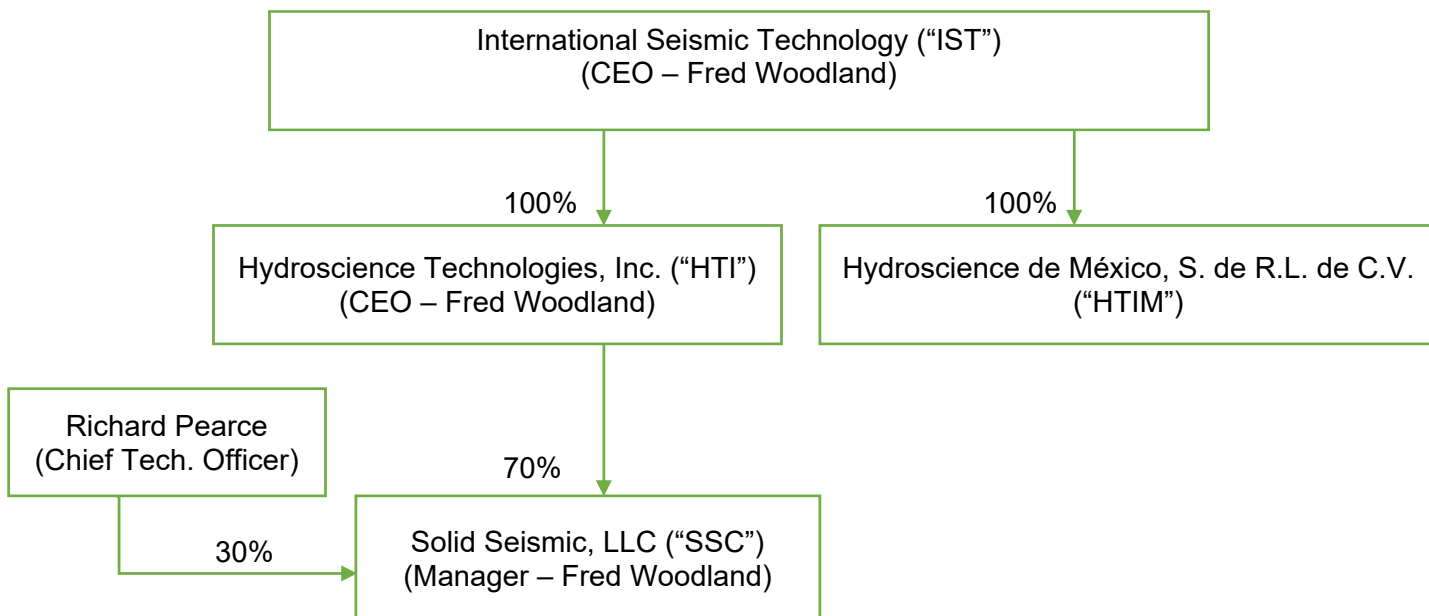
Founded more than twenty years ago, in 1996, HTI designs, manufactures, and delivers deep water seismic instrumentation for use in offshore oil and gas seismic surveys. HTI's Marine Seismic Systems generally consist of three components, including (i) a Recording System, which receives and records digitized seismic data from in water towed electronics hardware and records for evaluation by geologists, (ii) In-Water Digitizing Electronics, or digital modules, which digitize groups of seismic sensors (called hydrophones) and transmit seismic reflection data back to the Recording System, and (iii) In-Water Seismic Cables, which contain the embedded hydrophones, and are either towed behind marine vessels or utilized in ocean bottom applications.

HTI's affiliate, SSC, in which HTI owns a 70% interest, was formed in 2011 to expedite and focus on product development, including solid cable and sensor technology. Although both Debtors are dedicated to the design and development of marine sensors and cable technology for offshore oil and gas exploration, SSC focuses on the newer solid cable and sensor technology, and HTI continues to manufacture the legacy product lines (which include fluid and gel filled cables). HTI is the exclusive seller and distributor for all of SSC's products.

The market for the Debtors' Marine Seismic Systems includes independent marine seismic operators, which perform offshore seismic surveys for large oil and gas companies, as well as domestic and international governments and universities with geophysical programs. Multiple patents have been filed in the United States, Norway and Mexico to protect the Debtors' ideas and key products.

B. Events Leading to Bankruptcy

Prior to the Petition Date, the Debtors experienced cash flow problems precipitated, in part, by (a) the precipitous drop in oil prices and its negative impact on oil and gas and related business activity, including offshore exploration and drilling; (b) a substantial, disputed guaranty liability claim asserted against HTI for rent purportedly owed by an HTI affiliate for its production facilities located in Mexico, which the Debtors have subsequently resolved through a court-approved settlement; and (c) two multi-million dollar disputed claims asserted by one of HTI's contract counterparties based on a warranty and one of the Debtors' overseas distributors, both of which would be extinguished through the Plan.

C. The Debtors' Corporate Structure**D. The Post-Petition Marketing of the Debtors' Assets**

The Debtors have determined that the most appropriate course of action in this case is to market and attempt to sell their business to generate the maximum amount of funds for possible distribution to creditors. On June 23, 2017, the Debtors filed an application to employ CR3 Partners, LLC ("CR3") as financial and sale advisors to the Debtors in which they requested, among other things, for authorization for CR3 to commence the process of marketing the Debtors' business. The application was approved on July 20, 2017.

For the past several months, CR3 has worked diligently to market the Debtors' assets for sale. As a part of that process, the Debtors have established a data room for interested buyers to conduct due diligence and requested firm offers to acquire the Debtors' business as a going concern or otherwise. Although the Debtors continue to engage in discussions with other potentially interested parties, they have agreed to the sale of substantially all their Assets to the Purchaser, as described below. The Debtors believe that the proposed sale to Purchaser through their Plan will provide a substantial recovery to unsecured creditors.

Moreover, because the Debtors have aggressively marketed and solicited offers for the sale of their assets, including the Purchased Assets, they believe the likelihood of a bidding and auction process providing another viable purchaser that the Debtors have not already identified is remote. Although the Debtors do not believe they will receive any comparable or better offers for the sale of their Assets, any competing offers will promptly be disclosed by the Debtors to the Court and parties-in-interest. Further, because the proposed sale would provide a substantial recovery to unsecured creditors, and their continued business operations are consuming cash that would otherwise be available for distribution to creditors, the Debtors want to expeditiously move forward with the proposed sale for the benefit of their Estate.

IV. FEASIBILITY/PROJECTED DISTRIBUTIONS

The Bankruptcy Code conditions confirmation of a plan of reorganization on, among other things, a finding that it is not likely to be followed by the liquidation or the need for further financial reorganization of Debtors, unless such liquidation or reorganization is provided for by the plan of reorganization. Because the Plan provides for the sale of substantially all of the Debtors' assets, the complete liquidation of the sale proceeds and the Debtors' remaining assets, and the dissolution of the Debtors by the Liquidating Trustee, the Debtors believe that the Plan satisfies the Bankruptcy Code's feasibility requirement.

Attached as **Exhibit "2"** to this Disclosure Statement is a Plan Liquidation Analysis prepared by the Debtors' sale and financial advisors, CR3 Partners, LLC reflecting the projected sources and uses of cash under the Plan. As reflected in Exhibit 2, based on the amount of Cash Proceeds the Debtors will receive from the sale of their Assets to the Purchaser, the recovery of anticipated Estate Accounts Receivable, and the resolution of certain Claims through the Plan Settlement, the Debtors are projecting a Distribution to each holder of an Allowed Class 4 Claim of between approximately ___% and ___%.

Attached as **Exhibit "3"** to this Disclosure Statement is a Chapter 7 Liquidation Analysis reflecting the projected Distributions to holders of Allowed Class 4 Claims in a chapter 7 liquidation using the Debtors' projected cash balance as of October 31, 2017. The Liquidation Analysis was also prepared by CR3 Partners, LLC, and projects a Pro Rata Share of Distributions to each holder of an Allowed Class 4 Claim of approximately ___%. Notably, the anticipated distribution to the holders of Class 4 Claims is markedly lower under the Chapter 7 Liquidation Analysis because the aggregate amount of \$11.29 million for the MHI Claim, Seamap Claim, and Tokio Marine Claim (which are allowed as Class 5 Resolved Claims under the Plan Settlement), and the \$341,334 for the IST Claim and Woodland Claim (which are disallowed as Class 6 Insider Claims) must be added to the Class 4 Claims to determine the amount of the estimated distribution to holders of general unsecured claims in a Chapter 7 liquidation.

The Debtors would also note that in performing the attached Liquidation Analyses, the Debtors' sale and financial advisors have made a number of downward adjustments to the book value of the Debtors' assets based on, e.g., the age and/or obsolescence of the Debtors' inventory, the age and condition of the Debtor's plant and equipment, the age and likelihood of collectability of receivables, including the existence of potential rights of offset, and other variables. The Debtors' sale and financial advisors have also made certain estimates regarding projected cash on hand at confirmation based on current and anticipated accounts receivable. Based on such estimations and valuation adjustments, the actual Distributions to holders of Allowed Class 4 Claims may be more or less than projected in the Debtors' respective Liquidation Analyses depending upon several variables, including (i) the actual liquidation value of the Debtors' assets in a chapter 7 liquidation, (ii) the aggregate amount of Allowed Class 1, Class 3, and Class 4 Claims, (iii) the amount, if any, for which certain Administrative Expense Claims are Allowed, (iv) the Allowed amounts of certain Priority Claims, (v) the collectability of the Estate Accounts Receivable, and (vi) the amount of the expenses and fees of Trust Professionals. The Liquidation Analysis does not include any net recovery from potential Estate Claims held by the Estate, including Avoidance Actions.

As reflected in the attached Liquidation Analyses, the Debtors believe that under the Plan holders of Allowed Class 4 Claims will receive Distributions on account of such Allowed Claims having a value as of the Effective Date which will be substantially more than the amount

the holders of such Allowed Claims would receive in a Chapter 7 liquidation, including for the following reasons:

a) The Debtors will receive more for their Assets through a sale than they will through a chapter 7 liquidation;

b) The Plan incorporates the Plan Settlement, described in greater detail in section 6.01 of the Plan, pursuant to which \$11.63 million in general unsecured claims are resolved as follows: (i) the Tokio Marine Claim, which was filed in the amount of \$4,616,818.92, is allowed as a Class 5 Resolved Claim, which is entitled to a cash payment of \$500,000 on the Effective Date, or roughly 11% of the Tokio Marine Claim, before payment to holders of Class 4 General Unsecured Claims; however, Tokio Marine shall not be entitled to any further distribution until all Class 4 Claims have been paid in full, (ii) the MHI Claim and the Seemap Claim, which total \$6,670,281.08 in the aggregate (which amount *excludes* the portion of the MHI Claim to which Tokio Marine, as MHI's insurer, asserts subrogation rights), are also allowed as Class 5 Resolved Claims, which likewise shall not be entitled to any distribution until all Class 4 Claims are paid in full, (iii) the intercompany claims between the Debtors and IST are resolved, the IST Claim in the amount of \$209,000 is disallowed in its entirety as a Class 6 Claim, and IST agrees to grant a contingent value right ("CVR") in the amount of \$250,000 in the IST Property to benefit the holders of Class 4 General Unsecured Claims; and (iv) the Claims between the Debtors and Woodland are resolved (except for any employment-related Claims by Woodland), and the Woodland Claim in the amount of \$132,333.55 is disallowed in its entirety as a Class 6 Claim.

c) The Chapter 7 trustee would receive a statutory commission pursuant to section 326 of the Bankruptcy Code. The Chapter 7 trustee's commission on a \$2.3 million distribution would be approximately \$69,500; and

d) Based on his familiarity with the Debtors' Remaining Assets, the Liquidating Trustee will be more efficient in completing the liquidation of the Assets and the distribution of the proceeds to the beneficiaries of the Liquidating Trust.

In addition, the Debtors believe that the Liquidating Trustee can make Distributions to holders of Allowed Claims much more expeditiously than could a Chapter 7 trustee. The Plan contains a mechanism for fixing Reserves on behalf of Contested Claims so as to allow one or more interim distributions on behalf of the holders of Allowed Claims by the Liquidating Trustee. A Chapter 7 trustee would likely have significantly less flexibility in making interim distributions to the holders of Allowed Unsecured Claims.

V. THE CHAPTER 11 CASE

A. Factors Leading to Filing of the Chapter 11 Case

HTI is a Texas corporation which was originally formed on November 6, 1996. SSC is a Texas limited liability company formed on April 12, 2011. Because the Debtors' products are dedicated to the design and development of marine sensors and cable technology for offshore oil and gas operations, the recent downturn in the oil and gas industry negatively impacted the Debtors' business operations and cash flow.

Immediately prior to the filing of their bankruptcy petitions, the Debtors were also confronted with millions of dollars in disputed claims asserted by several of the Debtors'

creditors. For example, one of HTI's contract counterparties, Mitsubishi Heavy Industries, Ltd. ("MHI"), asserted a warranty claim against the Debtors seeking millions of dollars in repairs to a Marine Seismic System MHI had purchased from HTI. Likewise, one of the Debtors' overseas distributors, Seemap Pte, Ltd. ("Seemap"), which is a wholly-owned subsidiary of Mitcham Industries, Inc. ("MII"), asserted a disputed claim for several million dollars in alleged outstanding commissions against HTI. Another creditor, Deutsche Bank Mexico, S.A., Institucion de Banca Multiple Division Fiduciaria doing business in the State of Texas as FIBRA Prologis Mexico ("Prologis") asserted a substantial, disputed guaranty liability claim against HTI for rent purportedly owed by an HTI affiliate for its production facilities located in Mexico. Finally, several other creditors held outstanding judgments against the Debtors in the amount of approximately \$750,000.

B. Commencement of the Chapter 11 Case

On April 3, 2017, each of the Debtors filed voluntary petitions for protection under chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division. HTI's bankruptcy case was assigned Case No. 17-41442, and SSC's bankruptcy case was assigned 17-41444.

On June 1, 2017, the Bankruptcy Court entered an *Order regarding Filing of Pleadings and Directing Joint Administration of Cases* [Docket No. 30], which provides for the joint administration of the Debtors' respective bankruptcy cases under Case No. 17-41442. Consequently, except where otherwise indicated, all references to the "Docket" refer to the Docket in Case No. 17-41442. The Debtors' jointly administered Bankruptcy Case is presided over by the Honorable Russell F. Nelms, United States Bankruptcy Judge.

C. Estate Professionals

The following is a list of each of the Estate Professionals that have been employed in the Bankruptcy Case, with a description of the role of each such Estate Professional:

<u>Estate Professional</u>	<u>Role of Estate Professional</u>	<u>Date of Entry and Docket No. of Employment Order</u>
Forshey & Prostok, LLP (" <u>F&P</u> ")	Bankruptcy counsel for the Debtor	June 9, 2017 [Docket Nos. 34 and 35]
JDL Advisory Group, PLLC (" <u>JDL</u> ")	Financial Consultant	June 9, 2017 [Docket Nos. 36 and 37]
CR3 Partners, LLC (" <u>CR3</u> ")	Sale and Financial Advisors to the Debtors	July 20, 2017 [Docket No. 58]
Decker Jones, PC (" <u>Decker Jones</u> ")	Intellectual Property Counsel	July 20, 2017 [Docket No. 59]
Moses, Palmer & Howell, LLP (" <u>MP&H</u> ")	Litigation Counsel	July 20, 2017 [Docket No. 60]

<u>Estate Professional</u>	<u>Role of Estate Professional</u>	<u>Date of Entry and Docket No. of Employment Order</u>
BDO USA, LLP "BDO")	Accountants	August 10, 2017 [Docket No. 78]

D. Creditors' Committee

No creditors committee has been appointed in the Debtors' jointly administered Bankruptcy Case.

E. Professional Fees and Expenses; U.S. Trustee Fees

On August 24, 2017, the Bankruptcy Court entered an *Order Establishing Procedures for Interim Compensation and Reimbursement of Professionals* [Docket No. 84]. Pursuant to such Order, the Bankruptcy Court established interim compensation procedures (the "Compensation Procedures") applicable to Estate Professionals in the Bankruptcy Case. Among other things, the Compensation Procedures permit Estate Professionals to submit invoices on a monthly basis and, to the extent not objected to, receive payment of 80% of professional fees and reimbursement for 100% of expenses sought in such invoices, with all amounts received remaining subject to later Bankruptcy Court approval in connection with formal fee applications.

F&P has filed one interim fee application to date in the Bankruptcy Case [see Docket No. 092] covering the period of the Petition Date through July 31, 2017. As of December 12, 2017, F&P has received payments totaling \$104,518.91 in accordance with the Compensation Procedures. F&P's first interim fee application was granted pursuant to an *Order Granting First Interim Application of Forshey & Prostok, LLP* [Docket No. 116] entered on October 5, 2017 which awarded F&P a total of \$199,721.07 for professional fees and expenses on an interim basis. From August 1, 2017 through November 30, 2017, F&P has accrued additional fees and expenses of approximately \$301,612.82.

JDL has filed one interim fee application to date in the Bankruptcy Case [see Docket No. 095] covering the period of the Petition Date through July 31, 2017. As of December 12, 2017, JDL has received payments totaling \$190,259.80 in accordance with the Compensation Procedures. JDL's first interim fee application was granted pursuant to an *Order Granting First Interim Application of JDL Advisory Group PLLC* [Docket No. 118] entered on October 5, 2017 which awarded JDL a total of \$444,187.03 for professional fees and expenses on an interim basis. From August 1, 2017 through November 30, 2017, JDL has accrued additional fees and expenses of approximately \$222,216.56.

CR3 has filed one interim fee application to date in the Bankruptcy Case [see Docket No. 094] covering the period of the Petition Date through July 31, 2017. As of December 12, 2017, CR3 has received payments totaling \$50,422.76 in accordance with the Compensation Procedures. CR3's first interim fee application was granted pursuant to an *Order Granting First Interim Application of CR3 Partners, LLC* [Docket No. 124] entered on October 12, 2017 which awarded CR3 a total of \$64,569.60 for professional fees and expenses on an interim basis. From August 1, 2017 through November 30, 2017, CR3 has accrued additional fees and expenses of approximately \$118,191.82.

The Order approving the Debtors' employment of Decker Jones authorized the Debtors to pay a post-petition retainer to Decker Jones in the amount of \$10,000, which is to be held by

Decker Jones and applied upon the approval of Decker Jones' interim or final fee application. The Debtors sent a check for the retainer to Decker Jones on June 22, 2017. Decker Jones has filed one interim fee application to date in the Bankruptcy Case [see Docket No. 097] covering the period of the Petition Date through July 31, 2017. As of December 12, 2017, Decker Jones has received payments totaling \$6,369.77 in accordance with the Compensation Procedures. Decker Jones' first interim fee application was granted pursuant to an *Order Granting First Interim Application of Decker Jones, PC* [Docket No. 131] entered on November 8, 2017 which awarded Decker Jones a total of \$13,033.18 for professional fees and expenses on an interim basis. From August 1, 2017 through November 30, 2017, Decker Jones has accrued additional fees and expenses of approximately \$16,608.23.

MP&H has not filed any interim fee applications to date in the Bankruptcy Case. However, as of December 12, 2017, MP&H has received payments totaling \$1,238.70 in accordance with the Compensation Procedures.

The Order approving the Debtors' employment of BDO authorized the Debtors to pay a post-petition retainer to BDO in the amount of \$10,000, which is to be held by BDO and applied upon the approval of BDO's final fee application in the Bankruptcy Case. The Debtors sent a check for the retainer to BDO on June 30, 2017. BDO has filed one interim fee application to date in the Bankruptcy Case [see Docket No. 093] covering the period of June 26, 2017 through July 31, 2017. As of December 12, 2017, BDO has received payments totaling \$3,756.26 in accordance with the Compensation Procedures. BDO's first interim fee application was granted pursuant to an *Order Granting First Interim Application of BDO USA, LLC* [Docket No. 117] entered on October 5, 2017 which awarded BDO a total of \$2,200.00 for professional fees and expenses on an interim basis. From August 1, 2017 through November 30, 2017, BDO has accrued additional unpaid fees and expenses of approximately \$24,580.

The Debtors' Estate has paid U.S. Trustee Fees through the 3rd quarter of 2017 and expects to continue paying U.S. Trustee Fees as they become due.

F. Continuation of Business and Affairs after the Petition Date

From the Petition Date through the date of this Disclosure Statement, the Debtors have continued to operate their business and manage their affairs as Debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. As discussed below, the Debtors sought Bankruptcy Court approval for all transactions that were outside the ordinary course of their businesses.

G. The Plan Settlement and Sale to the Purchaser

As discussed, the Debtors have aggressively marketed and solicited offers for the sale of substantially all of their assets, including their intellectual property and related assets, and examined a number of potential restructuring and liquidation options. As a result of that process, the Debtors have determined that entering into the Plan Settlement described herein and the sale of the Purchased Assets to the Purchaser will provide the greatest return to General Unsecured Creditors. The cash proceeds of the sale, along with any other assets that are not sold, will be transferred to a liquidating trust. The liquidating trustee will be responsible for liquidating any unsold assets, objecting to claims, and making distributions to creditors.

1. *The Plan Settlement*

To fund the Plan and provide the greatest return to General Unsecured Creditors, the Debtors have agreed to enter into the Plan Settlement described herein. As part of the Plan Settlement, the Debtors, MII, MHI, Seemap, Tokio Marine, IST, and Woodland, as applicable, have agreed as follows:

- (a) The Debtors shall sell the Purchased Assets to Purchaser pursuant to the APA in exchange for Cash in the amount of Three Million Dollars (\$3.0 million) on the Closing Date;
- (b) On the Effective Date, the Tokio Marine Claim shall be Allowed in the amount of \$4,616,818.92. On account of the Allowed Tokio Marine Claim, Tokio Marine shall be entitled to receive a cash payment of \$500,000 on the Effective Date (the "Tokio Marine Payment"), which shall be paid in full in cash in advance of, *inter alia*, any payment to the holders of Class 4 General Unsecured Claims; *however*, Tokio Marine shall not be entitled to any other or further distribution from the Liquidating Trust on the balance of the Allowed Tokio Marine Claim until all Administrative Claims, Priority Tax Claims, Trust Expenses, and Allowed Claims in Classes 1, 3 and 4 have been paid in full;
- (c) On the Effective Date, the MHI Claim shall be allowed in the amount of \$2,713,523.08 and the Seemap Claim shall be Allowed in the amount of \$3,956,758; *however*, the holders of the MHI Claim and the Seemap Claim shall not be entitled to receive any distribution from the Liquidating Trust until all Administrative Claims, Priority Tax Claims, Trust Expenses, and Allowed Claims in Classes 1, 3 and 4 have been paid in full. After payment in full of all Administrative Claims, Priority Tax Claims, Trust Expenses, and Allowed Class 1, 3, and 4 Claims, the holders of the Tokio Marine Claim, MHI Claim, and Seemap Claim shall receive a Pro Rata Share of the remaining Net Liquidating Trust Assets;
- (d) The Insider Claims shall be disallowed as set forth in section 4.06 of the Plan;
- (e) On the Effective Date, IST shall grant the Liquidating Trust a contingent value right ("CVR") in the amount of \$250,000, plus any expenses actually incurred by the Liquidating Trust in maintaining the IST Property, in the proceeds from the sale of, or IST's receipt of any funds secured by, any portion of the IST Property. The CVR and any expenses incurred by the Liquidating Trust shall be paid first from the net proceeds from any sale of any the IST Property or IST's receipt of any funds secured by any of the IST Property. Any sale of the IST Property by IST shall not interfere with any lease of the IST Property between IST and the Purchaser.
- (f) The attorneys' fees incurred by Woodland arising from his assistance with the sale negotiations, letter of intent, APA (including negotiations relating to the Woodland Employment Agreement), and Plan, shall be paid as an Administrative Expense of the Debtors' Estate up to a maximum amount of \$75,000;;

- (g) Any and all Claims held by the Debtors against MHI, MII, Seamap, Tokio Marine, IST, and Woodland, including the Woodland-Related Estate Claim, shall be waived and released by the Debtors on the Effective Date.

With regard to the sale component of the Plan Settlement, the Debtors have aggressively marketed and solicited offers for the sale of substantially all their Assets, including the Intellectual Property and related Assets, and believe that the likelihood of a bidding and auction process producing another viable purchaser that the Debtors have not already identified and approached is remote. Instead, in the exercise of their good faith business judgment, the Debtors believe that consummating a sale of the Purchased Assets for \$3.0 million, and compromising the other Claims included in the Plan Settlement as described herein, will provide the greatest return to General Unsecured Creditors.

Specifically, the sales price plus the retention of the Omniquest Account Receivable will generate approximately \$3.27 million for distribution through the Plan. The Plan Settlement also includes the allowance of the Tokio Marine Claim as a \$4,616,818.92 Class 5 Resolved Claim, for which Tokio Marine is entitled to a \$500,000 payment (or roughly 11% of the Tokio Marine Claim) ahead of Class 4 Claims, but provides that Tokio Marine shall not be entitled to any further distribution until all Class 4 Claims have been paid in full, plus interest. The Plan Settlement also provides for the allowance of the MHI Claim and the Seamap Claim as Class 5 Claims in the aggregate amount of \$6,670,281.08 (which amount *excludes* the portion of the MHI Claim to which Tokio Marine asserts subrogation rights), for which MHI and Seamap likewise shall not be entitled to any distribution until all Class 4 Claims are paid in full, plus interest. Although the Debtors assert defenses and rights of offset against the Resolved Claims, the sale of the Debtors' assets plus the resolution of the Resolved Claims in Class 5 removes approximately \$11.29 million in claims from the pool of Class 4 General Unsecured Claims and allows for the Debtors to make a distribution to creditors of between ___% and ___% (as opposed to an estimated ___% distribution if the case is converted to chapter 7).

In addition, the release of the Debtors' claims against IST in exchange for the \$250,000 CVR in the IST Property and the disallowance of the IST Claim will provide an additional \$250,000 for distribution to the holders of Class 4 General Unsecured Claims. Although the Debtors possess intercompany claims against IST for approximately \$1.7 million, IST asserts substantial offset rights against the Debtors' claims and the Debtors believe IST has no way to satisfy a potential judgment in that amount. Instead, it appears all of the property owned by IST only has a value of approximately \$800,000, which has been discounted from its tax appraised value of approximately \$1.07 million based on the condition of the properties and the market in Mineral Wells, Texas. As a result, although the amount of the CVR (\$250,000) is less than the estimated potential value of the Debtors' claims against IST (\$800,000), the Debtors believe the IST component of the Plan Settlement is in the best interests of the Debtors' Estate because the Debtors' claims are subject to substantial offsets asserted by IST, litigation would be expensive and time-consuming, and the result of any litigation by the Liquidating Trustee against IST is uncertain. Compromising the Debtors' claims against IST, on the other hand, will avoid the risk, uncertainty, and expense of litigation, and potentially allow the Liquidating Trustee to make a distribution to the holders of Class 4 Claims from the proceeds received from the CVR sooner than may be possible through protracted litigation with IST.

Finally, the Debtors have agreed to resolve the respective claims between the Debtors and Mr. Woodland (except for Mr. Woodland's claims for wages and expense reimbursements), and for Mr. Woodland's attorneys' fees relating to the plan process up to a maximum amount of \$75,000, including those relating to his employment agreement with the Purchaser, to be paid

as part of the Plan Settlement. Specifically, all of Mr. Woodland's claims against the Debtor, including his \$132,333.55 claim based on a note payable, are disallowed as Class 6 Claims. However, the disallowance of Mr. Woodland's claims does not include the approximately \$29,021.36 reflected in the Debtors' Schedules as being payable to Mr. Woodland for employee wages and expense reimbursements. In exchange, the Debtors agree to release any claims the Estate may have against Mr. Woodland, including a claim against Mr. Woodland based on a note receivable in the amount of \$129,224.44. The resolution of claims between the Debtors and Mr. Woodland and the payment of Mr. Woodland's attorneys' fees as a part of the Plan Settlement are necessary because Mr. Woodland's participation in the Plan process, including his employment agreement with the Purchaser, constitutes an integral component of the sale transaction. Indeed, Mr. Woodland's participation in the negotiations greatly enhanced the value from the sale received by the Debtors' Estate. Without Mr. Woodland's participation and agreement to enter into a long-term employment contract with the Purchaser, the Debtors would not have been able to obtain any going concern value for their business in the sale of the Purchased Assets. As a result, Mr. Woodland's participation in the Plan process was critical and has produced substantial value for the Debtors' Estate. Consequently, the settlement with Mr. Woodland and the payment of his attorneys' fees up to a maximum amount of \$75,000 as an administrative expense are appropriate.

For each of the reasons described herein, the Debtors believe that the transactions contemplated by the Plan Settlement are in the best interests of the Debtors' Estates, will provide the greatest recovery to the holders of General Unsecured Claims, and should therefore be approved.

2. Terms of the Sale

The Debtors have signed an Asset Purchase Agreement (the "APA") with Purchaser. Under the terms of the APA, the Purchaser will purchase substantially all of the Debtors' Assets, including their Intellectual Property and related Assets. The Purchased Assets specifically do not include the Debtors' cash on hand, accounts receivable, including accounts receivable for work performed by the Debtors prior to the Effective Date, or any causes of action belonging to the estate that do not pertain to the Purchased Assets, including any causes of action under chapter 5 of the Bankruptcy Code. These Remaining Assets will be transferred to a liquidating trust.

In exchange, the Purchaser will pay the Debtors the sum of Three Million (\$3,000,000) in cash on the Closing Date of the sale. The sale transaction also includes an employment agreement between Fred Woodland and MII, the terms of which are described in section 1.105 of the Plan. Finally, as part of the Plan Settlement, the Debtors have agreed to waive and release any claims they may have against MHI, MII and Seamap.

3. No Bidding and Auction Process and Break-Up Fee

Based on their aggressive marketing efforts to date soliciting offers for the sale of their assets, including the Purchased Assets, the Debtors believe the likelihood of a bidding and auction process providing another viable purchaser that the Debtors have not already identified is remote. Further, because the sale to Purchaser would provide a substantial recovery to unsecured creditors, and their continued business operations are consuming cash that would otherwise be available for distribution to creditors, the Debtors want to expeditiously move forward with the proposed sale through the Plan. As a result, the Debtors are not requesting

bidding procedures and do not intend to hold an auction relating to the sale of their assets.¹ However, because their continued discussions with other interested parties could potentially result in the sale of their assets to a different purchaser, the Debtors have requested the entry of an order approving a \$250,000 break-up fee (the "Break-Up Fee") in favor of Purchaser [Docket No. 125]. As a result, if the Break-Up Fee is approved, the Debtors will have to pay the Break-Up Fee to Purchaser in the event they enter into an alternative transaction (as defined in the motion to approve the Break-Up Fee).

4. *Executory Contracts and Unexpired Leases*

All executory contracts and unexpired leases of the Debtors shall be deemed rejected by the Debtors upon the Effective Date unless an executory contract or unexpired lease (i) has been previously assumed or rejected pursuant to an order of the Bankruptcy Court, (ii) is identified in the Confirmation Order to be assumed and assigned to the Purchaser, or (iii) is the subject of a motion to assume filed on or before the Confirmation Date. The Plan shall constitute a motion to reject the Debtors' executory contracts and unexpired leases except as stated in this paragraph. However, the Debtors may file a separate motion for the assumption or rejection of any executory contracts or unexpired leases at any time through the Confirmation Date.

5. *Liquidating Trust*

Upon the occurrence of the Effective Date, the Liquidating Trust will be formed, and the cash proceeds from the sale and any remaining assets of the Debtors will be transferred to the Liquidating Trust.

Bill Roberts of CR3 Partners, LLC (the "Liquidating Trustee") will be the initial liquidating trustee for the Liquidating Trust. The Liquidating Trustee shall be entitled to hire professionals and shall liquidate any assets which are not transferred to the Purchaser. The proceeds from the liquidation of such assets, along with the cash proceeds from the sale to the Purchaser, shall be used to make distributions to creditors.

H. **Schedules and Bar Date**

After receiving two extensions authorized by the Court, the Debtors filed their Schedules on May 17, 2017 [Docket No. 24 in Case No. 17-41442; Docket No. 26 in Case No. 17-41444]. The Debtors each subsequently filed Amended Schedules on June 23, 2017 [Docket No. 40 in Case No. 17-41442; Docket No. 29 in Case No. 17-41444]. Pursuant to a *Notice of Chapter 11 Bankruptcy Case* entered on the docket [Docket No. 6 in Case No. 17-41442; Docket No. 6 in Case No. 17-41444], August 17, 2017 was fixed as the deadline for all holders of alleged Claims (except for governmental units) to file proofs of Claim.

I. **Operating Information During Pendency of the Chapter 11 Case**

The Debtors have filed all required monthly operating reports with the Bankruptcy Court. Copies of the filed monthly operating reports are available for inspection and copying at the office of the Clerk of the Bankruptcy Court. Copies of the most recently filed monthly operating reports filed by HTI and SSC are attached hereto as **Exhibits "4" and "5,"** respectively.

¹ Although the Debtors do not believe they will receive any comparable or better offers for the sale of their assets, any competing offers will promptly be disclosed by the Debtors to the Court and parties-in-interest.

J. The Prologis Settlement

Prologis asserted a substantial claim against HTI based on HTI's guaranty ("Guaranty") of certain obligations by its sister entity, Hydrosience de Mexico, S. de R.L. de C.V. ("HTIM"), under two lease agreements for manufacturing space in Jalisco, Mexico. Prologis asserts a \$5.5 million claim against HTI based on the Guaranty [see Proof of Claim No. 35 in Case No. 17-41442]. The claim asserted by Prologis, although disputed by HTI, includes prepetition, post-petition, unsecured and Administrative Expense claims.

On July 13, 2017, the Debtors filed a *Motion for Approval of Settlement Agreement* [Docket No. 52] seeking approval of a settlement agreement between the Debtors, HTIM, IST, and Prologis (the "Prologis Settlement"), pursuant to which (a) HTIM agreed to vacate the leased premises by June 30, 2017; (b) HTI agreed to pay \$12,000 per week as holdover rent entitled to administrative priority in the Debtors' Bankruptcy Case if HTIM did not vacate the premises by June 30, 2017; (c) HTI agreed to pay Prologis \$250,000 within six months of the July 12, 2017 execution of the Settlement Agreement (the "Prologis Settlement Payment"), and Prologis agreed to cap its claim against HTI based on the Guaranty at \$500,000 (plus any claims for holdover rent and any claims related to the condition of the premises); and (d) if HTI does not make the \$250,000 payment within six months, Prologis can assert its full claim against HTI in the Bankruptcy Case. The Prologis Settlement was approved by the Bankruptcy Court on August 24, 2017 (the "Prologis Order") [Docket No. 83].

HTIM vacated the leased premises on July 21, 2017, and the Debtors paid Prologis the sum of \$36,000 as holdover rent on September 4, 2017. Under the terms of the Prologis Settlement, the Debtors have until January 12, 2018 to make the Prologis Settlement Payment; however, the Prologis Order authorizes the Debtors to make the Prologis Settlement Payment at any time. By making the Prologis Settlement Payment, the Debtors will cap the Prologis Unsecured Claim at \$500,000 plus any claims Prologis may assert relating to the condition of the leased premises.

K. Exclusivity

Pursuant to sections 1121(b) and (c)(3) of the Bankruptcy Code, Debtors have (a) 120 days after the petition date within which to file their plan of reorganization (the "Exclusive Period"), and (b) 180 days after the petition date to solicit acceptances of their timely filed plan of reorganization (the "Solicitation Period") before other parties-in-interest are permitted to file plans. On July 3, 2017, the Debtors filed a motion to extend the Exclusive Period and Solicitation Period [Docket No. 48]. On November 29, 2017, the Bankruptcy Court entered an order extending the Exclusive Period through January 29, 2018 and the Solicitation Period through April 2, 2018 [Docket No. 140].

VI. LITIGATION INVOLVING THE DEBTOR

A. Current Litigation

The Debtors are not parties to any pending litigation.

B. Additional and Potential Litigation by the Debtors

Except as expressly provided in the Plan, nothing contained in the Disclosure Statement, the Plan or the Confirmation Order shall waive, relinquish, release or impair

the Debtors' or the Liquidating Trustee's right to object to any claim.

Except as expressly set forth in the Plan, all causes of action, claims, counterclaims, defenses and rights of offset or recoupment (including but not limited to all Estate Claims, Estate Defenses and Avoidance Actions) belonging to the Debtors shall, upon the occurrence of the Effective Date, be retained by, received by and vested in the Liquidating Trustee for the benefit of the Debtors' Estate. Except as expressly set forth in the Plan the rights of the Liquidating Trustee to commence, prosecute or settle such causes of action shall be preserved notwithstanding the occurrence of the Effective Date. **No person may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any cause of action against them as any indication that the Debtors' Bankruptcy Estate or the Liquidating Trustee will not pursue any and all available causes of action (including the Estate Claims, Estate Defenses and Avoidance Actions) against any Person, except as otherwise provided in the Plan.** Unless any causes of action against a Person are expressly waived, relinquished, exculpated, released, compromised or settled in the Plan or a Final Order, the Debtors' Estate expressly reserves all causes of action (including all Estate Claims, Estate Defenses and Avoidance Actions) for later adjudication and, therefore, no preclusion doctrine, including without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches, shall apply to such causes of action upon or after the confirmation or consummation of the Plan. Without limiting the foregoing, parties are advised that the Debtors' Estate specifically preserves any Avoidance Actions it may hold against all parties disclosed in the Debtors' Amended Statements of Financial Affairs filed on June 22, 2017 [Docket No. 38 in Case No. 17-1442; Docket No. 28 in Case No. 17-41444], as hereafter amended or supplemented, as having received any conveyances or transfers from the Debtors.

VII. THE PLAN

THE FOLLOWING IS A SUMMARY OF THE MATTERS CONTEMPLATED TO OCCUR EITHER PURSUANT TO OR IN CONNECTION WITH THE CONSUMMATION OF THE PLAN. THIS SUMMARY HIGHLIGHTS THE SUBSTANTIVE PROVISIONS OF THE PLAN AND IS NOT, NOR IS IT INTENDED TO BE, A COMPLETE DESCRIPTION OR A SUBSTITUTE FOR A FULL AND COMPLETE REVIEW OF THE PLAN. THE FOLLOWING SUMMARY IS COMPLETELY QUALIFIED BY THE TERMS OF THE PLAN. IN THE EVENT OF ANY CONFLICT BETWEEN THE FOLLOWING SUMMARY AND THE PLAN, THE PLAN WILL CONTROL.

A. Liquidating Trustee

The Plan is a liquidating plan which provides for the creation of a Liquidating Trust into which the Cash Proceeds from the sale to the Purchaser and all the Estate's Remaining Assets will be transferred on the Effective Date. The Liquidating Trustee will act pursuant to the Liquidating Trust Agreement to gather, collect and liquidate the Estate's Cash Proceeds and Remaining Assets and shall use the resulting proceeds to make Distributions under the Plan to the beneficiaries of the Liquidating Trust. A copy of the proposed Liquidating Trust is attached as an exhibit to the Plan.

The proposed Liquidating Trustee is Bill Roberts. Mr. Roberts is a Director with CR3 Partners, LLC, which acted as sale and financial advisors to the Debtors. Mr. Roberts' resume

and his qualifications to act as Liquidating Trustee are reflected in the attached **Exhibit “6”**.

As Liquidating Trustee, Mr. Roberts will serve without the necessity of posting any bond or other security.

B. Classification and Treatment Summary

The Plan classifies the various Claims against and Interests in the Debtors. These Classes take into account the different nature and priority of Claims against and Interests in the Debtors. In addition, in accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims are not classified for purposes of voting under the Plan. Rather, all such Claims are treated separately as unclassified Claims.

Classes 1, 2, and 3 are not impaired under the Plan. Class 4 General Unsecured Claims, Class 5 Resolved Claims, Class 6 Insider Claims, and Class 7 Interests are impaired under the Plan. If a controversy arises as to the classification of any Claim or Interest, or as to whether any Class of Claims or Interests is impaired under the Plan, the Bankruptcy Court shall determine such controversy as a part of the confirmation process.

1. Unclassified Claims Against the Debtor

Unclassified Claims against the Debtors consist of Administrative Expense Claims and Priority Tax Claims. An Administrative Expense Claim is a Claim based on any cost or expense of administration of this Bankruptcy Case allowed under subsections 503(b) and 507(a)(2) of the Bankruptcy Code, including, without limitation, any actual and necessary expenses of preserving the Debtors' Estate, any actual and necessary expenses of operating the Debtors' business, any indebtedness or obligations incurred or assumed by the Debtors, as debtors-in-possession, during their jointly-administered Bankruptcy Cases including, without limitation, for the acquisition or lease of property or an interest in property or the rendition of services, all compensation or reimbursement of expenses to the extent allowed by the Bankruptcy Court under section 330 or 503 of the Bankruptcy Code, and any fees or charges assessed against the Estate of the Debtors under section 1930 of title 28 of the United States Code.

Administrative Expense Claims include both ordinary post-petition expenses and Claims attributable to Estate Professionals. Claims incurred in the ordinary course of the Debtors' affairs or business will be paid in the ordinary course of business. Fees and expenses owed to Estate Professionals are payable upon the Allowance of an appropriate fee application.

a. Treatment of Administrative Expense Claims

The Liquidating Trustee shall pay, in accordance with the ordinary business terms applicable to each such expense or cost, the reasonable and ordinary expenses incurred in operating the Debtors' business or administering the Estate before the Effective Date ("Ordinary Course Claims"). The remaining provisions of section 3.01 of the Plan shall not apply to the Ordinary Course Claims, except that if there is a dispute relating to any such Ordinary Course Claim, the Liquidating Trustee may move the Bankruptcy Court to apply the provisions of Article X of the Plan relating to Contested Claims and require the holder of the Contested Ordinary Course Claim to assert such Claim through this Bankruptcy Case.

Each holder of an Allowed Administrative Expense (other than Ordinary Course Claims and Administrative Expense Claims by Estate Professionals), shall receive (i) the amount of

such holder's Allowed Administrative Expense in one Cash payment on the later of the Effective Date or the tenth (10th) Business Day after such Administrative Expense becomes an Allowed Administrative Expense, or (ii) such other treatment as may be agreed to in writing by such Administrative Expense Creditor and the Liquidating Trustee, or as otherwise ordered by the Bankruptcy Court.

Unless the Bankruptcy Court orders to the contrary or the Liquidating Trustee agrees to the contrary in writing, the holder of a Claim for an Administrative Expense, other than such a Claim by an Estate Professional, an Ordinary Course Claim, the Prologis Administrative Claim, or an Administrative Expense which is already Allowed, shall file with the Bankruptcy Court and serve upon the Liquidating Trustee and his counsel a written notice of such Claim for an Administrative Expense within thirty (30) days after the Effective Date. Such notice shall include at a minimum: (i) the name, address, telephone number and fax number (if applicable) or email address of the holder of such Claim, (ii) the amount of such Claim, and (iii) the basis of such Claim. Failure to timely and properly file and serve such notice shall result in such Claim for an Administrative Expense being forever barred from receiving any Distribution through the Liquidating Trust.

A Claim for an Administrative Expense, for which a proper notice was filed and served under subsection 3.01(c) of the Plan, shall become an Allowed Administrative Expense if no Objection is filed within thirty (30) days of the filing and service of such notice. If a timely Objection is filed, the Claim shall become an Allowed Administrative Expense only to the extent allowed by a Final Order.

THE FAILURE TO TIMELY FILE THE REQUIRED NOTICE OF ADMINISTRATIVE EXPENSE CLAIM AND THE FAILURE TO SERVE SUCH NOTICE TIMELY AND PROPERLY SHALL RESULT IN THE ADMINISTRATIVE EXPENSE CLAIM BEING FOREVER BARRED, DISALLOWED AND DISCHARGED WITHOUT FURTHER ORDER OF THE BANKRUPTCY COURT.

The above procedures shall not apply to Administrative Expense Claims asserted by Estate Professionals, who shall each file and submit an appropriate final fee application to the Bankruptcy Court no later than sixty (60) days after the Effective Date. A Claim for an Administrative Expense by an Estate Professional in respect of which a final fee application has been properly filed and served shall become an Allowed Administrative Expense only to the extent allowed by Final Order and, if so Allowed, shall be paid in accordance with subsection 3.01(b) of the Plan. Professional fees and expenses to any Estate Professional incurred on or after the Effective Date may be paid by the Liquidating Trustee without necessity of application to or order by the Bankruptcy Court.

If the Liquidating Trustee asserts any Estate Claims as counterclaims or defenses to a Claim for an Administrative Expense, the Administrative Expense Claim shall be determined through an adversary proceeding before the Bankruptcy Court. The Bankruptcy Court shall have exclusive jurisdiction to adjudicate and Allow all Claims for any Administrative Expense.

b. Treatment of Priority Tax Claims

All Allowed Priority Tax Claims shall receive (a) one Cash payment in an amount equal to the principal amount of such Allowed Priority Tax Claim, plus interest at the rate and in the manner prescribed by applicable state law from the later of the Petition Date or the first day after the last day on which such Priority Tax Claim may be paid without penalty, no later than sixty

(60) days after each such Claim becomes an Allowed Claim, or (b) such other treatment as may be agreed to in writing by the holder of the Priority Tax Claim and the Liquidating Trustee.

c. Treatment of U.S. Trustee Fees

The Liquidating Trustee shall pay to the U.S. Trustee all unpaid U.S. Trustee Fees due and payable as of the Effective Date as well as all such fees which become due and payable after the Effective Date. Any U.S. Trustee Fees due as of the Effective Date shall be paid in full on the Effective Date or as soon thereafter as is practicable. After the Effective Date, the Liquidating Trustee shall continue to pay the U.S. Trustee Fees as they accrue and become due and payable until the Final Decree is entered and this Bankruptcy Case is closed.

2. Classified Claims and Interests

Classified Claims and Interests shall receive the treatment as described in Article IV of the Plan, which treatment is summarized in the table set forth in Article I Section B of this Disclosure Statement above.

C. Acceptance or Rejection of the Plan

Each Impaired Class of Claims entitled to vote shall separately vote to accept or reject the Plan. Any unimpaired Class shall not be entitled to vote to accept or reject the Plan. Any unimpaired Class is deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code. A Class of Claims shall have accepted the Plan if it is accepted by at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Allowed Claims in such Class that have voted on the Plan. Any Class of Claims that is not occupied as of the date of the commencement of the Confirmation Hearing by an Allowed Claim or a Claim temporarily Allowed under Bankruptcy Rule 3018 shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code. Section 5.03 of the Plan shall constitute the request by the Plan proponent, pursuant to section 1129(b) of the Bankruptcy Code, for the Bankruptcy Court to confirm the Plan notwithstanding the fact that the requirements of section 1129(a)(8) of the Bankruptcy Code have not been met.

D. Means of Implementing the Plan

1. Sources of Funding for Plan Obligations

To fund the Plan, the Debtors have agreed to sell the Purchased Assets to Purchaser in exchange for (a) Cash in the amount of Three Million Dollars (\$3.0 million) on the Closing Date of the sale, (b) the resolution of the Resolved Claims through Class 5 of the Plan, pursuant to which, except for the \$500,000 Tokio Marine Payment, the approximately \$11.29 million aggregate total of the Resolved Claims are not entitled to any distribution until all Class 4 General Unsecured Claims are paid in full, and (c) the waiver and release by the Debtors of any Claims against MHI, MII, Seemap, and Tokio Marine.

The Debtors have aggressively marketed and solicited offers for the sale of substantially all their Assets, including the Intellectual Property and related Assets, and believe that the likelihood of a bidding and auction process producing another viable purchaser that the Debtors have not already identified and approached is remote. Instead, in the exercise of their good faith business judgment, the Debtors believe that consummating a sale of the Purchased Assets for

\$3.0 million combined with the waiver, release and disallowance of the Resolved Claims is in the best interests of the Debtors' Estates. The Debtors and their professionals have thoroughly analyzed all sale and restructuring options potentially available to the Debtors and believe that the sale of the Purchased Assets to Purchaser will provide the greatest return to General Unsecured Creditors.

2. Sale of the Purchased Assets

On the Effective Date, the Purchased Assets shall be transferred to the Purchaser on the Closing Date pursuant to the APA, free and clear of all liens, claims, and encumbrances.

3. Liquidating Trust

The Liquidating Trust shall be created as of the Effective Date in accordance with the terms of this Plan and the Liquidating Trust Agreement. The Debtors and the Estate shall be the settlor of the Liquidating Trust.

4. Transfer of Assets

As of the Effective Date, the Cash Proceeds and all Remaining Assets shall be transferred from the Debtors to the Liquidating Trust, including without limitation all Cash, Estate Accounts Receivable, including the Omniquest Account Receivable, Estate Claims, Estate Defenses, Estate Insurance, Estate Contracts, and the CVR in the IST Property. After the Effective Date, the Liquidating Trustee may still abandon any Trust Assets which are burdensome or have no or inconsequential value to the Liquidating Trust. The Assets shall be transferred to, and vested in, the Liquidating Trust free and clear of all Liens, Claims, rights, Interests and charges, except as expressly provided in this Plan.

5. Assumption of Obligation to Make Distributions

The Liquidating Trustee shall be deemed to have assumed the obligation to make all Distributions pursuant to this Plan, including the obligation to make all Distributions on account of Allowed Claims.

6. Actions by Debtors and the Liquidating Trustee to Implement Plan

The entry of the Confirmation Order shall constitute all necessary authorization for the Debtors and the Liquidating Trustee to take or cause to be taken all actions necessary or appropriate to consummate, implement or perform all provisions of this Plan on and after the Effective Date, and all such actions taken or caused to be taken shall be deemed to have been authorized and approved by the Bankruptcy Court without further approval, act or action under any applicable law, order, rule or regulation, including without limitation, (i) all transfers of Assets, including to the Liquidating Trustee and the Purchaser, as appropriate, that are to occur pursuant to the Plan; (ii) the cancellation of Interests and the winding up and dissolution of the Debtors; (iii) the performance of the terms of the Plan and the making of all Distributions required under the Plan; and (iv) subject to the terms of the Plan, entering into any and all transactions, contracts, or arrangements permitted by applicable law, order, rule or regulation.

7. Post-Effective Date Service List

Pleadings filed by any party-in-interest with the Bankruptcy Court after the Effective Date

shall be served on the following Persons (collectively the "Service List"): (i) any Person directly affected by the relief sought in the pleading, (ii) the U.S. Trustee, (iii) parties which have filed a Notice of Appearance in this Bankruptcy Case, and (iv) the Liquidating Trustee through legal counsel.

8. Section 505 Powers

All rights and powers pursuant to section 505 of the Bankruptcy Code are hereby reserved to the Estate and shall be transferred to, and vested in, the Liquidating Trustee as of the Effective Date.

9. Section 510(c) Powers

All rights and powers to seek or exercise any right or remedy of Equitable Subordination or are hereby reserved to the Estate and shall be transferred to, and vested in, the Liquidating Trustee as of the Effective Date as an Estate Defense.

10. Section 506(c) Powers

The Estate hereby reserves all rights and powers pursuant to section 506(c) of the Bankruptcy Code, and all such rights shall be specifically transferred to, and vested in, the Liquidating Trustee.

11. Plan Injunction

The Liquidating Trustee shall have full power, standing an authority to enforce the Plan Injunction against any Person, either through an action before the Bankruptcy Court or any other tribunal having appropriate jurisdiction. The Purchaser shall have standing to enforce the Plan Injunction against any Person, either through an action before the Bankruptcy Court or any other tribunal having appropriate jurisdiction.

12. Cancellation of Interests

Except as otherwise specifically provided in the Plan, upon the Effective Date: (i) all Interests in the Debtors shall be cancelled; (ii) all obligations or debts of, or Claims against, the Debtors on account of, or based upon, the Interests shall be deemed as cancelled, released and discharged, including all obligations or duties by the Debtors relating to the Interests in any of their respective formation documents, including HTI's articles of incorporation, HTI's bylaws, SSC's articles of formation, or SSC's company agreement. Holders of such cancelled Interests are not beneficiaries of the Liquidating Trust.

13. Dissolution of Debtors

The Liquidating Trustee shall be responsible for the winding up and dissolution of the Debtors which shall be undertaken as soon as practicable after the Effective Date. The Liquidating Trustee may retain such professionals, consultants or advisors as may be reasonably necessary to seasonably accomplish this task, and all such expenses attributable to the winding up and dissolution of the Debtors shall be treated as Trust Expenses.

14. Purchaser not Successor.

The Purchaser shall not be considered a successor to the Debtors.

E. The Liquidating Trust

1. Creation of Liquidating Trust

On the Effective Date, the Liquidating Trust shall be created pursuant to the Liquidating Trust Agreement which shall be executed on behalf of the Debtors and by the Liquidating Trustee to accept the appointment. The Liquidating Trust Agreement shall be in substantially the same form as **Exhibit "B"** to the Plan. The Liquidating Trust shall not terminate upon the death or incapacity of the Trustee and shall continue until their termination in accordance with the terms of the Plan and the Liquidating Trust Agreement. Reference is here made to the Liquidating Trust Agreement for all purposes which shall constitute an integral part of the Plan.

2. Compensation of Liquidating Trustee

The Liquidating Trustee shall be compensated from the Trust Assets in the manner set forth in the Confirmation Order as a Trust Expense. The Liquidating Trustee shall also be entitled to reimbursement of reasonable and necessary out-of-pocket expenses incurred in the performance of such duties, also as a Trust Expense.

3. Trust Assets

The Debtors and the Estate shall constitute the settlor of the Liquidating Trust. As of the Effective Date, the Cash Proceeds and all Remaining Assets shall be transferred to the Liquidating Trust where they will constitute the Trust Assets; *provided, however*, that (i) the Tokio Marine Payment shall be paid by the Debtors in full to Tokio Marine on the Effective Date in cash, and (ii) the Tokio Marine Payment shall not constitute Trust Assets. The Trust Assets shall encompass the Cash Proceeds and all Remaining Assets held by the Estate as of the Effective Date and shall specifically include without limitation: (i) all Estate Cash, including the Cash Proceeds (ii) all Estate Accounts Receivable, (iii) all Estate Claims, (iv) all Estate Defenses, (v) all rights under Estate Insurance, (vi) any Executory Contracts assumed by the Estate, (vii) all of the Estate's rights under any Estate Contract, and (viii) the CVR in the Trust Property. To evidence the transfer of the Estate Assets to the Liquidating Trust, the Debtors shall, if requested by the Liquidating Trustee, execute on behalf of the Debtors and Estate, as settlors, an Assignment of Trust Assets transferring the Estate Assets to the Liquidating Trust which shall be included among the Plan Documents.

4. Distributions from Liquidating Trust

The Liquidating Trustee shall be responsible for making all Distributions from the Liquidating Trust to holders of Allowed Claims pursuant to the Plan, other than the Tokio Marine Payment, which shall be paid by the Debtors on the Effective Date, in full in cash. The priority of Distributions from the Liquidating Trust shall be in accordance with the terms of the Plan and the Confirmation Order as follows:

(a) First, to satisfy Allowed Administrative Expenses and Allowed Priority Claims in accordance with Article III of the Plan, including all U.S. Trustee Fees due and owing as of the Effective Date;

- (b) Second, to satisfy holders of Allowed Class 1 Secured Tax Claims;
- (c) Third, to satisfy holders of Allowed Class 3 Priority Non-Tax Claims;
- (d) Fourth, to pay Trust Expenses;
- (e) Fifth, to make Distributions to holders of Allowed Class 4 General Unsecured Claims;
- (f) Sixth, to make Distributions to holders of Class 5 Resolved Claims; and,
- (g) Seventh, to make interest payments on a pro rata basis to holders of Allowed Class 4 General Unsecured Claims and Class 5 Resolved Claims.

So long as appropriate Reserves are maintained for the satisfaction of potential Allowed Claims entitled to priority of distribution over holders of Allowed Class 4 Claims, the Liquidating Trustee may make Distributions to holders of Allowed Class 4 Claims, from the remaining Trust Assets.

5. Reserves

The Liquidating Trustee may estimate, create and set aside Reserves as may be necessary or appropriate, including without limitation, reserves on account of Contested Claims and for Trust Expenses. The Liquidating Trustee may, but shall not be required to, move the Bankruptcy Court to approve: (a) the amount of, and terms on which, such Reserves shall be held, maintained and disbursed, or (b) the amount and timing of any proposed interim Distribution to holders of Allowed Class 4 Claims.

Once appropriate Reserves have been established for potential Claims having a higher priority for receiving Distributions under this Plan, the Liquidating Trustee may make Distributions to holders of Allowed Class 4 Claims. The Liquidating Trustee may elect to seek approval by the Bankruptcy Court for the creation and amount of any Reserves or regarding the amount or timing of any Distribution on account of any Allowed Claims. Except as otherwise expressly provided herein, the Liquidating Trustee, in the exercise of his/her good faith business judgment, may transfer funds out of any of the Reserves as necessary or appropriate. However, the Liquidating Trustee shall not be required to create separate accounts for such Reserves which may be created and memorialized by entries or other accounting methodologies, which may be revised from time-to-time, to enable the Liquidating Trustee to determine the amount of Cash available for Distribution to Beneficiaries of the Liquidating Trust. Subject to any specific deadlines set forth herein, the Liquidating Trustee, shall determine, from time-to-time, in the exercise of the Liquidating Trustee's good faith business judgment: (i) the amount of Cash available for Distribution to Beneficiaries, (ii) the timing of any Distributions to Beneficiaries, and (iii) the amount and creation of any Reserves for Contested Claims or Trust Expenses. The Liquidating Trustee shall not be entitled to create Reserves for, and the Plan provision regarding the creation of Reserves does not apply to, Distributions to holders of Class 5 Resolved Claims.

6. Trust Expenses

The Liquidating Trustee shall be entitled to pay all Trust Expenses without the necessity of further order of the Bankruptcy Court. Without limiting the generality of the foregoing, the

Liquidating Trust may retain, compensate and reimburse Trust Professionals retained by the Liquidating Trust without the necessity of further order of the Bankruptcy Court. However, the Liquidating Trustee shall be entitled, should the Liquidating Trustee so elect, to request the Bankruptcy Court to approve any Trust Expense or the retention of any Trust Professional.

7. Powers and Duties of the Liquidating Trustee

The Liquidating Trustee's duties and compensation, to the extent not set forth in the Plan, shall be as set forth in the Liquidating Trust Agreement which shall be one of the Plan Documents. The Liquidating Trustee shall constitute a representative of the Estate pursuant to section 1123(b)(3)(B) of the Bankruptcy Code, and shall be clothed with all powers, rights, duties and responsibilities pursuant to this Plan, the Confirmation Order and the Liquidating Trust Agreement.

8. Exercise of Liquidating Trustee's Powers

The Liquidating Trustee shall be entitled to exercise all powers pursuant to the Plan and the Liquidating Trust Agreement, including without limitation those set forth in section 7.08 of the Plan, without further order or approval of the Bankruptcy Court except as otherwise expressly provided in the Plan or in the Liquidating Trust Agreement or Confirmation Order.

9. Prosecution and Settlement of Estate Claims

Upon the Effective Date, the Liquidating Trustee shall automatically be substituted in place of the Debtors as the party representing the Estate in respect of any pending lawsuit, motion or other pleading pending before the Bankruptcy Court or any other tribunal. The Liquidating Trustee shall have exclusive standing and authority to prosecute, settle or compromise Estate Claims for the benefit of the Liquidating Trust in the manner set forth in this Plan and the Liquidating Trust Agreement.

10. Exculpation of Liquidating Trustee

The Liquidating Trustee shall stand in a fiduciary relationship to the Beneficiaries of the Liquidating Trust. In the performance of his or her duties, the Liquidating Trustee shall be entitled to act, or refrain from acting, based on the exercise of their good faith business judgment. However, the Liquidating Trustee shall be fully exculpated, and shall have no liability for acts or omissions, in the manner and to the extent set forth in the Liquidating Trust Agreement.

11. Indemnity

The Liquidating Trust shall indemnify and hold harmless the Liquidating Trustee, the Committee and each member of the Committee, in the manner and to the extent set forth in the Liquidating Trust Agreement.

12. Resignation of Liquidating Trustee

The Liquidating Trustee may resign as provided in the Liquidating Trust Agreement.

13. Replacement of the Liquidating Trustee

The Liquidating Trustee may be replaced in the manner and on the terms set forth in the Liquidating Trust Agreement.

14. Reliance by Liquidating Trustee

In the performance of the duties pursuant to the Plan, the Liquidating Trustee may rely upon any document or instrument which the Liquidating Trustee in good faith believes to be genuine and to have been signed or executed by the proper parties.

15. Plan Injunction

The Liquidating Trustee and Liquidating Trust shall be entitled to the full protection and benefit of the Plan Injunction and shall have standing to bring any action or proceeding necessary to enforce the Plan Injunction against any Person.

16. Tax Treatment

The Liquidating Trust shall be treated as a "liquidating trust" within the meaning of Section 301.7701-4(d) of the Treasury Regulations. The Liquidating Trustee shall, in an expeditious but orderly manner, collect, liquidate and convert to Cash all non-cash Liquidating Trust Assets, and make timely Distributions to Beneficiaries of the Liquidating Trust, and shall not unduly prolong their duration.

17. Transfer of Claims

Holders of Allowed Claims against the Liquidating Trust shall not receive any certificate or other document to represent their beneficial interest in the Liquidating Trust. The transfer of Claims after the Effective Date is subject to section 8.04 of the Plan.

18. Construction of Liquidating Trust Documents

The Plan and the Trust Agreement shall control over any inconsistent provision of this Disclosure Statement. The Plan and Confirmation Order shall control over any inconsistent provision of the Liquidating Trust Agreement. The Confirmation Order shall control over any inconsistent provision of this Disclosure Statement, the Liquidating Trust Agreement or the Plan.

19. Relief from the Bankruptcy Court

The Liquidating Trustee shall be authorized to seek relief from the Bankruptcy Court or any other tribunal having jurisdiction as to any matter relating or pertaining to the consummation, administration or performance of the Plan, including without limitation seeking any relief from the Bankruptcy Court which the Liquidating Trustee deems necessary or appropriate to the performance of their duties on the administration of the Plan or the liquidation and distribution of the Trust Assets.

20. Removal for Cause

The Liquidating Trustee may be removed for cause shown in the manner and on the terms set forth in the Liquidating Trust Agreement.

F. Provisions Governing Distribution

1. Source of Distributions

All Distributions to be made under the Plan shall be made by the Liquidating Trustee in the manner provided in the Plan, Confirmation Order and the Liquidating Trust Agreement.

2. Timing and Amount of Distributions

No Distribution shall be made on account of any Claim until such Claim is Allowed, except as otherwise set forth in the Plan or otherwise ordered by the Bankruptcy Court. No Distribution shall be made on account of any Contested Claim until such Claim is Allowed. Except as expressly set forth in the Plan or in the Confirmation Order, the Liquidating Trustee shall, in the exercise of their good faith business judgment, determine the timing and amount of all Distributions which are required to be made under the Plan, consistent with the goal of making such Distributions as expeditiously as reasonably possible. The Liquidating Trustee may, but shall not be required to, seek approval of, or any other appropriate relief from, the Bankruptcy Court with respect to any of such Distributions. Any Unclaimed Property may be paid into the registry of the Bankruptcy Court or otherwise distributed in accordance with the orders of the Bankruptcy Court.

3. Means of Cash Payment

Cash payments pursuant to the Plan shall be made by check drawn on, or by wire transfer from, a domestic bank, or by other means agreed to by the payor and payee.

4. Record Date for Distributions

As of the close of business on the Effective Date (the "Distribution Record Date"), the register for Class 1, 3, 4 and 5 Claims will be closed, and there shall be no further changes in the holders of record of any Claims. Although there is no prohibition against the transfer of any Claim by any Creditor, the Liquidating Trustee shall have no obligation to recognize any transfer of any Class 1, 3, 4 or 5 Claims occurring after the Distribution Record Date, and the Liquidating Trustee shall instead be authorized and entitled to recognize and deal for all purposes under the Plan, including for the purpose of making all Distributions, with only those holders of Claims so reflected as of the Distribution Record Date. However, the Liquidating Trustee may, in the exercise of their good faith business judgment, agree to recognize transfers of Class 1, 3, 4 or 5 Claims after the Distribution Record Date, but shall have no obligation to do so.

5. Delivery of Distributions

All Distributions, deliveries and payments to the holders of any Allowed Class 1, 3, 4, or 5 Claims shall be made to the addresses set forth on the respective proofs of Claim filed in this Bankruptcy Case by such Claimants or, if the Distribution is to be made based on a Claim reflected as Allowed in the Schedules, at the address reflected in the Schedules. Any such Distribution, delivery or payment shall be deemed as made for all purposes relating to the Plan when deposited in the United States Mail, postage prepaid, addressed as required in the preceding sentence. If any Distribution is returned as undeliverable, no further Distribution shall be made on account of such Allowed Claim unless and until the Liquidating Trustee is notified of such holder's then current address, at which time all missed Distributions shall be made to the

holder of such Allowed Claim. However, all notices to the Liquidating Trustee reflecting new or updated addresses for undeliverable Distributions shall be made on or before one hundred twenty (120) days after the date of the attempted Distribution or such longer period as the Liquidating Trustee may fix in the exercise of their sole discretion. After such date, all Unclaimed Property shall revert to the Liquidating Trustee and the Claim of any holder with respect to such property shall be discharged and forever barred.

6. W-9 Forms.

Each holder of an Allowed Claim must provide a W-9 form or other such necessary information to comply with any withholding requirements of any governmental unit (collectively the "W-9 Form") to the Liquidating Trustee prior to receiving any Distribution from the Liquidating Trust. In the event a holder of an Allowed Claim does not provide a W-9 Form to the Liquidating Trustee within thirty (30) days of the Effective Date, the Liquidating Trustee shall, at an appropriate time, issue a written request to each holder of an Allowed Claim that has not previously provided a W-9 Form to the Liquidating Trustee. The request shall be in writing and shall be delivered to the last address known to the Debtors or Liquidating Trustee, as appropriate. The request shall conspicuously advise and disclose that failure to provide a W-9 Form to the Liquidating Trustee within thirty (30) days shall result in a waiver of any right or rights to a Distribution from the Liquidating Trust. In the event any holder of an Allowed Claim fails to provide the Liquidating Trustee with a W-9 Form within thirty (30) days after the date of written request described herein, then the holder of such Allowed Claim shall be deemed to have waived the right to receive any distribution whatsoever from the Liquidating Trust.

7. Time Bar to Cash Payments

Checks issued in respect of Allowed Claims shall be null and void if not cashed within ninety (90) days of the date of issuance thereof. Requests for reissuance of any check shall be made directly to the Liquidating Trustee by the holder of the Allowed Claim with respect to which such check originally was issued. Any Claim in respect of such a voided check shall be made on or before one hundred twenty (120) days after the date of issuance of such check or such longer period as the Liquidating Trustee may fix. After such date, all Claims in respect of void checks shall be discharged and forever barred.

8. Cure Period

Except as otherwise set forth in the Plan, the failure by the Liquidating Trustee to timely perform any term, provision or covenant contained in the Plan, or to make any payment or Distribution required by the Plan to any Creditor, or the failure to make any payment or perform any covenant on any note, instrument or document issued pursuant to the Plan, shall not constitute an event of default unless and until the Liquidating Trustee has been given thirty (30) days written notice of such alleged default in the manner provided in the Plan, and provided an opportunity to cure such alleged default. Until the expiration of such thirty (30) day cure period, the Liquidating Trustee shall not be in default, and performance during such thirty (30) day cure period shall be deemed as timely for all purposes. Such written notice and passage of the thirty (30) day cure period shall constitute conditions precedent to declaring or claiming any default under the Plan or bringing any action or legal proceeding by any Person to enforce any right granted under the Plan.

9. Distributions after Substantial Consummation

All Distributions of any kind made to any Creditor after Substantial Consummation and any and all other actions taken under the Plan after Substantial Consummation shall not be subject to relief, reversal or modification by any court unless the implementation of the Confirmation Order is stayed by an order granted under Bankruptcy Rule 8005.

G. Retention of Estate Claims and Estate Defenses

1. Retention of Estate Claims

Except as otherwise specifically provided in the Plan, pursuant to section 1123(b)(3) of the Bankruptcy Code, all Estate Claims shall be transferred to, and vested in, the Liquidating Trustee, both for purposes of seeking an affirmative recovery against any Person and as an offset or defense against any Claim asserted against the Estate or Liquidating Trust. Without limiting the generality of the foregoing, all applicable legal privileges of the Debtors or Estate, including both the attorney-client privilege and the work product privilege, shall be vested in the Liquidating Trustee who shall be clothed with the sole and exclusive standing and authority to assert any such privilege on behalf of the Debtors, Estate or Liquidating Trust. All Estate Claims shall be deemed to have been transferred to, and vested in, the Liquidating Trustee as of the Effective Date based on the entry of the Confirmation Order.

Without limiting the effectiveness or generality of the foregoing reservation, out of an abundance of caution, the Debtors and the Estate hereby specifically reserve and retain the Estate Claims reflected in **Exhibit "C"** to the Plan. The provisions of this Article of the Plan, as well as the descriptions and disclosures relating to the Estate Claims in the Disclosure Statement, are provided in the interest of providing maximum disclosure of the Estate Claims of which Debtors are presently aware, and shall not act as a limitation on the potential Estate Claims that may exist. It is the specific intention of this Plan that all Avoidance Actions and all associated remedies, and any other Estate Claims, whether arising before or after the Petition Date, and whether arising under the Bankruptcy Code or applicable state or federal non-bankruptcy laws, shall all be retained and preserved under this Plan to be transitioned to, and vested in the Liquidating Trustee. All Estate Claims are retained both as causes of action for an affirmative recovery and as counterclaims and offset to any Claims asserted against the Estate.

2. Retention of Estate Defenses

Except as otherwise specifically provided in the Plan, pursuant to section 1123(b)(3) of the Bankruptcy Code, all Estate Defenses shall be transferred to, and vested in, the Liquidating Trustee. For this purpose, all Estate Defenses shall be reserved and retained by the Debtors and the Estate, including without limitation all such Estate Defenses available to the Estate pursuant to section 558 of the Bankruptcy Code, and shall be deemed as transferred to, and vested in, the Liquidating Trustee as of the Effective Date based on the entry of the Confirmation Order.

3. Assertion of Estate Claims and Estate Defenses

The Liquidating Trustee shall have, and be vested with, the exclusive right, authority and standing to assert all Estate Claims and Estate Defenses for the benefit of the Liquidating Trust.

H. Procedures for Resolving and Treating Contested Claims

1. Claims Listed in Schedules as Disputed

Any Claim which is listed in the Schedules as unliquidated, contingent or disputed, and for which no proof of Claim has been timely filed, shall be considered as Disallowed as of the Effective Date without the necessity of any further action by the Liquidating Trustee or further order of the Bankruptcy Court other than the entry of the Confirmation Order.

2. Responsibility for Objecting to Claims and Settlement of Claims

The Liquidating Trustee shall have the exclusive standing and authority to either object to or settle and compromise any Objection to any Claim, including as follows:

a. From and after the Effective Date, the Liquidating Trustee shall have the sole and exclusive right to (i) file, settle, or litigate to Final Order any Objections to any Claims; and (ii) seek to subordinate any Claim. Any Contested Claim may be litigated to Final Order by the Liquidating Trustee; and

b. From and after the Effective Date, the Liquidating Trustee shall have the sole and exclusive right to settle, compromise or otherwise resolve any Contested Claim without the necessity of any further notice or approval of the Bankruptcy Court. Bankruptcy Rule 9019 shall not apply to any settlement or compromise of a Contested Claim after the Effective Date.

3. Objection Deadline

All Objections to Claims shall be served and filed by the Objection Deadline; provided, however, the Objection Deadline shall not apply to Claims which are not reflected in the claims register, including any alleged informal proofs of Claim. The Liquidating Trustee may seek to extend the Objection Deadline pursuant to a motion filed on or before the then applicable Objection Deadline with respect to any Claim. Any such motion may be granted without notice or a hearing. In the event that the Liquidating Trustee files such a motion and the Bankruptcy Court denies such motion, the Objection Deadline shall nevertheless be automatically extended to that date which is ten (10) Business Days after the date of entry of the Bankruptcy Court's order denying such motion. Any proof of Claim other than one based upon a Rejection Claim and which is filed more than thirty (30) days after the Effective Date shall be of no force and effect and need not be objected to by the Liquidating Trustee. Nothing contained in the Plan shall limit the right of the Liquidating Trustee to object to Claims, if any, filed or amended after the Objection Deadline. Response to Claim Objection

If the Liquidating Trustee files an Objection to any Claim, then the holder of such Claim shall file a written response to such Objection within twenty-four (24) days after the filing and service of the Objection upon the holder of the Contested Claim. Each such Objection shall contain appropriate negative notice advising the Creditor whose Claim is subject to the Objection of the requirement and time period to file a response to such Objection and that, if no response is timely filed to the Objection, the Bankruptcy Court may enter an order that such Claim is Disallowed without further notice or hearing. The negative notice language in the Objection shall satisfy the notice requirement in section 3007(a) of the Bankruptcy Rules, and the Liquidating Trustee shall not be required to send a separate notice of the Objection to the Creditor whose Claim is subject to the Objection.

4. Distributions on Account of Contested Claims

If a Claim is Contested, then the dates for any Distributions as to such Contested Claim shall be determined based upon their date of Allowance, and thereafter Distribution shall be made on account of such Allowed Claim pursuant to the provisions of the Plan. No Distribution shall be made on account of a Contested Claim until Allowed. Until such time as a contingent Claim becomes fixed and absolute by a Final Order Allowing such Claim, such Claim shall be treated as a Contested Claim for purposes of estimates, allocations, and Distributions under the Plan. Any contingent right to contribution or reimbursement shall continue to be subject to section 502(e) of the Bankruptcy Code.

5. No Waiver of Right to Object

Except as expressly provided in the Plan, nothing contained in this Disclosure Statement, the Plan, the Confirmation Order, or the Liquidating Trust Agreement shall waive, relinquish, release or impair the Liquidating Trustee's right to object to any Claim.

6. Offsets and Defenses

The Liquidating Trustee shall be vested with and retain all Estate Claims and Estate Defenses, including without limitation all rights of offset or recoupment and all counterclaims against any Claimant holding a Claim. Assertion of counterclaims by the Liquidating Trustee against any Claim asserted against the Estate or Liquidating Trustee shall constitute "core" proceedings.

7. Claims Paid or Reduced Prior to Effective Date

Notwithstanding the contents of the Schedules, Claims listed therein as undisputed, liquidated and not contingent shall be reduced by the amount, if any, that was paid by the Debtors prior to the Effective Date, including pursuant to orders of the Bankruptcy Court. To the extent such payments are not reflected in the Schedules, such Schedules will be deemed amended and reduced to reflect that such payments were made. Nothing in the Plan shall preclude the Liquidating Trustee from paying Claims that the Debtors were authorized to pay pursuant to any Final Order entered by the Bankruptcy Court prior to the Confirmation Date.

I. Executory Contracts and Unexpired Leases

1. Assumption and Rejection of Executory Contracts

The Plan shall constitute a motion to reject all the Executory Contracts except as expressly set forth in section 11.01 of the Plan. All Executory Contracts of the Debtors shall be deemed as rejected upon the Effective Date unless an Executory Contract (a) has been previously assumed or rejected pursuant to an order of the Bankruptcy Court, (b) is otherwise specifically identified in the Confirmation Order to be assumed, or (c) is the subject of a motion to assume or reject filed on or before the Effective Date. The Debtors may file a motion for the assumption or rejection of any Executory Contract at any time through the Effective Date and such motion shall be determined by the Bankruptcy Court thereafter.

2. Cure Payments

Unless the holder of a Cure Claim and the Debtors or Liquidating Trustee agree in

writing to other treatment of such holder's Cure Claim, or other treatment of such holder's Cure Claim is otherwise provided for under the Plan, any cure payment which may be required by section 365(b)(1) of the Bankruptcy Code under an Executory Contract that is assumed under the Plan shall be made by the Liquidating Trustee on the Initial Distribution Date. Notwithstanding the foregoing, in the event of a dispute regarding the amount of any Cure Claim, the cure of any other defaults, the provision of adequate assurance of future performance, or any other matter pertaining to assumption, the Liquidating Trustee shall make such cure payments and cure such other defaults and provide adequate assurance of future performance, all as may be required by section 365(b)(1) of the Bankruptcy Code, following the entry of a Final Order by the Bankruptcy Court resolving such dispute.

3. Bar to Rejection Claims

Except as otherwise ordered by the Bankruptcy Court, any Rejection Claim based on the rejection of an Executory Contract shall be forever barred and shall not be enforceable against the Liquidating Trust or the Assets unless a proof of Claim is filed with the Bankruptcy Court and served upon the Debtors and their bankruptcy counsel, or the Liquidating Trustee and their counsel, as the case may be, by the earlier of thirty (30) days after the Effective Date or thirty (30) days after entry of the Final Order approving rejection of such Executory Contract.

4. Rejection Claims

Any Rejection Claim not barred by section 11.03 of the Plan shall be classified as a Class 4 General Unsecured Claim subject to the provisions of sections 502(b)(6) and 502(g) of the Bankruptcy Code; *provided, however*, that any Rejection Claim based upon the rejection of an unexpired lease of real property, either prior to the Confirmation Date, upon the entry of the Confirmation Order, or upon the Effective Date, shall be limited in accordance with section 502(b)(6) of the Bankruptcy Code and state law mitigation requirements. All Rejection Claims shall be deemed as Contested Claims until Allowed. Nothing contained in the Plan shall be deemed as an admission by the Debtors or the Liquidating Trustee that the rejection of any Executory Contract gives rise to or results in a Rejection Claim or shall be deemed as a waiver by the Debtors or the Liquidating Trustee of any objections or defenses to any such Rejection Claim if asserted.

5. Reservation of Rights

Nothing contained in the Plan shall constitute an admission by the Debtors that any contract or lease is in fact an Executory Contract or that the Debtors or Estate has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Liquidating Trustee shall have thirty (30) days following entry of a Final Order resolving such dispute to alter the treatment of such contract or lease.

J. Substantive Consolidation of the Debtors

Pursuant to the Confirmation Order, the Bankruptcy Court shall approve the substantive consolidation of the Debtors for the sole purposes of implementing the Plan, including for purposes of voting and distributions to be made under the Plan. Pursuant to such order: (a) all assets and liabilities of the Debtors will be deemed merged; (b) all guarantees by one Debtor of the obligations of the other Debtor will be deemed eliminated so that any Claim against any Debtor and any guarantee thereof executed by the other Debtor and any joint or several liability

of the Debtors will be deemed to be one obligation of the consolidated Debtors; and (c) each and every Claim filed or to be filed in the Case of any of the Debtors will be deemed filed against the consolidated Debtors and will be deemed one Claim against and a single obligation of the consolidated Debtors.

The Debtors believe that substantive consolidation of the Debtors for purposes of voting and distributions to be made under the Plan is in the best interests of the Debtors' Estate. First, there is a strong unity of interests between HTI and SSC. HTI is the exclusive seller and distributor of the Debtors' products, and SSC has substantially no business except with HTI. In this regard, the Debtors largely dealt with their creditors as a single economic unit and incurred their respective debts to further a common business purpose – the development and sale of Marine Seismic Systems. Second, HTI owns the majority of SSC's stock, HTI and SSC have common officers and directors (or managers), and HTI finances all of SSC's business activity, including paying the salaries and expenses of SSC's employees. Finally, although the Debtors' books and records reflect a large intercompany payable (\$10.8 million) owed by SSC to HTI, SSC holds potential defenses (including, e.g., that HTI's debt should be recharacterized as a capital contribution or equitably subordinated to the claims of general unsecured creditors). In light of the foregoing, it would be extremely difficult, time consuming and expensive for the Debtors to disentangle their financial affairs so that separate distributions may be made to their respective creditor pools. Indeed, the professional fees that would likely be incurred in attempting to unravel the Debtors' financial entanglement would likely cost more than the benefit to either Debtors' estate as a result of the exercise and thereby harm all creditors.

Instead, substantive consolidation under the Debtors' Plan recognizes the Debtors' common business purpose, consolidates their respective debts, extinguishes the intercompany receivable, and allows for creditors of both Debtors to share *pari passu* in the Net Liquidating Trust Assets. By recognizing the Debtors' economic realities and avoiding unnecessary and expensive litigation, substantive consolidation here would advance one of the primary goals of bankruptcy, i.e., improving the prospects of all creditors under the Plan by enhancing the value of the assets available for distribution.

K. Conditions Precedent to Confirmation and Effectiveness of Plan

1. Conditions to Confirmation and Effectiveness of Plan

The Plan shall not become effective until the following conditions shall have been satisfied and which may occur concurrently with the Effective Date: (a) the Confirmation Order shall have been entered, in form and substance acceptable to the Debtors; (b) the APA has been closed and funded; (c) the Liquidating Trust Agreement has been executed and delivered, (d) the necessary Plan Documents have been executed and delivered, and (e) all other conditions specified by the Debtors have been satisfied.

2. Notice of the Effective Date

On the Effective Date, the Liquidating Trustee shall cause to be filed with the Court, and served on all Creditors and parties-in-interests, a notice of the Effective Date.

L. Effect of the Confirmation of the Plan

1. Compromise and Settlement

Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration of the classification, potential Distributions and other benefits provided under the Plan, the provisions of the Plan, including, specifically, the Plan Settlement, shall constitute a good faith compromise and settlement of all Claims, Interests and controversies subject to, or dealt with, under the Plan, including, without limitation, all Claims against the Debtors or Estate arising prior to the Effective Date, whether known or unknown, foreseen or unforeseen, asserted or unasserted, fixed or contingent, arising out of, relating to or in connection with the business or affairs of, or transactions with, the Debtors or the Estate. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of each of the foregoing compromises or settlements embodied in the Plan, and all other compromises and settlements provided for in the Plan, and the Bankruptcy Court's findings shall constitute their determination that such compromises and settlements are in the best interest of the Debtors, the Debtors' bankruptcy Estate, Creditors and other parties-in-interest, and are fair, equitable and within the range of reasonableness. The rights afforded in the Plan and the treatment of all Claims and Interests therein shall be in exchange for, and in complete satisfaction and release of, all Claims and Interests of any nature whatsoever against and in the Debtors, the Estate, and the Assets. Except as otherwise provided in the Plan, all Persons shall be precluded and forever barred by the Plan Injunction from asserting against the Debtors and their affiliates, successors, assigns, the Estate, the Purchaser or the Assets or the Purchased Assets, the Liquidating Trustee or Liquidating Trust, any event, occurrence, condition, thing, or other or further Claims or causes of action based upon any act, omission, transaction, or other activity of any kind or nature that occurred or came into existence prior to the Effective Date, whether or not the facts of or legal bases therefore were known or existed prior to the Effective Date.

2. Discharge

The Plan does not provide for any discharge pursuant to section 1141(d)(3) of the Bankruptcy Code. However, the Plan Injunction shall apply to all holders of Claims and Interests arising or accruing prior to the Effective Date.

3. Plan Injunction

SECTION 14.03 OF THE PLAN IS REFERRED TO AS THE "PLAN INJUNCTION." EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THE PLAN, AS OF THE EFFECTIVE DATE ALL HOLDERS OF CLAIMS AGAINST, OR INTERESTS IN, THE DEBTORS, THE ESTATE OR ANY OF THE ASSETS THAT AROSE PRIOR TO THE EFFECTIVE DATE SHALL BE PERMANENTLY ENJOINED AND PROHIBITED FROM THE FOLLOWING: (i) THE COMMENCING OR CONTINUATION IN ANY MANNER, DIRECTLY OR INDIRECTLY, OF ANY ACTION, CASE, LAWSUIT OR OTHER PROCEEDING OF ANY TYPE OR NATURE AGAINST PURCHASER, THE PURCHASED ASSETS, THE LIQUIDATING TRUSTEE, LIQUIDATING TRUST, TRUST ASSETS, DEBTORS OR THE ESTATE, WITH RESPECT TO ANY SUCH CLAIM OR INTEREST ARISING OR ACCRUING BEFORE THE EFFECTIVE DATE, INCLUDING WITHOUT LIMITATION THE ENTRY OR ENFORCEMENT OF ANY JUDGMENT, OR ANY OTHER ACT FOR THE COLLECTION, EITHER DIRECTLY OR INDIRECTLY, OF ANY CLAIM OR INTEREST AGAINST PURCHASER, THE PURCHASED ASSETS, THE ESTATE, LIQUIDATING TRUSTEE, LIQUIDATING TRUST, DEBTORS OR TRUST ASSETS; (ii) THE CREATION, PERFECTION OR ENFORCEMENT OF ANY LIEN, SECURITY INTEREST,

ENCUMBRANCE, RIGHT OR BURDEN, EITHER DIRECTLY OR INDIRECTLY, AGAINST PURCHASER, THE PURCHASED ASSETS, THE LIQUIDATING TRUSTEE, LIQUIDATING TRUST OR ANY TRUST ASSETS, OR (iii) TAKING ANY ACTION IN RELATION TO PURCHASER, THE PURCHASED ASSETS, THE DEBTORS, ESTATE, LIQUIDATING TRUSTEE, LIQUIDATING TRUST OR THE TRUST ASSETS, EITHER DIRECTLY OR INDIRECTLY, WHICH VIOLATES OR DOES NOT CONFORM OR COMPLY WITH THE PROVISIONS OF THE PLAN APPLICABLE TO SUCH CLAIM OR INTEREST. THE PLAN INJUNCTION SHALL ALSO BE INCORPORATED INTO THE CONFIRMATION ORDER.

Notwithstanding anything to the contrary in the Plan or Trust Agreement: (a) third party professionals employed by the Liquidating Trustee shall not be released or exculpated from any losses, claims, damages, liabilities, or expenses arising from their duties and services provided to the Liquidating Trustee; and (b) any third party professionals employed by the Liquidating Trustee shall only be entitled to be indemnified by the Liquidating Trust to the extent provided by applicable law.

Notwithstanding anything to the contrary in the Plan or Confirmation Order, nothing in the Plan or Confirmation Order (including the Plan Injunction): (a) releases any Person other than Purchaser, the Purchased Assets, the Liquidating Trustee, Liquidating Trust, Trust Assets, Debtors, or the Estate (collectively, the "Released Parties") from any Claim or cause of action held by a Governmental Unit; or (b) enjoins, limits, impairs or delays any Governmental Unit from commencing or continuing any Claim, suit, action, proceeding, cause of action, or investigation against any Person other than the Released Parties. Moreover, nothing in the Plan or in the Confirmation Order shall discharge, release, enjoin or otherwise bar (i) any liability of the Released Parties to a Governmental Unit arising on or after the Confirmation Date with respect to events occurring after the Confirmation Date, provided that the Released Parties reserve the right to assert that any such liability is a Claim that arose on or prior to the Confirmation Date and constitutes a Claim that is subject to the Plan Injunction, (ii) any liability to a Governmental Unit that is not a Claim subject to the deadlines for filing proofs of claim, (iii) any valid right of setoff or recoupment of a Governmental Unit, and (iv) any police or regulatory action by a Governmental Unit. In addition, nothing in the Plan or Confirmation Order discharges, releases, precludes or enjoins any environmental liability to any Governmental Unit that any Person other than the Released Parties would be subject to as the owner or operator of the property after the Effective Date. For the avoidance of any doubt, nothing in this paragraph shall be construed to limit the application of the Plan Injunction to any Claim which was subject to any bar date applicable to such Claim.

4. Setoffs

Except as otherwise expressly provided for in the Plan, pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable nonbankruptcy law, or as may be agreed to by the holder of a Claim, the Liquidating Trustee may setoff against any Allowed Claim and the Distributions to be made pursuant to the Plan on account of such Allowed Claim (before such Distribution is made), any Claims, rights, Estate Claims and Estate Defenses of any nature that the Debtors may hold against the holder of such Allowed Claim, to the extent such Claims, rights, Estate Claims and Estate Defenses against such holder have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim or Interest pursuant to the Plan shall constitute a waiver or release of any such Claims, rights, Estate Claims and Estate Defenses that the Estate may possess against such Claimant. In no event shall any Claimant or Interest holder be entitled to setoff any

Claim or Interest against any Claim, right, or Estate Claim of the Debtors without the consent of the Debtors or the Liquidating Trustee unless such holder files a motion with the Bankruptcy Court requesting the authority to perform such setoff notwithstanding any indication in any proof of Claim or otherwise that such holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 of the Bankruptcy Code or otherwise.

5. Recoupment

Except as otherwise expressly provided for in the Plan, in no event shall any holder of Claims or Interests be entitled to recoup any Claim or Interest against any Claim, right, account receivable, or Estate Claim of the Debtors or the Liquidating Trustee unless (a) such holder actually provides notice thereof in writing to the Debtors or the Liquidating Trustee of their intent to perform a recoupment; (b) such notice includes the amount to be recouped by the holder of the Claim or Interest and a specific description of the basis for the recoupment, and (c) the Debtors or the Liquidating Trustee has provided a written response to such Claim or Interest holder, stating unequivocally that the Debtors or the Liquidating Trustee consents to the requested recoupment. The Debtors and the Liquidating Trustee shall have the right, but not the obligation, to seek an order of the Bankruptcy Court allowing any or all of the proposed recoupment. In the absence of a written response from the Debtors or the Liquidating Trustee consenting to a recoupment or an order of the Bankruptcy Court authorizing a recoupment, no recoupment by the holder of a Claim or Interest shall be allowed.

6. Turnover

On the Effective Date, any rights of the Estate to compel turnover of Assets under applicable nonbankruptcy law and pursuant to section 542 or 543 of the Bankruptcy Code shall be deemed transferred to and vested in the Liquidating Trust.

7. Automatic Stay

The automatic stay pursuant to section 362 of the Bankruptcy Code, except as previously modified by the Bankruptcy Court, shall remain in effect until the Effective Date of the Plan as to the Debtors, the Estate and all Assets. As of the Effective Date, the automatic stay shall be replaced by the Plan Injunction.

M. Jurisdiction of Courts and Modifications to the Plan

1. Retention of Jurisdiction

Pursuant to sections 1334 and 157 of title 28 of the United States Code, the Bankruptcy Court shall retain exclusive jurisdiction of all matters arising in, arising under, and related to this Bankruptcy Case and the Plan, to the full extent allowed or permitted by applicable law, including without limitation for the purposes of invoking sections 105(a) and 1142 of the Bankruptcy Code, and for, among other things, the following purposes:

(a) To hear and determine any and all objections to, or applications or motions concerning, the allowance of Claims or the allowance, classification, priority, compromise, estimation, or payment of any Administrative Expense;

(b) To hear and determine any and all applications for payment of fees and expenses pursuant to the Plan to any Estate Professional pursuant to sections 330 or 503 of the

Bankruptcy Code, or for payment of any other fees or expenses authorized to be paid or reimbursed under the Plan, and any and all objections thereto;

(c) To hear and determine pending applications for the rejection, assumption, or assumption and assignment of Executory Contracts and the allowance of Claims resulting therefrom, and to determine the rights of any party in respect to the assumption or rejection of any Executory Contract;

(d) To hear and determine any and all adversary proceedings, applications, or contested matters, including relating to the allowance of any Claim;

(e) To hear and determine all controversies, disputes, and suits which may arise in connection with the execution, interpretation, implementation, consummation, or enforcement of the Plan or Liquidating Trust or in connection with the enforcement of any remedies made available under the Plan, including without limitation, (i) adjudication of all rights, interests or disputes relating to any of the Assets or Trust Assets, (ii) the valuation of all Collateral, (iii) the determination of the validity of any Lien or claimed right of offset; and (iv) determinations of Objections to Contested Claims;

(f) To liquidate and administer any disputed, contingent, or unliquidated Claims, including the Allowance of all Contested Claims;

(g) To administer Distributions to holders of Allowed Claims as provided in the Plan or in the Liquidating Trust Agreement;

(h) To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, modified, or vacated;

(i) To consider any modification of the Plan pursuant to section 1127 of the Bankruptcy Code, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation the Confirmation Order;

(j) To enforce the Plan Injunction against any Person, including with respect to any motion or proceeding brought by Purchaser;

(k) To enter and implement all such orders as may be necessary or appropriate to execute, interpret, construe, implement, consummate, or enforce the terms and conditions of the Plan or the Liquidating Trust Agreement and the transactions required or contemplated pursuant thereto;

(l) To hear and determine any motion or application which the Liquidating Trustee is required or allowed to commence before the Bankruptcy Court pursuant to the Plan or the Liquidating Trust Agreement;

(m) To hear and determine any other matter not inconsistent with the Bankruptcy Code and title 28 of the United States Code that may arise in connection with or related to the Plan;

(n) To determine proceedings pursuant to section 505 of the Bankruptcy Code;

(o) To enter a Final Decree closing this Bankruptcy Case; and

(p) To determine any other matter or dispute relating to the Estate, the Assets, the Liquidating Trust or Trust Assets, or the administration of the Trust Assets and the Distribution thereof.

2. Abstention and Other Courts

If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of or relating to this Bankruptcy Case, Article XV of the Plan shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

3. Non-Material Modifications

The Liquidating Trustee may, with the approval of the Bankruptcy Court and without notice to all holders of Claims and Interests, correct any defect, omission, or inconsistency in the Plan in such manner and to such extent as may be necessary or desirable. The Liquidating Trustee may undertake such nonmaterial modification pursuant to section 15.03 of the Plan insofar as it does not adversely change the treatment of the Claim of any Creditor or the Interest of any Interest holder who has not accepted in writing the modification.

4. Material Modifications

Modifications of the Plan may be proposed in writing by the Debtors at any time before confirmation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Debtors shall have complied with section 1125 of the Bankruptcy Code. This Plan may be modified at any time after confirmation and before their Substantial Consummation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Bankruptcy Court, after notice and a hearing, confirms the Plan, as modified, under section 1129 of the Bankruptcy Code, and the circumstances warrant such modification. A holder of a Claim or Interest that has accepted or rejected the Plan shall be deemed to have accepted or rejected, as the case may be, such Plan as modified, unless, within the time fixed by the Bankruptcy Court, such holder changes their previous acceptance or rejection.

N. Miscellaneous Provisions

1. Severability

Should the Bankruptcy Court determine any provision of the Plan is unenforceable either on their face or as applied to any Claim or Interest or transaction, the Liquidating Trustee may modify the Plan so that any such provision shall not be applicable to the holder of any Claim or Interest. Such a determination of unenforceability shall not (a) limit or affect the enforceability and operative effect of any other provision of the Plan or (b) require the resolicitation of any acceptance or rejection of the Plan.

2. Oral Agreements; Modification of Plan; Oral Representations or Inducements

The terms of the Plan, Disclosure Statement and Confirmation Order may only be amended in writing and may not be changed, contradicted or varied by any oral statement, agreement, warranty or representation. Neither the Debtors nor their attorneys have made any representation, warranty, promise or inducement relating to the Plan or their confirmation except as expressly set forth in the Plan, the Disclosure Statement, or the Confirmation Order or other order of the Bankruptcy Court.

3. Waiver

The Liquidating Trustee shall not be deemed to have waived any right, power or privilege pursuant to the Plan or Liquidating Trust Agreement unless the waiver is in writing and signed by the Liquidating Trustee. There shall be no waiver by implication, course of conduct or dealing, or through any delay or inaction by the Liquidating Trustee, of any right pursuant to the Plan, including the provisions of section 16.03 of the Plan. The waiver of any right under the Plan shall not act as a waiver of any other or subsequent right, power or privilege.

4. Compliance with All Applicable Laws

If notified by any governmental authority that it is in violation of any applicable law, rule, regulation, or order of such governmental authority relating to their business, the Liquidating Trustee shall comply with such law, rule, regulation, or order; provided, however, that nothing contained in the Plan shall require such compliance if the legality or applicability of any such requirement is being contested in good faith in appropriate proceedings and, if appropriate, an adequate reserve has been set aside on the books of the Liquidating Trust.

5. Duties to Creditors

No agent, representative, accountant, financial advisor, attorney, shareholder, officer, affiliate, member or employee of the Debtors shall ever owe any duty to any Person (including any Creditor) other than the duties owed to the Debtors' bankruptcy Estate, for any act, omission, or event in connection with, or arising out of, or relating to, any of the following: (a) the Debtors' Bankruptcy Case, including all matters or actions in connection with or relating to the administration of the Estate, (b) the Plan, including the proposal, negotiation, confirmation and consummation of the Plan, or (c) any act or omission relating to the administration of the Plan after the Effective Date.

6. Binding Effect

The Plan shall be binding upon, and shall inure to the benefit of the Liquidating Trust, the holders of the Claims or Liens, and their respective successors-in-interest and assigns.

7. Governing Law, Interpretation

Unless a rule of law or procedure supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) is applicable, the internal laws of the State of Texas shall govern the construction and implementation of the Plan and any Plan Documents without regard to conflicts of law. The Plan shall control any inconsistent term or provision of any other Plan Documents.

8. Payment of Statutory Fees

All accrued U.S. Trustee Fees shall be paid by the Liquidating Trustee as soon as practicable after the Effective Date, and thereafter shall be paid by the Liquidating Trustee as such statutory fees become due and payable.

9. Filing of Additional Documents

On or before Substantial Consummation of the Plan, the Liquidating Trustee may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

10. Computation of Time

Bankruptcy Rule 9006 shall apply to the calculation of all time periods pursuant to the Plan. If the final day for any Distribution, performance, act or event under the Plan is not a Business Day, then the time for making or performing such Distribution, performance, act or event shall be extended to the next Business Day. Any payment or Distribution required to be made under the Plan on a day other than a Business Day shall be due and payable on the next succeeding Business Day.

11. Elections by the Liquidating Trustee

Any right of election or choice granted to the Liquidating Trustee under the Plan may be exercised, at the Liquidating Trustee's election, separately as to each Claim, Creditor or Person.

12. Release of Liens

Except as otherwise expressly provided in the Plan or the Confirmation Order, all Liens against any of the Assets transferred to the Liquidating Trust shall be deemed to be released, terminated and nullified without the necessity of any order by the Bankruptcy Court other than the Confirmation Order.

13. Rates

The Plan does not provide for the change of any rate that is within the jurisdiction of any governmental regulatory commission after the occurrence of the Effective Date.

14. Compliance with Tax Requirements

In connection with the Plan, the Liquidating Trustee shall comply with all withholding and reporting requirements imposed by federal, state and local Taxing Authorities and all Distributions under the Plan shall be subject to such withholding and reporting requirements. Notwithstanding the above, each holder of an Allowed Claim or Interest that is to receive a Distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding and other tax obligations, on account of such Distribution under the Plan.

15. Notice of Occurrence of Effective Date

Promptly after occurrence of the Effective Date, the Estate Representative, as directed by

the Bankruptcy Court, shall serve on all known parties in interest and holders of Claims and Interests, notice of the occurrence of the Effective Date.

16. Notice of Entry of Confirmation Order

Promptly after entry of the Confirmation Order, the Debtors, as directed by the Bankruptcy Court in the Confirmation Order, shall serve on all known parties-in-interest and holders of Claims and Interests, notice of entry of the Confirmation Order.

VIII. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

THE PLAN AND THEIR RELATED TAX CONSEQUENCES ARE COMPLEX. MOREOVER, MANY OF THE INTERNAL REVENUE CODE PROVISIONS DEALING WITH THE FEDERAL INCOME TAX ISSUES ARISING FROM THE PLAN HAVE BEEN THE SUBJECT OF RECENT LEGISLATION AND, AS A RESULT, MAY BE SUBJECT TO AS YET UNKNOWN ADMINISTRATIVE OR JUDICIAL INTERPRETATIONS. THE DEBTORS HAVE NOT REQUESTED A RULING FROM THE INTERNAL REVENUE SERVICE (THE "IRS") OR AN OPINION OF COUNSEL WITH RESPECT TO THESE MATTERS. ACCORDINGLY, NO ASSURANCE CAN BE GIVEN AS TO THE INTERPRETATION THAT THE IRS WILL ADOPT. THERE ALSO MAY BE STATE, LOCAL OR OTHER TAX CONSIDERATIONS APPLICABLE TO EACH CREDITOR. CREDITORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE CONSEQUENCES OF THE PLAN TO THEM UNDER FEDERAL AND APPLICABLE STATE, LOCAL AND OTHER TAX LAWS.

IX. CONFIRMATION OF THE PLAN

A. Solicitation of Votes; Voting Procedures

1. Ballots and Voting Deadlines

A Ballot to be used for voting to accept or reject the Plan, together with a postage-paid return envelope, is enclosed with all copies of this Disclosure Statement mailed to all holders of Claims and Interests entitled to vote. BEFORE COMPLETING YOUR BALLOT, PLEASE READ CAREFULLY THE INSTRUCTION SHEET THAT ACCOMPANIES THE BALLOT.

The Bankruptcy Court has directed that, in order to be counted for voting purposes, Ballots for the acceptance or rejection of the Plan must be received no later than **5:00 p.m., Central Time, on January , 2018** at the following address:

Forshey & Prostok, L.L.P.
777 Main Street, Suite 1290
Fort Worth, Texas 76102
Attn: Linda Breedlove

YOUR BALLOT MAY NOT BE COUNTED IF IT IS RECEIVED AT THE ABOVE ADDRESS AFTER **5:00 P.M., CENTRAL TIME, ON JANUARY , 2018.**

2. Parties-in-Interest Entitled to Vote

The holder of a Claim or Interest may vote to accept or reject the Plan only if the Plan impairs the Class in which such Claim or Interest is classified. Under the Plan, Class 1, Class 2

and Class 3 Claims are unimpaired. Class 4, Class 5, and Class 6 Claims are Impaired. Class 7 Interests are also Impaired. However, Class 6 Claims are disallowed on the Effective Date and will receive no Distributions under the Plan. Further, all Interests in the Debtors shall be cancelled as of the Effective Date and holders of Class 7 Interests likewise will receive no Distributions under the Plan. Therefore, Class 6 and Class 7 are deemed to have rejected the Plan and only holders of Claims in Class 4 and Class 5 shall be entitled to vote on the Plan.

Any Claim or Interest as to which an Objection has been filed is not entitled to vote unless the Bankruptcy Court, upon application of the holder to whose Claim or Interest an Objection has been made, temporarily allows such Claim or Interest in an amount that it deems proper for the purpose of accepting or rejecting the Plan. Any such application must be heard and determined by the Bankruptcy Court on or before commencement of the Confirmation Hearing. A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that such vote was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

IF YOU HAVE ANY QUESTIONS REGARDING THE PROCEDURES FOR VOTING ON THE PLAN, PLEASE CONTACT COUNSEL FOR THE DEBTORS AT THE FOLLOWING ADDRESS:

Jeff P. Prostok
Suzanne K. Rosen
Forshey & Prostok, L.L.P.
777 Main Street, Suite 1290
Fort Worth, Texas 76102
(817) 877-8855 Telephone
(817) 877-4151 Fax
Email: jprostok@forsheyprostok.com
Email: srosen@forsheyprostok.com

3. Vote Required for Class Acceptance

The Bankruptcy Code defines acceptance of a plan by a class of claims as acceptance by holders of at least two-thirds in dollar amount, and more than one-half in number, of the claims of that class which actually cast ballots for acceptance or rejection of the plan. Thus, class acceptance takes place only if at least two-thirds in amount and a majority in number of the holders of claims voting cast their ballots in favor of acceptance.

The Bankruptcy Code defines acceptance of a plan by a class of interests as acceptance by holders of at least two-thirds in amount of the interests of that class that actually cast ballots for acceptance or rejection of the plan. Thus, class acceptance takes place only if at least two-thirds in amount of the holders of interests voting cast their ballots in favor of acceptance.

B. Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on confirmation of the Plan. Pursuant to the Solicitation Order, the Confirmation Hearing has been scheduled for **January , 2018, at 1:30 p.m. Central Time**, in the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without

further notice except for an announcement made at the Confirmation Hearing or any adjournment thereof.

Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of a plan. Any objection to confirmation of the Plan must be made in writing and filed with the Bankruptcy Court on or before **5:00 p.m. Central Time on January , 2018**, at the following address:

Office of the Clerk
U.S. Bankruptcy Court
Eldon B. Mahon U.S. Courthouse
501 W. Tenth Street
Fort Worth, TX 76102-3643

In addition, any such objection must be served, together with proof of service, (a) on any parties who have filed notices of appearance and requests for notice in the Bankruptcy Case and (b) upon the following parties on or before **5:00 p.m. Central Time on January , 2018**.

Jeff P. Prostok
Suzanne K. Rosen
Forshey & Prostok, L.L.P.
777 Main Street, Suite 1290
Fort Worth, TX 76102
Email: jprostok@forsheyprostok.com
Email: srosen@forsheyprostok.com

United States Trustee
Attn: Erin Schmidt, Trial Attorney
1100 Commerce Street, Room 976
Dallas, TX 75242
Email: Erin.Schmidt2@usdoj.gov

Joseph J. Wielebinski
Munsch Hardt Kopf & Harr
500 N. Akard St., Suite 3800
Dallas, TX 75201
jwielebinski@munsch.com
Counsel for Seamap Pte Ltd.

Katherine Battaia Clark
Thompson & Knight LLP
1722 Routh Street, Suite 1500
Dallas, TX 75201
katie.clark@tklaw.com
Counsel for Mitsubishi Heavy Industries, Ltd.

Objections to confirmation of the Plan are governed by Bankruptcy Rule 9014. **UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY SERVED AND FILED, IT WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.**

C. Requirements for Confirmation of the Plan

At the Confirmation Hearing, the Bankruptcy Court must determine whether the Bankruptcy Code's requirements for confirmation of the Plan have been satisfied, in which event the Bankruptcy Court will enter an order confirming the Plan. As set forth in section 1129 of the Bankruptcy Code, these requirements are as follows:

1. The Plan complies with the applicable provisions of the Bankruptcy Code.
2. The proponents of the Plan complied with the applicable provisions of the Bankruptcy Code.
3. The Plan has been proposed in good faith and not by any means forbidden by

law.

4. Any payment made or promised by the Debtors, by the Plan proponent, or by a person issuing securities or acquiring property under the Plan, for services or for costs and expenses in, or in connection with, the case, or in connection with the Plan and incident to the case, has been approved by, or is subject to the approval of the Bankruptcy Court as reasonable.

5. (a) (i) The proponent of the Plan has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director, officer, or voting trustee of the Debtors, an affiliate of the Debtors participating in a joint plan with the Debtors, or a successor to the Debtors under the Plan; and

(ii) the appointment to, or continuance in, such office of such individual, is consistent with the interests of creditors and equity security holders and with public policy; and

(b) the proponent of the Plan has disclosed the identity of any insider that will be employed or retained by the Liquidating Trustee, and the nature of any compensation for such insider.

6. Any governmental regulatory commission with jurisdiction, after confirmation of the Plan, over the rates of the Debtors have approved any rate change provided for in the Plan, or such rate change is expressly conditioned on such approval.

7. With respect to each impaired class of claims or interests:

(a) each holder of a claim or interest of such class has accepted the Plan or will receive or retain under the Plan on account of such claim or interest property of a value, as of the effective date of the Plan, that is not less than the amount that such holder would so receive or retain if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code on such date; or

(b) if section 1111(b)(2) of the Bankruptcy Code applies to the claims of such class, the holder of a claim of such class will receive or retain under the Plan on account of such claim property of a value, as of the effective date of the Plan, that is not less than the value of such holder's interest in the estate's interest in the property that secures such claims.

8. With respect to each class of claims or interests:

(a) such class has accepted the Plan; or

(b) such class is not impaired under the Plan.

9. Except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the Plan provides that:

(a) with respect to a claim of a kind specified in section 507(a)(2) or 507(a)(3) of the Bankruptcy Code, on the effective date of the Plan, the holder of such claim will receive on account of such claim cash equal to the allowed amount of such claim;

(b) with respect to a class of claims of a kind specified in section 507(a)(1), 507(a)(4), 507(a)(5), 507(a)(6) or 507(a)(7) of the Bankruptcy Code, each holder of a claim of such class will receive:

(i) if such class has accepted the Plan, deferred cash payments of a value, as of the effective date of the Plan, equal to the allowed amount of such claim; or

(ii) if such class has not accepted the Plan, cash on the effective date of the Plan equal to the allowed amount of such claim; and

(c) with respect to a claim of a kind specified in section 507(a)(8) of the Bankruptcy Code, the holder of such claim will receive on account of such claim regular installment payments in cash:

(i) of a total value, as of the effective date of the Plan, equal to the allowed amount of such claim;

(ii) over a period ending not later than 5 years after the date of the order for relief under section 301, 302, or 303; and

(iii) in a manner not less favorable than the most favored nonpriority unsecured claim provided for by the Plan (other than cash payments made to a class of creditors under section 1122(b) of the Bankruptcy Code); and

(d) with respect to a secured claim which would otherwise meet the description of an unsecured claim of a governmental unit under section 507(a)(8) of the Bankruptcy Code, but for the secured status of that claim, the holder of that claim will receive on account of that claim, cash payments, in the same manner and over the same period, as prescribed in 9(c) above.

10. If a class of claims is impaired under the Plan, at least one class of claims that is impaired has accepted the Plan, determined without including any acceptance of the Plan by any insider holding a claim of such class.

11. Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successor to the Debtors under the Plan, unless such liquidation or reorganization is proposed in the Plan.

12. All fees payable under 28 U.S.C. section 1930, as determined by the Bankruptcy Court at the hearing on confirmation of the Plan, have been paid or the Plan provides for the payments of all such fees on the effective date of the Plan.

13. The Plan provides for the continuation after their effective date of payment of all retiree benefits, as that term is defined in section 1114 of the Bankruptcy Code, at the level established pursuant to subsection (e)(1)(B) or (g) of section 1114, at any time prior to confirmation of the Plan, for the duration of the period the Debtors have obligated themselves to provide such benefits.

14. If the Debtors are required by a judicial or administrative order, or by statute, to pay a domestic support obligation, the Debtors have paid all amounts payable under such order or such statute for such obligation that first become payable after the date of the filing of the

petition.

15. In a case in which the Debtors are an individual and in which the holder of an allowed unsecured claim objects to the confirmation of the Plan:

(a) the value, as of the effective date of the Plan, of the property to be distributed under the Plan on account of such claim is not less than the amount of such claim; or

(b) the value of the property to be distributed under the Plan is not less than the projected disposable income of the Debtors (as defined in section 1325(b)(2) of the Bankruptcy Code) to be received during the five-year period beginning on the date that the first payment is due under the Plan, or during the period for which the Plan provides payments, whichever is longer.

16. All transfers of property of the Plan shall be made in accordance with any applicable provisions of nonbankruptcy law that govern the transfer of property by a corporation or trust that is not a moneyed, business, or commercial corporation or trust.

The Debtors believe that the Plan satisfies all the statutory requirements of chapter 11 of the Bankruptcy Code, that the Debtors have complied or will have complied with all the requirements of chapter 11, and that the Plan is proposed in good faith.

The Debtors believe that holders of all Allowed Claims and Interests impaired under the Plan will receive payments under the Plan having a present value, as of the Effective Date, not less than the amounts likely to be received if the Debtors were liquidated in a case under Chapter 7 of the Bankruptcy Code. At the Confirmation Hearing, the Bankruptcy Court will determine whether holders of Allowed Claims or Allowed Interests would receive greater Distributions under the Plan than they would receive in a liquidation under Chapter 7.

These facts and others demonstrating the confirmability of the Plan will be shown at the Confirmation Hearing.

D. Cramdown

In the event that any impaired Class of Claims or Interests does not accept the Plan, the Bankruptcy Court may still confirm the Plan at the request of the Debtors if, as to each impaired Class which has not accepted the Plan, the Bankruptcy Court determines that the Plan “does not discriminate unfairly” and is “fair and equitable” with respect to that Class. A plan of reorganization “does not discriminate unfairly” within the meaning of the Bankruptcy Code if no class receives more than it is legally entitled to receive for their claims or interests.

“Fair and equitable” has different meanings with respect to the treatment of secured and unsecured claims. As set forth in section 1129(b)(2) of the Bankruptcy Code, those meanings are as follows:

1. With respect to a class of secured claims, the Plan provides:

(a) (i) that the holders of such claims retain the liens securing such claims, whether the property subject to such liens is retained by the Debtors or transferred to another entity, to the extent of the allowed amount of such claims; and

(ii) that each holder of a claim of such class receive on account of such claim deferred cash payments totaling at least the allowed amount of such claim, of a value, as of the effective date of the Plan, of at least the value of such holder's interest in the estate's interest in such property;

(b) for the sale, subject to section 363(k) of the Bankruptcy Code, of any property that is subject to the liens securing such claims, free and clear of such liens, with such liens to attach to the proceeds of such sale, and the treatment of such liens on proceeds under clause (a) and (b) of this subparagraph; or

(c) the realization by such holders of the "indubitable equivalent" of such claims.

2. With respect to a class of unsecured claims, the Plan provides:

(a) that each holder of a claim of such class receive or retain on account of such claim property of a value, as of the effective date of the Plan, equal to the allowed amount of such claim; or

(b) the holder of any claim or interest that is junior to the claims of such class will not receive or retain under the Plan on account of such junior claim or interest any property, except that in a case in which the Debtors are an individual, the Debtors may retain property included in the estate under section 1115 of the Bankruptcy Code, subject to the requirements of section 1129(a)(14) of the Bankruptcy Code.

3. With respect to a class of interests, the Plan provides:

(a) that each holder of an interest of such class receive or retain on account of such interest property of a value, as of the effective date of the Plan, equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled or the value of such interest; or

(b) that the holder of any interest that is junior to the interests of such class will not receive or retain under the Plan on account of such junior interest any property.

In the event that one or more Classes of impaired Claims or Interests reject the Plan, the Bankruptcy Court will determine at the Confirmation Hearing whether the Plan is fair and equitable with respect to, and does not discriminate unfairly against, any rejecting impaired Class of Claims or Interests. For the reasons set forth above, the Debtors believe the Plan does not discriminate unfairly against, and is fair and equitable with respect to, each impaired Class of Claims or Interests.

X. RISK FACTORS

The following is intended as a summary of certain risks associated with the Plan, but it is not exhaustive and must be supplemented by the analysis and evaluation made by each holder of a Claim or Interest of the Plan and this Disclosure Statement as a whole with such holder's own advisors.

A. Insufficient Acceptances

For the Plan to be confirmed, each impaired Class of Claims is given the opportunity to vote to accept or reject the Plan. With regard to such impaired voting Classes, the Plan will be deemed accepted by a Class of impaired Claims if the Plan is accepted by Claimants of such Class actually voting on the Plan who hold at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the total Allowed Claims of the Class voted. Only those members of a Class who vote to accept or reject the Plan will be counted for voting purposes. The Debtors reserves the right to request confirmation pursuant to the cramdown provisions in section 1129(b) of the Bankruptcy Code, which will allow confirmation of the Plan regardless of the fact that a particular Class of Claims has not accepted the Plan. However, there can be no assurance that any impaired Class of Claims under the Plan will accept the Plan or that the Debtors would be able to use the cramdown provisions of the Bankruptcy Code for confirmation of the Plan.

B. Confirmation Risks

The following specific risks exist with respect to confirmation of the Plan:

(a) Any objection to confirmation of the Plan can either prevent confirmation of the Plan, or delay such confirmation for a significant period of time.

(b) Since the Debtors may be seeking to obtain approval of the Plan over the rejection of one or more Impaired Classes of Claims, the cramdown process could delay confirmation.

C. Conditions Precedent

The closing of the sale to the Purchaser, Confirmation of the Plan, and occurrence of the Effective Date are subject to certain conditions precedent that may not occur.

D. Estimated Distributions under the Plan

In preparing the Liquidation Analysis under the Plan attached hereto as **Exhibit 2**, the Debtors' sale and financial advisors have made certain estimates regarding projected cash on hand at confirmation based on current and anticipated accounts receivable. Based on such estimations, the actual Distributions to holders of Allowed Class 4 Claims may be more or less than projected in the Debtors' Liquidation Analysis under the Plan depending upon several variables, including (i) the aggregate amount of Allowed Class 1, Class 3, and Class 4 Claims, (ii) the amount, if any, for which certain Administrative Expense Claims are Allowed, (iii) the Allowed amounts of certain Priority Claims, (iv) the collectability of the Estate Accounts Receivable, and (vi) the amount of the expenses and fees of Trust Professionals. The Liquidation Analysis does not include any net recovery from potential Estate Claims held by the Estate, including Avoidance Actions.

XI. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

A. Continuation of Cases

The Debtors believe that the Plan provides the claimants with the greatest and earliest possible return that can be realized on their respective claims. The Plan is being proposed as

an alternative to a long and expensive bankruptcy or to a brief and predictable chapter 7 liquidation. In a traditional chapter 11 case for a medium-sized company, the plan often unfolds over one to two years. However, under the facts and circumstances of this Bankruptcy Case, the Debtors do not believe that they would be able to successfully reorganize on their own without a substantial equity infusion, and have thus determined that a sale of the assets is in the best interests of creditors and the Estate. Consequently, absent a substantial equity infusion, the Debtors will not be able to continue indefinitely under Chapter 11 of the Bankruptcy Code.

B. Alternative Plan of Reorganization

The Debtors had the exclusive right to file a plan until January 29, 2018 and have the exclusive right to seek acceptances for that plan until April 2, 2018. If the Plan is not confirmed, both the Debtors and other parties-in-interest may have an opportunity to file another plan of reorganization after April 2, 2018. At this time, no entity other than the Debtors have proposed a Plan or reorganization and it does not appear likely that an alternative plan will be proposed.

C. Chapter 7 Liquidation

The Debtors believe the only practical alternative to the Plan, which provides for a sale of substantially all of the Debtors' assets and a liquidation of the Cash Proceeds and the Debtors' Remaining Assets, is conversion of the Bankruptcy Case to Chapter 7 and liquidation under Chapter 7. The Debtors believe that liquidation through the Plan will provide a greater return to Holders of Allowed Claims than liquidation in a Chapter 7 case.

The Debtors believe that liquidation in a Chapter 7 case would diminish the value to be realized by holders of Allowed Claims because of additional administrative expenses involved in the appointment of a Chapter 7 trustee or trustees, attorneys, accountants, and other professionals to assist such trustee(s) in the case of Chapter 7 proceedings. The Debtors believe that liquidation in a Chapter 7 case could result in delay of distributions to holders of Allowed Claims as compared to liquidation under the Plan.

XII. CONCLUSION

The Debtors urge holders of Claims in impaired Classes to vote to **ACCEPT** the Plan and to evidence such acceptance by returning their Ballots so that they will be received on or before **5:00 p.m., Central Time, on January , 2018.**

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Dated: December 20, 2017.

Respectfully submitted,

HYDROSCIENCE TECHNOLOGIES, INC.

By: /s/ Fred Woodland
Fred Woodland, President

SOLID SEISMIC, LLC

By: /s/ Fred Woodland
Fred Woodland, Manager

APPROVED:

/s/ Jeff P. Prostok

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ATTORNEYS FOR DEBTOR
AND DEBTORS IN POSSESSION

L:\JPROSTOK\Hydroscience Tech (Solid Seismic) #5848\Plan and Disclosure Statement\Disclosure Statement re Joint Plan
12.20.17.docx

EXHIBIT “1”

to

**Disclosure Statement Pursuant to Section 1125 of the United States
Bankruptcy Code with respect to the Joint Chapter 11 Plan for
Hydroscience Technologies, Inc. and Solid Seismic, LLC**

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

In re:	)	Chapter 11 Cases
)	
HYDROSCIENCE TECHNOLOGIES, INC.,	)	Case No. 17-41442-rfn11
SOLID SEISMIC, LLC,	)	Case No. 17-41444-rfn11
)	
Debtors.	)	Jointly Administered Under
	)	Case No. 17-41442-rfn11
)	
)	

**JOINT CHAPTER 11 PLAN FOR HYDROSCIENCE TECHNOLOGIES, INC.
AND SOLID SEISMIC, LLC**

Jeff P. Prostok
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ATTORNEYS FOR DEBTORS
AND DEBTORS-IN-POSSESSION

DATED: December 20, 2017
Fort Worth, Texas

ARTICLE I.
DEFINITIONS

A. Defined Terms. In addition to such other terms as are defined in other sections of the Plan, the following terms shall have the meanings set forth below (such meanings to be equally applicable to both the singular and plural, masculine and feminine forms of the terms defined).

1.01. "Administrative Bar Date" means the deadline to file Claims for Allowance as an Administrative Expense set forth in section 3.01(c) of the Plan.

1.02. "Administrative Expense" means any cost or expense of administration of the Chapter 11 Cases allowed under subsections 503(b) and 507(a)(1) of the Bankruptcy Code, including, without limitation, any actual and necessary expenses of preserving the estates of the Debtors, any actual and necessary expenses of operating the business of the Debtors, all compensation or reimbursement of expenses to the extent allowed by the Bankruptcy Court under section 330 or 503 of the Bankruptcy Code, and any fees or charges assessed against the estates of the Debtors under section 1930, chapter 123 of title 28 of the United States Code.

1.03. "Allowed," when used with respect to a Claim (other than an Administrative Expense), means a Claim (a) to the extent it is not Contested; or (b) a Contested Claim, proof of which was filed timely with the Bankruptcy Court, and (i) as to which no Objection was filed by the Objection Deadline, or (ii) as to which an Objection was filed by the Objection Deadline, to the extent, if any, such Claim is ultimately allowed by a Final Order; *provided, however*, if a Claim is to be determined in a forum other than the Bankruptcy Court, such Claim shall not become Allowed until determined by Final Order of such other forum and allowed by Final Order of the Bankruptcy Court. "Allowed," when used with respect to an Administrative Expense, shall mean an Administrative Expense approved by application to the Bankruptcy Court.

1.04. "APA" means the asset purchase agreement between the Debtors and the Purchaser, a copy of which is attached hereto as **Exhibit A**.

1.05. "Assets" includes all right, title, and interest in and to all property of every type or nature owned or claimed by the Debtors as of the Petition Date, together with all such property of every type or nature subsequently acquired by the Debtors through the Effective Date, whether real or personal, tangible or intangible, and wherever located, and including, but not limited to, property as defined in section 541 of the Bankruptcy Code.

1.06. "Avoidance Action" means a cause of action assertable by the Debtors pursuant to Chapter 5 of the Bankruptcy Code, including without limitation, actions brought or which may be brought under sections 542, 543, 544, 545, 547, 548, 549, 550, or 553 of the Bankruptcy Code. Such causes of action may be asserted to recover, among other things, the transfers listed in the Debtors' respective Schedules, including in response to Question 3 to the statement of financial affairs.

1.07. "Ballot" means the form of ballot provided to holders of Claims or Interests entitled to vote pursuant to Bankruptcy Rule 3017(d), by which each such holder may accept or reject the Plan.

1.08. "Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as amended and codified at Title 11 of the United States Code.

1.09. “Bankruptcy Court” means the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division, or such other court having jurisdiction over all or any part of the Chapter 11 Cases.

1.10. “Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure, as amended from time to time, as applicable to the Chapter 11 Cases, including applicable local rules of the Bankruptcy Court.

1.11. “Beneficiary” means any Person that is a holder of an Allowed Claim entitled to receive Distributions from the Liquidating Trust pursuant to the Plan.

1.12. “Business Day” means any day other than Saturday, Sunday, a legal holiday, or a day on which national banking institutions in Texas are authorized or obligated by law or executive order to close.

1.13. “Cash” means legal tender of the United States of America, cash equivalents and other readily marketable securities or instruments, including, but not limited to, readily marketable direct obligations of the United States of America, certificates of deposit issued by banks or commercial paper.

1.14. “Cash Proceeds” means the total Cash that the Debtors will receive from sale of the Purchased Assets to the Purchaser under the APA.

1.15. “Chapter 11 Cases” means the above captioned and numbered reorganization cases of the Debtors under Chapter 11 of the Bankruptcy Code.

1.16. “Claim” means (a) a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured (including potential and unmatured tort and contract claims), disputed, undisputed, legal, equitable, secured or unsecured, or (b) a right to an equitable remedy for breach of performance if such breach gives rise to a right of payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured (including potential and unmatured tort and contract claims), disputed, undisputed, secured or unsecured.

1.17. “Claimant” means the holder of a Claim.

1.18. “Class” means a class of Claims or Interests as described in the Plan.

1.19. “Closing Date” means the date specified in the APA for the closing of the sale transaction between the Debtors and the Purchaser.

1.20. “Collateral” means any Asset subject to a valid and enforceable Lien to secure payment of a Claim.

1.21. “Confirmation Date” means the date of entry of the Confirmation Order.

1.22. “Confirmation Hearing” means the hearing conducted by the Bankruptcy Court pursuant to section 1128 of the Bankruptcy Code and Bankruptcy Rule 3020(b) to consider confirmation of the Plan, as such hearing may be continued from time to time.

1.23. “Confirmation Order” means the order of the Bankruptcy Court confirming the Plan in accordance with the provisions of Chapter 11 of the Bankruptcy Code.

1.24. “Contested,” when used with respect to a Claim, means a Claim against the Debtors that is listed in the Debtors’ Schedules as disputed, contingent, or unliquidated; that is listed in the Debtors’ Schedules as undisputed, liquidated, and not contingent and as to which a proof of Claim has been filed with the Bankruptcy Court, to the extent the proof of Claim amount exceeds the scheduled amount; that is not listed in the Debtors’ Schedules, but as to which a proof of Claim has been filed with the Bankruptcy Court; or as to which an objection has been or may be timely filed and has not been denied by Final Order. To the extent an objection relates to the allowance of only a part of a Claim, such Claim shall be a Contested Claim only to the extent of the objection.

1.25. “Creditor” means a “creditor,” as defined in section 101(10) of the Bankruptcy Code.

1.26. “Cure Claim” means the payment or other performance required to cure any existing default under an Executory Contract or Unexpired Lease.

1.27. “Debtors” means, collectively, Hydrosience Technologies, Inc. and Solid Seismic, LLC, the debtors and debtors-in-possession in the above-captioned Chapter 11 Cases.

1.28. “Disallowed,” when used with respect to all or any part of a Claim or Equity Interest, means that portion of a Claim or Equity Interest to which an objection or motion to disallow has been sustained by a Final Order.

1.29. “Disclosure Statement” means the Disclosure Statement filed with respect to the Plan, as it may be amended, modified, or supplemented from time to time.

1.30. “Distribution” means any payment or other disbursement of property pursuant to the Plan.

1.31. “Effective Date” means the first Business Day which is fourteen (14) days after the Confirmation Date if the Confirmation Order is not stayed or, if the Confirmation Order is stayed, the first Business Day following the lifting, dissolution, or removal of such stay which is at least fourteen (14) Business Days after the Confirmation Date, and upon which all conditions to the effectiveness of the Plan set forth in Article XIII below are satisfied.

1.32. “Estate” shall collectively refer to the bankruptcy estates of the Debtors in this Bankruptcy Case.

1.33. “Estate Accounts Receivable” shall include all accounts receivable of the Estate, including from all sums payable to the Debtors by any customer of the Debtors on account of goods or services provided by the Debtors, including any Work in Progress initiated by the Debtors prior to the Closing Date, regardless of whether the Work in Progress was completed, or whether the Estate Account Receivable was billed, before the Closing Date. The value of any Estate Account Receivable derived from Work in Progress initiated but not completed by the Debtors prior to the Closing Date shall be agreed to between the Debtors and the Purchaser prior to the Closing Date as provided for in the APA.

1.34. “Estate Claims” shall include all claims and causes of action held by the Debtors’ bankruptcy estates, including without limitation all Avoidance Actions, but shall not include any Estate Claims pertaining to the Purchased Assets being sold to the Purchaser pursuant to the APA or any Estate Claims resolved through the Plan Settlement.

1.35. “Estate Contract” shall include all contracts or agreements to which the Estate is a party or beneficiary, including specifically the Prologis Settlement.

1.36. “Estate Defenses” means all defenses, affirmative defenses, counterclaims, or offsets by the Debtors’ Estate against any Person, including but not limited to any Creditor.

1.37. “Estate Insurance” means any insurance policy or interest in an insurance policy in which the Estate has an interest or rights.

1.38. “Estate Professionals” means those Persons employed pursuant to an order of the Bankruptcy Court in accordance with sections 327, 328, and 1103 of the Bankruptcy Code or who are entitled to compensation or reimbursement pursuant to sections 503(b)(3)(D) or 506(b) of the Bankruptcy Code.

1.39. “Executory Contract” means any executory contract which is subject to section 365 of the Bankruptcy Code and which is not an Unexpired Lease.

1.40. “Final Order” means an order or judgment of the Bankruptcy Court or any other court or adjudicative body, as to which the time to appeal or seek rehearing or petition for certiorari shall have expired or which order or judgment shall no longer be subject to appeal, rehearing, or certiorari proceeding and with respect to which no appeal, motion for rehearing, or certiorari proceeding or stay shall then be pending.

1.41. “General Unsecured Claim” means any Claim against the Debtors that is not an Administrative Expense, Priority Tax Claim, Priority Non-Tax Claim, Secured Tax Claim, Secured Claim, or Resolved Claim, but includes any Rejection Claims pursuant to section 502(g) of the Bankruptcy Code and the Prologis Unsecured Claim.

1.42. “Governmental Unit” means a “governmental unit” as such term is defined in section 101(27) of the Bankruptcy Code.

1.43. “HTI” means Hydroscience Technologies, Inc., one of the Debtors in the above-referenced Bankruptcy Case.

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

1.45. “Intellectual Property” means, without limitation, patented and unpatented inventions, product designs, and production processes, including all documentation, fixtures, equipment, and agreements relating thereto, as more specifically described in the APA.

1.46. “Initial Distribution Date,” when used with respect to any Contested Claim or Rejection Claim, shall mean the later of (i) the first Business Day at least thirty (30) days after the date on which any such Contested Claim or Rejection Claim becomes an Allowed Claim, or (ii) if the payment terms of Article IV of this Plan applicable to each such Claim specify a different date, then the date as calculated pursuant to the terms of Article IV of this Plan

applicable to each such Claim. The Initial Distribution Date shall be separately determined with respect to each Contested Claim or Rejection Claim based upon the date each such Claim becomes an Allowed Claim.

1.47. “Interests” means any equity or stock ownership interest in the Debtors.

1.48. “Insider Claims” means the IST Claim and the Woodland Claim.

1.49. “IST” means International Seismic Technology, Inc., which owns 100% of the Interests in HTI.

1.50. “IST Claim” means all Claims asserted by IST against the Debtors, including the Claims reflected in the Debtors’ Schedules, which are being resolved on the Effective Date through the Plan Settlement.

1.51. “IST Property” means the following real property owned by IST: (i) industrial building and property located at 5101 Airport Road, Mineral Wells, Parker County, Texas, with a 2017 tax appraisal value of \$321,480; (ii) commercial assembly building located at 805 Harvey Road, Mineral Wells, Parker County, Texas, with a 2017 tax appraisal value of \$201,900; and (iii) residences, buildings and acreage located at or adjoining 521 Kite Road, Mineral Wells, Palo Pinto County, Texas, with a 2017 tax appraisal value of \$555,390.

1.52. “Lien” means any mortgage, lien, charge, security interest, encumbrance, or other security device of any kind affecting any asset or property of the Debtors contemplated by section 101(37) of the Bankruptcy Code.

1.53. “Liquidating Trust” means the trust established pursuant to the Liquidating Trust Agreement for the purpose of liquidating and distributing the Liquidating Trust Assets to the Beneficiaries.

1.54. “Liquidating Trust Agreement” means that certain Liquidating Trust Agreement substantially in the form of the attached **Exhibit B**, establishing the Liquidating Trust and providing for liquidation and distribution of the Liquidating Trust Assets as provided in Article VII of this Plan.

1.55. “Liquidating Trust Assets” means, collectively, the Cash Proceeds and the Remaining Assets.

1.56. “Liquidating Trustee” means William L. Roberts, a Director of CR3 Partners, LLC, or such other individual as may be approved by the Bankruptcy Court to serve as the trustee under the Liquidating Trust Agreement.

1.57. “MHI” means Mitsubishi Heavy Industries, Ltd.

1.58. “MHI Claim” means any Claim asserted by MHI against the Debtors, including as asserted in Proof of Claim No. 31 in HTI’s Bankruptcy Case.

1.59. “MII” means Mitchum Industries, Inc., the parent of Seamap Pte, Ltd.

1.60. “Net Liquidating Trust Assets” means the portion of the Liquidating Trust Assets available for distribution to holders of Allowed Claims, excluding any Reserves for Contested Claims, operating expenses of the Liquidating Trustee, or otherwise.

1.61. “Objection” means (a) an objection to the allowance of a Claim interposed by any party entitled to do so within the applicable period of limitation fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, and (b) as to any Taxing Authority, a proceeding commenced under section 505 of the Bankruptcy Code to determine the legality or amount of any tax.

1.62. “Objection Deadline” shall mean the later of (a) ninety (90) days following the Effective Date, unless otherwise extended by order of the Bankruptcy Court, or (b) as to any Rejection Claim filed after the Effective Date, ninety (90) days after the date on which the proof of Claim reflecting the Rejection Claim is filed.

1.63. “Omniquest” shall mean OmniQuest International bv.

1.64. “Omniquest Account Receivable” means the Estate Account Receivable from Omniquest in the amount of \$271,889.50 arising from Purchase Order 20172020 between HTI and Omniquest dated February 20, 2017.

1.65. “Other Secured Claim” means any Secured Claim other than a Secured Tax Claim.

1.66. “Person” means any individual, corporation, general partnership, limited partnership, association, joint stock company, joint venture, estate, trust, unincorporated organization, government, or any political subdivision thereof or other entity.

1.67. “Petition Date” means April 3, 2017.

1.68. “Plan” means this joint Chapter 11 plan, either in its present form or as it may be altered, amended, or modified from time to time.

1.69. “Plan Documents” means the documents that aid in effectuating the Plan as specifically identified as such herein and filed with the Bankruptcy Court in accordance with ARTICLE XVI of the Plan.

1.70. “Plan Settlement” means the settlement between the Debtors, MHI, MII, Seemap, Tokio Marine, IST and Woodland, respectively, described in section 6.01 of the Plan.

1.71. “Priority Claim” means a Claim (other than a Claim for an Administrative Expense) to the extent that it is entitled to priority in payment under section 507(a) of the Bankruptcy Code.

1.72. “Priority Non-Tax Claim” means a Priority Claim other than a Priority Tax Claim.

1.73. “Priority Tax Claim” means a Claim of a governmental unit of the kind specified in subsection 507(a)(8) of the Bankruptcy Code.

1.74. “Prologis” means Deutsche Bank Mexico, S.A., Institucion de Banca Multiple Division Fiduciaria doing business in the State of Texas as FIBRA Prologis Mexico.

1.75. “Prologis Administrative Claim” means the Holdover Administrative Claim granted to Prologis as described in paragraph 1 of the Prologis Settlement.

1.76. “Prologis Unsecured Claim” means the General Unsecured Claim granted to Prologis pursuant to paragraph 1 of the Prologis Settlement.

1.77. “Prologis Settlement” means the Settlement and Release Agreement between the Debtors, IST, Hydrosience de Mexico, S. de R.L. de C.V., and Prologis, a copy of which is attached to Docket No. 52, and which was approved by the Bankruptcy Court on August 24, 2017 [Docket No. 83].

1.78. “Prologis Settlement Payment” means the Settlement Payment to Prologis described in paragraph 2 of the Prologis Settlement

1.79. “Pro Rata Share” means, as to the holder of a specific Claim, the ration that the amount of such holder’s Claim bears to the aggregate amount of all Claims included in the particular Class or category in which such holder’s Claim is included.

1.80. “Purchased Assets” means all Assets that will be transferred to the Purchaser pursuant to the APA, and *specifically excludes* the Omniquest Account Receivable and all Estate Accounts Receivable.

1.81. “Purchaser” shall mean MII or a newly-created subsidiary of MII created to purchase the Purchased Assets of the Debtors pursuant to the APA.

1.82. “Rejected Leases and Contracts” means all Unexpired Leases and Executory Contracts of the Debtors that are not expressly assumed and assigned to Purchaser or that were not previously assumed by the Debtors.

1.83. “Rejection Claim” means a Claim arising under section 502(g) of the Bankruptcy Code as a consequence of the rejection of any Executory Contract or Unexpired Lease.

1.84. “Remaining Assets” means any Assets not being transferred to the Purchaser, which will be transferred to the Liquidating Trust on the Effective Date. The Remaining Assets expressly exclude any Unexpired Leases being assumed by the Debtors and assigned to the Purchaser pursuant to section 11.01 of the Plan.

1.85. “Reserve” or “Reserves” means any reserves set aside by the Liquidating Trustee pursuant to this Plan or the Liquidating Trust Agreement in order to pay any Trust Expenses or fund any Distribution or payment pursuant to the Plan.

1.86. “Resolved Claims” means any Claims asserted against the Debtors by MHI, Seamap, or Tokio Marine, including the MHI Claim, Seamap Claim, and Tokio Marine Claim, which are being resolved on the Effective Date pursuant to the Plan.

1.87. “Schedules” means the schedules of assets and liabilities and the statement of financial affairs filed by the Debtors as required by section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, as such schedules or statements have been or may be subsequently amended.

1.88. “Seamap” means Seamap Pte, Ltd.

1.89. "Seamap Claim" means any Claim asserted against the Debtors by Seamap, including as asserted in Proof of Claim No. 30 in HTI's Bankruptcy Case.

1.90. "Secured Claim" means (a) a Claim secured by a lien on any Assets, which lien is valid, perfected, and enforceable under applicable law and is not subject to avoidance under the Bankruptcy Code or applicable nonbankruptcy law, and which is duly Allowed, but only to the extent of the value of the holder's interest in the Collateral that secures payment of the Claim; (b) a Claim against the Debtors that is subject to a valid right of recoupment or setoff under section 553 of the Bankruptcy Code, but only to the extent of the Allowed amount subject to recoupment or setoff as provided in section 506(a) of the Bankruptcy Code; and (c) a Claim deemed or treated under the Plan as a Secured Claim; provided, that, to the extent that the value of such interest is less than the amount of the Claim which has the benefit of such security, the unsecured portion of such Claim shall be treated as a General Unsecured Claim unless, in any such case the Class of which the Claim is a part makes a valid and timely election in accordance with section 1111(b) of the Bankruptcy Code to have such Claim treated as a Secured Claim to the extent Allowed.

1.91. "Secured Creditor" means the holder of a Secured Claim.

1.92. "Secured Tax Claim" means any ad valorem tax Claim that arises or is deemed to have arisen on or before the Petition Date, irrespective of the date on which such Claim is assessed or due.

1.93. "SSC" means Solid Seismic, LLC, one of the Debtors in the above-referenced Bankruptcy Case.

1.94. "Substantial Consummation" means the earlier of: (a) the closing of the sale pursuant to the APA, or (b) the day on which a Creditor first receives a Distribution of any kind under the terms and provisions of the Plan.

1.95. "Taxing Authority" shall include the State of Texas or any subdivision thereof, including without limitation any political subdivision of the State of Texas assessing ad valorem taxes against any of the Assets.

1.96. "Tokio Marine" means Tokio Marine & Nichido Fire Insurance Co. Ltd.

1.97. "Tokio Marine Claim" means any Claim asserted against the Debtors by Tokio Marine, including as asserted in Proof of Claim No. 32 in HTI's Bankruptcy Case.

1.98. "Trust Expenses" means expenses incurred by the Liquidating Trustee in connection with the administration of the Liquidating Trust including without limitation the fees of the Liquidating Trustee, fees and expenses of Trust Professionals, and any cost or expenses which the Liquidating Trustee believes to be necessary or appropriate to the administration of the Liquidating Trust.

1.99. "Trust Professionals" includes all professionals retained by the Liquidating Trustee including, without limitation, legal counsel, accountants, and such other advisors or professionals as the Liquidating Trustee may wish to retain.

1.100. "Unclaimed Property" means any cash, Distribution, or any other property of the Debtors unclaimed for a period of one (1) year after the applicable Initial Distribution Date.

1.101. "Unexpired Lease" means any unexpired lease or agreement which is subject to section 365 of the Bankruptcy Code and which is not an Executory Contract.

1.102. "Work in Progress" means any work in progress, including the provision of goods or the rendering of services, initiated but not completed by the Debtors for any party prior to the Closing Date, including any Work in Progress for Omniquest, SAAB Dynamics, AB or Försvarets Materielverk.

1.103. "Woodland" means Fred Woodland, the President of HTI and the Manager of SSC.

1.104. "Woodland Claim" means any and all Claims asserted by Woodland against the Debtors, including any Claims arising from or relating to the Loan Agreement between Woodland and HTI dated May 14, 2014, including the Claim held by Woodland in the amount of \$132,333.55 reflected in HTI's Schedules as arising from a "Note Payable," which are being resolved on the Effective Date through the Plan Settlement; however, the Woodland Claim expressly *does not* include any Claims asserted by Woodland against the Debtors for employee wages or reimbursement of employment-related expenses, including any Claims for employee wages or reimbursement of employment-related expenses reflected on the Debtors' Schedules.

1.105. "Woodland Employment Agreement" means the Executive Employment Agreement between Woodland and MII, which provides for Woodland to be employed as a Senior Design Engineer by MII for a period of four (4) years, with a base salary of \$170,000 per year, stock options issued pursuant to MII's Amended and Restated Stock Awards Plan, an annual bonus based on the net revenue from the sale of products and services of a type currently sold by the Debtors, and other MII employee benefits, including, e.g., vacation, holiday and sick pay, and the right to participate in any MII profit sharing, retirement, 401(k), or insurance plan generally maintained by MII for its senior executives and, if applicable, their family members, and which includes the right to receive severance upon termination of employment by MII without cause or by Woodland for good reason, and a non-solicitation provision for the benefit of MII.

1.106. "Woodland-Related Estate Claims" means any and all Estate Claims which may be asserted by the Debtors against Woodland or FGW, LLC, including but not limited to any Estate Claims arising from or relating to the "Note Receivable from FGW, LLC" reflected in HTI's Schedules in the amount of \$129,229.44.

B. Interpretation. Unless otherwise specified, all section, article and exhibit references in the Plan are to the respective section in, article of, or exhibit to, the Plan, as the same may be amended, waived, or modified from time to time. The headings in the Plan are for convenience and reference only and shall not limit or otherwise affect the provisions hereof. The rules of construction set forth in section 102 of the Bankruptcy Code, other than section 102(5) of the Bankruptcy Code, apply to construction of the Plan. For the purposes of construction of the Plan, "or" is disjunctive.

C. Other Terms. The words "herein," "hereof," "hereto," "hereunder," and others of similar import refer to the Plan as a whole and not to any particular section, subsection, or clause contained in the Plan. References herein to "after notice and hearing" or other similar language shall have the same meaning as in section 102(1) of the Bankruptcy Code. Otherwise,

a term used herein that is not specifically defined herein shall have the meaning ascribed to that term, if any, in the Bankruptcy Code.

D. Exhibits and Plan Documents. All Exhibits to the Plan and all Plan Documents are incorporated into the Plan by this reference and are a part of the Plan as if set forth in full herein. Any Plan Documents may be filed with the Clerk of the Bankruptcy Court prior to the commencement of the Confirmation Hearing. Holders of Claims and Interests may obtain a copy of the Plan Documents, once filed, by a written request sent to the following address: Forshey & Prostok, LLP, 777 Main Street, Suite 1290, Fort Worth, Texas 76102, Attention: Linda Breedlove; Fax number (817) 877-4151; email: lbreedlove@forsheyprostok.com.

ARTICLE II.

CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

2.01. The following is a designation of the Classes of Claims and Interests under the Plan. Administrative Expenses, Priority Claims of the kinds specified in sections 507(a)(2) and 507(a)(3) of the Bankruptcy Code and Priority Tax Claims have not been classified, are excluded from the following Classes in accordance with section 1123(a)(1) of the Bankruptcy Code, and their treatment is set forth in Article III of the Plan. A Claim shall be deemed classified in a particular Class only to the extent that the Claim qualifies within the description of that Class. A Claim is included in a particular Class only to the extent that the Claim is an Allowed Claim in that Class.

- Class 1 – Secured Tax Claims
- Class 2 – Other Secured Claims
- Class 3 – Priority Non-Tax Claims
- Class 4 – General Unsecured Claims
- Class 5 – Resolved Claims
- Class 6 – Insider Claims
- Class 7 – Interests

2.02. Impaired Classes of Claims and Interests. Class 1, 2, and 3 are not Impaired. Classes 4 through 7 are Impaired.

2.03. Impairment or Classification Controversies. If a controversy arises as to the classification of any Claim or Interest, or as to whether any Class of Claims or Interests is Impaired under the Plan, the Bankruptcy Court shall determine such controversy as a part of the confirmation process.

ARTICLE III.

TREATMENT OF UNCLASSIFIED CLAIMS

3.01. Administrative Expenses

(a) The Liquidating Trustee shall pay, in accordance with the ordinary business terms applicable to each such expense or cost, the reasonable and ordinary expenses incurred in operating the Debtors' business or administering the Estate before the Effective Date ("Ordinary Course Claims"). The remaining provisions of this section 3.01 shall not apply to the Ordinary Course Claims, except that if there is a dispute relating to any such Ordinary Course Claim, the Liquidating Trustee may move the Bankruptcy Court to apply the provisions of Article III below relating to Contested Claims and require the holder of the Contested Ordinary Course

Claim to assert such Claim through this Bankruptcy Case.

(b) Each holder of an Allowed Administrative Expense (other than Ordinary Course Claims and Administrative Expense Claims by Estate Professionals), shall receive (i) the amount of such holder's Allowed Administrative Expense in one Cash payment on the later of the Effective Date or the tenth (10th) Business Day after such Administrative Expense becomes an Allowed Administrative Expense, or (ii) such other treatment as may be agreed to in writing by such Administrative Expense Creditor and the Liquidating Trustee, or as otherwise ordered by the Bankruptcy Court.

(c) Unless the Bankruptcy Court orders to the contrary or the Liquidating Trustee agrees to the contrary in writing, the holder of a Claim for an Administrative Expense, other than such a Claim by an Estate Professional, an Ordinary Course Claim, the Prologis Administrative Claim, or an Administrative Expense which is already Allowed, shall file with the Bankruptcy Court and serve upon the Liquidating Trustee and its counsel a written notice of such Claim for an Administrative Expense within thirty (30) days after the Effective Date. This deadline is the "Administrative Bar Date." Such notice shall include at a minimum: (i) the name, address, telephone number and fax number (if applicable) or email address of the holder of such Claim, (ii) the amount of such Claim, and (iii) the basis of such Claim. Failure to timely and properly file and serve such notice by the Administrative Bar Date shall result in such Claim for an Administrative Expense being forever barred from receiving any Distribution through the Liquidating Trust.

(d) A Claim for an Administrative Expense, for which a proper notice was filed and served under subsection 3.01(c) above, shall become an Allowed Administrative Expense if no Objection is filed within thirty (30) days of the filing and service of such notice. If a timely Objection is filed, the Claim shall become an Allowed Administrative Expense only to the extent allowed by a Final Order.

(e) The procedures contained in subsections 3.01(a), (c) and (d) above shall not apply to Administrative Expense Claims asserted by Estate Professionals, who shall each file and submit an appropriate final fee application to the Bankruptcy Court no later than sixty (60) days after the Effective Date. A Claim for an Administrative Expense by an Estate Professional in respect of which a final fee application has been properly filed and served shall become an Allowed Administrative Expense only to the extent allowed by Final Order and, if so Allowed, shall be paid in accordance with subsection 3.01(b) above. Professional fees and expenses to any Estate Professional incurred on or after the Effective Date may be paid by the Liquidating Trustee without necessity of application to or order by the Bankruptcy Court.

(f) If the Liquidating Trustee asserts any Estate Claims as counterclaims or defenses to a Claim for Administrative Expense, the Administrative Expense Claim shall be determined through an adversary proceeding before the Bankruptcy Court. The Bankruptcy Court shall have exclusive jurisdiction to adjudicate and Allow all Claims for any Administrative Expense.

3.02. Priority Tax Claims. Each holder of an Allowed Priority Tax Claim shall receive (a) one Cash payment in an amount equal to the principal amount of such Allowed Priority Tax Claim, plus interest at the rate and in the manner prescribed by applicable state law from the later of the Petition Date or the first day after the last day on which such Priority Tax Claim may be paid without penalty, no later than sixty (60) days after each such Claim becomes an Allowed

Claim, or (b) such other treatment as may be agreed to in writing by the holder of the Priority Tax Claim and the Liquidating Trustee.

3.03. Trustee's Fees. The Liquidating Trustee shall pay the U.S. Trustee's quarterly fees incurred pursuant to 28 U.S.C. § 1930(a)(6). Any fees due as of the Confirmation Date shall be paid in full on the Effective Date or as soon thereafter as is practicable. After the Confirmation Date, the Liquidating Trustee shall continue to pay quarterly fees as they accrue until a final decree is entered and the Chapter 11 Cases are closed. The Liquidating Trustee shall file with the Bankruptcy Court and serve on the U.S. Trustee quarterly financial reports for each quarter, or portion thereof, that the Chapter 11 Cases remain open.

ARTICLE IV.

TREATMENT OF CLASSIFIED CLAIMS AND INTERESTS

4.01. Class 1 – Secured Tax Claims. Each holder of an Allowed Secured Tax Claim shall receive (a) one Cash payment in an amount equal to the principal amount of such Allowed Secured Tax Claim, plus interest at the rate and in the manner prescribed by applicable state law from the later of the Petition Date or the first day after the last day on which such Secured Tax Claim may be paid without penalty, on the Initial Distribution Date, or (b) such other treatment as may be agreed to in writing by the holder of the Secured Tax Claim and the Liquidating Trustee. The Liens securing such Secured Tax Claims shall remain unimpaired and unaffected until each such Class 1 Claim is paid in full. Class 1 is unimpaired. Holders of Class 1 Claims are conclusively presumed to have accepted the Plan and, accordingly, are not entitled to vote on the Plan.

4.02. Class 2 – Other Secured Claims. On or before the Initial Distribution Date, the Debtors shall surrender, to the holder of each Allowed Other Secured Claim, the Collateral that secures its Claim, to the extent any such Collateral was not previously surrendered. Such surrender of Collateral shall be in full satisfaction of such Allowed Other Secured Claim. Class 2 is unimpaired. Holders of Class 2 Claims are conclusively presumed to have accepted the Plan and, accordingly, are not entitled to vote on the Plan.

4.03. Class 3 – Priority Non-Tax Claims. Each holder of an Allowed Priority Non-Tax Claim shall receive (a) one Cash payment in an amount equal to the principal amount of such Allowed Priority Non-Tax Claim, plus interest at the rate and in the manner prescribed by applicable state law from the later of the Petition Date or the first day after the last day on which such Priority Non-Tax Claim may be paid without penalty, on the Initial Distribution Date, or (b) such other treatment as may be agreed to in writing by the holder of the Priority Non-Tax Claim and the Liquidating Trustee. Class 3 is unimpaired. Holders of Class 3 Claims are conclusively presumed to have accepted the Plan and, accordingly, are not entitled to vote on the Plan.

4.04. Class 4 – General Unsecured Claims. Each holder of an Allowed General Unsecured Claim shall receive a Pro Rata Share of the Net Liquidating Trust Assets after the satisfaction of, or allocation of an appropriate Reserve for, the following: (i) Allowed Administrative Expense Claims, (ii) Allowed Priority Tax Claims, (iii) Allowed Claims in Classes 1 through 3, and (iv) Trust Expenses. The timing of the distribution(s) of the Net Liquidating Trust Assets shall be at the discretion of the Liquidating Trustee except to the extent limited by the express terms of the Plan, the Liquidating Trust Agreement, or applicable law. Class 4 is Impaired. Holders of Class 4 Claims are entitled to vote on the Plan.

4.05. Class 5 – Resolved Claims. The Resolved Claims shall be treated under the Plan as set forth in this Section 4.05 of the Plan. On the Effective Date, the Tokio Marine Claim shall be Allowed in the amount of \$4,616,818.92. On account of the Allowed Tokio Marine Claim, Tokio Marine shall be entitled to receive a cash payment of \$500,000 on the Effective Date (the “Tokio Marine Payment”), which shall be paid in full in cash in advance of, *inter alia*, any payment to the holders of Class 4 General Unsecured Claims; *however*, Tokio Marine shall not be entitled to any other or further distribution from the Liquidating Trust on the balance of the Allowed Tokio Marine Claim until all Administrative Claims, Priority Tax Claims, Trust Expenses, and Allowed Claims in Classes 1, 3 and 4 have been paid in full.

On the Effective Date, the MHI Claim shall be allowed in the amount of \$2,713,523.08 and the Seemap Claim shall be Allowed in the amount of \$3,956,758; *however*, the holders of the MHI Claim and the Seemap Claim shall not be entitled to receive any distribution from the Liquidating Trust until all Administrative Claims, Priority Tax Claims, Trust Expenses, and Allowed Claims in Classes 1, 3 and 4 have been paid in full. After payment in full of all Administrative Claims, Priority Tax Claims, Trust Expenses, and Allowed Class 1, 3, and 4 Claims, the holders of the Tokio Marine Claim, MHI Claim, and Seemap Claim shall receive a Pro Rata Share of the remaining Net Liquidating Trust Assets. Class 5 is Impaired. Holders of Class 5 Claims are entitled to vote on the Plan.

4.06. Class 6 – Insider Claims. The Insider Claims shall be disallowed in their entirety on the Effective Date. The holders of the Insider Claims shall not be entitled to receive or retain any property on account of the Insider Claims under the Plan. Class 6 is Impaired. Holders of the Class 6 Claims are conclusively presumed to have rejected the Plan and, accordingly, are not entitled to vote on the Plan.

4.07. Class 7 – Interests. All Interests in the Debtors shall be extinguished and shall cease to exist as of the Effective Date. The holders of such Interests shall not receive or retain any property on account of such Interests under the Plan. Class 7 is Impaired. Holders of Class 7 Interests are conclusively presumed to have rejected the Plan and, accordingly, are not entitled to vote on the Plan.

ARTICLE V. ACCEPTANCE OR REJECTION OF PLAN

5.01. Classes Entitled to Vote. Creditors in Class 4 and Class 5 are entitled to vote and shall vote separately to accept or reject the Plan. Any unimpaired Class shall not be entitled to vote to accept or reject the Plan. Any unimpaired Class is deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code. Creditors in Class 6 shall not be entitled to vote to accept or reject the Plan. Creditors in Class 6 are deemed to have rejected the Plan under section 1126(g) of the Bankruptcy Code.

5.02. Class Acceptance Requirement. A Class of Claims shall have accepted the Plan if it is accepted by at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Allowed Claims in such Class that have voted on the Plan.

5.03. Cramdown. This section shall constitute the request by the Plan proponents, pursuant to section 1129(b) of the Bankruptcy Code, that the Bankruptcy Court confirm the Plan notwithstanding the fact that the requirements of section 1129(a)(8) of the Bankruptcy Code have not been met.

ARTICLE VI.
MEANS FOR IMPLEMENTATION OF THE PLAN

6.01. Plan Settlement – Sources of Funding for Plan Obligations. To fund the Plan and provide the greatest return to General Unsecured Creditors, the Debtors have agreed to enter into the Plan Settlement described herein. As part of the Plan Settlement, the Debtors, MII, MHI, Seemap, Tokio Marine, IST, and Woodland, as applicable, have agreed as follows:

- (a) The Debtors shall sell the Purchased Assets to Purchaser pursuant to the APA in exchange for Cash in the amount of Three Million Dollars (\$3.0 million) on the Closing Date;
- (b) On the Effective Date, the Tokio Marine Claim shall be Allowed in the amount of \$4,616,818.92. On account of the Allowed Tokio Marine Claim, Tokio Marine shall be entitled to receive a cash payment of \$500,000 on the Effective Date (the "Tokio Marine Payment"), which shall be paid in full in cash in advance of, *inter alia*, any payment to the holders of Class 4 General Unsecured Claims; *however*, Tokio Marine shall not be entitled to any other or further distribution from the Liquidating Trust on the balance of the Allowed Tokio Marine Claim until all Administrative Claims, Priority Tax Claims, Trust Expenses, and Allowed Claims in Classes 1, 3 and 4 have been paid in full;
- (c) On the Effective Date, the MHI Claim shall be allowed in the amount of \$2,713,523.08 and the Seemap Claim shall be Allowed in the amount of \$3,956,758; *however*, the holders of the MHI Claim and the Seemap Claim shall not be entitled to receive any distribution from the Liquidating Trust until all Administrative Claims, Priority Tax Claims, Trust Expenses, and Allowed Claims in Classes 1, 3 and 4 have been paid in full. After payment in full of all Administrative Claims, Priority Tax Claims, Trust Expenses, and Allowed Class 1, 3, and 4 Claims, the holders of the Tokio Marine Claim, MHI Claim, and Seemap Claim shall receive a Pro Rata Share of the remaining Net Liquidating Trust Assets;
- (d) The Insider Claims shall be disallowed as set forth in section 4.06 of the Plan;
- (e) On the Effective Date, IST shall grant the Liquidating Trust a contingent value right ("CVR") in the amount of \$250,000, plus any expenses actually incurred by the Liquidating Trust in maintaining the IST Property, in the proceeds from the sale of, or IST's receipt of any funds secured by, any portion of the IST Property. The CVR and any expenses incurred by the Liquidating Trust shall be paid first from the net proceeds from any sale of any the IST Property or IST's receipt of any funds secured by any of the IST Property. Any sale of the IST Property by IST shall not interfere with any lease of the IST Property between IST and the Purchaser.
- (f) The attorneys' fees incurred by Woodland arising from his assistance with the sale negotiations, letter of intent, APA (including negotiations relating

to the Woodland Employment Agreement), and Plan, shall be paid as an Administrative Expense of the Debtors' Estate up to a maximum amount of \$75,000;

- (g) Any and all Claims held by the Debtors against MHI, MII, Seemap, Tokio Marine, IST, and Woodland, including any Woodland-Related Estate Claims, shall be waived and released by the Debtors on the Effective Date.

6.02. Sale of the Purchased Assets. The Purchased Assets shall be transferred to the Purchaser on the Closing Date pursuant to the APA, free and clear of all liens, claims, and encumbrances.

6.03. Liquidating Trust. The Liquidating Trust shall be created as of the Effective Date in accordance with the terms of this Plan and the Liquidating Trust Agreement. The Debtors and the Estate shall be the settlor of the Liquidating Trust.

6.04. Transfer of Assets. As of the Effective Date, the Cash Proceeds and all Remaining Assets shall be transferred from the Debtors to the Liquidating Trust, including without limitation, all Cash, Estate Accounts Receivable, including the Omniquest Account Receivable, Estate Claims, Estate Defenses, Estate Insurance, Estate Contracts and the CVR in the IST Property. After the Effective Date, the Liquidating Trustee may still abandon any Trust Assets which are burdensome or have no or inconsequential value to the Liquidating Trust. The Assets shall be transferred to, and vested in, the Liquidating Trust free and clear of all Liens, Claims, rights, Interests and charges, except as expressly provided in this Plan.

6.05. Assumption of Obligation to Make Distributions. The Liquidating Trustee shall be deemed to have assumed the obligation to make all Distributions pursuant to this Plan, including the obligation to make all Distributions on account of Allowed Claims.

6.06. Actions by the Debtors and the Liquidating Trustee to Implement Plan. The entry of the Confirmation Order shall constitute all necessary authorization for the Debtors and the Liquidating Trustee to take or cause to be taken all actions necessary or appropriate to consummate, implement or perform all provisions of this Plan on and after the Effective Date, and all such actions taken or caused to be taken shall be deemed to have been authorized and approved by the Bankruptcy Court without further approval, act or action under any applicable law, order, rule or regulation, including without limitation, (i) all transfers of Assets, including to the Liquidating Trustee and the Purchaser, as appropriate, that are to occur pursuant to the Plan; (ii) the cancellation of Interests and the winding up and dissolution of the Debtors; (iii) the performance of the terms of the Plan and the making of all Distributions required under the Plan; and (iv) subject to the terms of the Plan, entering into any and all transactions, contracts, or arrangements permitted by applicable law, order, rule or regulation.

6.07. Post-Effective Date Service List. Pleadings filed by any party-in-interest with the Bankruptcy Court after the Effective Date shall be served on the following Persons (collectively the "Service List"): (i) any Person directly affected by the relief sought in the pleading, (ii) the U.S. Trustee, (iii) parties which have filed a Notice of Appearance in this Bankruptcy Case, and (iv) the Liquidating Trustee through legal counsel.

6.08. Section 505 Powers. All rights and powers pursuant to section 505 of the Bankruptcy Code are hereby reserved to the Estate and shall be transferred to, and vested in, the Liquidating Trustee as of the Effective Date.

6.09. Section 510(c) Powers. All rights and powers to seek or exercise any right or remedy of Equitable Subordination or are hereby reserved to the Estate and shall be transferred to, and vested in, the Liquidating Trustee as of the Effective Date as an Estate Defense.

6.10. Section 506(c) Powers. The Estate hereby reserves all rights and powers pursuant to section 506(c) of the Bankruptcy Code, and all such rights shall be specifically transferred to, and vested in, the Liquidating Trustee.

6.11. Plan Injunction. The Liquidating Trustee shall have full power, standing and authority to enforce the Plan Injunction against any Person, either through an action before the Bankruptcy Court or any other tribunal having appropriate jurisdiction. The Purchaser shall have standing to enforce the Plan Injunction against any Person, either through an action before the Bankruptcy Court or any other tribunal having appropriate jurisdiction.

6.12. Cancellation of Interests. Except as otherwise specifically provided herein, upon the Effective Date: (i) all Interests in the Debtors shall be cancelled; (ii) all obligations or debts of, or Claims against, the Debtors on account of, or based upon, the Interests shall be deemed as cancelled, released and discharged, including all obligations or duties by the Debtors relating to the Interests in any of their respective formation documents, including HTI's articles of incorporation, HTI's bylaws, SSC's articles of formation, or SSC's company agreement. Holders of such cancelled Interests are not beneficiaries of the Liquidating Trust.

6.13. Dissolution of Debtors. The Liquidating Trustee shall be responsible for the winding up and dissolution of the Debtors which shall be undertaken as soon as practicable after the Effective Date. The Liquidating Trustee may retain such professionals, consultants or advisors as may be reasonably necessary to seasonably accomplish this task, and all such expenses attributable to the winding up and dissolution of the Debtors shall be treated as Trust Expenses.

6.14. Purchaser not Successor. The Purchaser shall not be considered a successor to the Debtors.

ARTICLE VII. THE LIQUIDATING TRUST.

7.01. Creation of Liquidating Trust. On the Effective Date, the Liquidating Trust shall be created pursuant to the Liquidating Trust Agreement which shall be executed on behalf of the Debtors and by the Liquidating Trustee to accept the appointment. The Liquidating Trust Agreement shall be in substantially the same form as the attached **Exhibit B**. The Liquidating Trust shall not terminate upon the death or incapacity of the Trustee and shall continue until its termination in accordance with the terms of this Plan and the Liquidating Trust Agreement. Reference is here made to the Liquidating Trust Agreement for all purposes which shall constitute an integral part of the Plan.

7.02. Compensation of Liquidating Trustee. The Liquidating Trustee shall be compensated from the Trust Assets in the manner set forth in the Liquidating Trust Agreement as a Trust Expense. The Liquidating Trustee shall also be entitled to reimbursement of

reasonable and necessary out-of-pocket expenses incurred in the performance of such duties, also as a Trust Expense.

7.03. Trust Assets. The Debtors and the Estate shall constitute the settlor of the Liquidating Trust. As of the Effective Date, the Cash Proceeds and all Remaining Assets shall be transferred to the Liquidating Trust where they will constitute the Trust Assets; *provided, however,* that (i) the Tokio Marine Payment shall be paid by the Debtors in full to Tokio Marine on the Effective Date in cash, and (ii) the Tokio Marine Payment shall not constitute Trust Assets. The Trust Assets shall encompass the Cash Proceeds and all Remaining Assets held by the Estate as of the Effective Date and shall specifically include without limitation: (i) all Estate Cash, including the Cash Proceeds (ii) all Estate Accounts Receivable, (iii) all Estate Claims, (iv) all Estate Defenses, (v) all rights under Estate Insurance, (vi) any Executory Contracts assumed by the Estate, (vii) all of the Estate's rights under any Estate Contract, and (viii) the CVR in the IST Property. To evidence the transfer of the Estate Assets to the Liquidating Trust, the Debtors shall, if requested by the Liquidating Trustee, execute on behalf of the Debtors and Estate, as settlors, an Assignment of Trust Assets transferring the Estate Assets to the Liquidating Trust which shall be included among the Plan Documents.

7.04. Distributions from Liquidating Trust. The Liquidating Trustee shall be responsible for making all Distributions from the Liquidating Trust to holders of Allowed Claims pursuant to this Plan, other than the Tokio Marine Payment, which shall be paid by the Debtors on the Effective Date, in full in cash. The priority of Distributions from the Liquidating Trust shall be in accordance with the terms of this Plan and the Confirmation Order as follows:

- (a) First, to satisfy Allowed Administrative Expenses and Allowed Priority Claims in accordance with Article III above, including all U.S. Trustee Fees due and owing as of the Effective Date;
- (b) Second, to satisfy holders of Allowed Class 1 Secured Tax Claims;
- (c) Third, to satisfy holders of Allowed Class 3 Priority Non-Tax Claims;
- (d) Fourth, to pay Trust Expenses;
- (e) Fifth, to make Distributions to holders of Allowed Class 4 General Unsecured Claims;
- (f) Sixth, to make Distributions to holders of Allowed Class 5 Resolved Claims; and,
- (g) Seventh, to make interest payments on a pro rata basis to holders of Allowed Class 4 General Unsecured Claims and Class 5 Resolved Claims.

So long as appropriate Reserves are maintained for the satisfaction of potential Allowed Claims entitled to priority of distribution over holders of Allowed Class 4 Claims, the Liquidating Trustee may make Distributions to holders of Allowed Class 4 Claims from the remaining Trust Assets.

7.05. Reserves. The Liquidating Trustee may estimate, create and set aside Reserves as may be necessary or appropriate, including without limitation, reserves on account of Contested Claims and for Trust Expenses. The Liquidating Trustee may, but shall not be required to, move the Bankruptcy Court to approve: (a) the amount of, and terms on which, such Reserves shall be held, maintained and disbursed, or (b) the amount and timing of any

proposed interim Distribution to holders of Allowed Class 4 Claims.

Once appropriate Reserves have been established for potential Claims having a higher priority for receiving Distributions under this Plan, the Liquidating Trustee may make Distributions to holders of Allowed Class 4 Claims. The Liquidating Trustee may elect to seek approval by the Bankruptcy Court for the creation and amount of any Reserves or regarding the amount or timing of any Distribution on account of any Allowed Claims. Except as otherwise expressly provided herein, the Liquidating Trustee, in the exercise of his/her good faith business judgment, may transfer funds out of any of the Reserves as necessary or appropriate. However, the Liquidating Trustee shall not be required to create separate accounts for such Reserves which may be created and memorialized by entries or other accounting methodologies, which may be revised from time-to-time, to enable the Liquidating Trustee to determine the amount of Cash available for Distribution to Beneficiaries of the Liquidating Trust. Subject to any specific deadlines set forth herein, the Liquidating Trustee, shall determine, from time-to-time, in the exercise of the Liquidating Trustee's good faith business judgment: (i) the amount of Cash available for Distribution to Beneficiaries, (ii) the timing of any Distributions to Beneficiaries, and (iii) the amount and creation of any Reserves for Contested Claims or Trust Expenses. The Liquidating Trustee shall not be entitled to reserve for, and this section 7.05 does not apply to, Distributions to holders of Class 5 Subordinated Claims.

7.06. Trust Expenses. The Liquidating Trustee shall be entitled to pay all Trust Expenses without the necessity of further order of the Bankruptcy Court. Without limiting the generality of the foregoing, the Liquidating Trust may retain, compensate and reimburse Trust Professionals retained by the Liquidating Trust without the necessity of further order of the Bankruptcy Court. However, the Liquidating Trustee shall be entitled, should the Liquidating Trustee so elect, to request the Bankruptcy Court to approve any Trust Expense or the retention of any Trust Professional.

7.07. Powers and Duties of the Liquidating Trustee. The Liquidating Trustee's duties and compensation, to the extent not set forth herein, shall be as set forth in the Liquidating Trust Agreement which shall be one of the Plan Documents. The Liquidating Trustee shall constitute a representative of the Estate pursuant to section 1123(b)(3)(B) of the Bankruptcy Code, and shall be clothed with all powers, rights, duties and responsibilities pursuant to this Plan, the Confirmation Order and the Liquidating Trust Agreement.

7.08. Exercise of Liquidating Trustee's Powers. The Liquidating Trustee shall be entitled to exercise all powers pursuant to this Plan and the Liquidating Trust Agreement, without further order or approval of the Bankruptcy Court except as otherwise expressly provided herein or in the Liquidating Trust Agreement or Confirmation Order.

7.09. Prosecution and Settlement of Estate Claims. Upon the Effective Date, the Liquidating Trustee (a) shall automatically be substituted in place of the Debtors as the party representing the Estate in respect of any pending lawsuit, motion or other pleading pending before the Bankruptcy Court or any other tribunal, and (b) is authorized to file a notice on the docket of adversary proceeding or contested matter pending before the Bankruptcy Court regarding such substitution. The Liquidating Trustee shall have exclusive standing and authority to prosecute, settle or compromise Estate Claims for the benefit of the Liquidating Trust in the manner set forth in this Plan and the Liquidating Trust Agreement.

7.10. Exculpation of Liquidating Trustee. The Liquidating Trustee shall stand in a

fiduciary relationship to the Beneficiaries of the Liquidating Trust. In the performance of its duties, the Liquidating Trustee shall be entitled to act, or refrain from acting, based on the exercise of his/her good faith business judgment. However, the Liquidating Trustee shall be fully exculpated, and shall have no liability for acts or omissions, in the manner and to the extent set forth in the Liquidating Trust Agreement.

7.11. Indemnity. The Liquidating Trust shall indemnify and hold harmless the Liquidating Trustee in the manner and to the extent set forth in the Liquidating Trust Agreement.

7.12. Resignation of Liquidating Trustee. The Liquidating Trustee may resign as provided in the Liquidating Trust Agreement.

7.13. Replacement of the Liquidating Trustee. The Liquidating Trustee may be replaced in the manner and on the terms as set forth in the Liquidating Trust Agreement.

7.14. Reliance by Liquidating Trustee. In the performance of the duties pursuant to this Plan, the Liquidating Trustee may rely upon any document or instrument which the Liquidating Trustee in good faith believes to be genuine and to have been signed or executed by the proper parties.

7.15. Plan Injunction. The Liquidating Trustee and Liquidating Trust shall be entitled to the full protection and benefit of the Plan Injunction and shall have standing to bring any action or proceeding necessary to enforce the Plan Injunction against any Person.

7.16. Tax Treatment. The Liquidating Trust shall be treated as a "liquidating trust" within the meaning of Section 301.7701-4(d) of the Treasury Regulations. The Liquidating Trustee shall, in an expeditious but orderly manner, collect, liquidate and convert to Cash all non-cash Liquidating Trust Assets, and make timely Distributions to Beneficiaries of the Liquidating Trust, and shall not unduly prolong its duration.

7.17. Transfer of Claims. Holders of Allowed Claims against the Liquidating Trust shall not receive any certificate or other document to evidence their beneficial interest in the Liquidating Trust. The transfer of Claims after the Effective Date is subject to section 8.04 of this Plan.

7.18. Construction of Liquidating Trust Documents. This Plan and the Liquidating Trust Agreement shall control over any inconsistent provision of the Disclosure Statement. The Plan and Confirmation Order shall control over any inconsistent provision of the Liquidating Trust Agreement. The Confirmation Order shall control over any inconsistent provision of the Disclosure Statement, the Liquidating Trust Agreement or this Plan.

7.19. Relief from the Bankruptcy Court. The Liquidating Trustee shall be authorized to seek relief from the Bankruptcy Court or any other tribunal having jurisdiction as to any matter relating or pertaining to the consummation, administration or performance of this Plan, including without limitation seeking any relief from the Bankruptcy Court which the Liquidating Trustee deems necessary or appropriate to the performance of its duties on the administration of this Plan or the liquidation and distribution of the Trust Assets.

7.20. Removal for Cause. The Liquidating Trustee may be removed for cause shown in the manner and on the terms set forth in the Liquidating Trust Agreement.

ARTICLE VIII.
SOURCE OF DISTRIBUTIONS

8.01. Source of Distributions. All Distributions to be made under this Plan shall be made by the Liquidating Trustee in the manner provided in this Plan, Confirmation Order and the Liquidating Trust Agreement.

8.02. Timing and Amount of Distributions. No Distribution shall be made on account of any Claim until such Claim is Allowed, except as otherwise set forth in this Plan or otherwise ordered by the Bankruptcy Court. No Distribution shall be made on account of any Contested Claim until such Claim is Allowed. Except as expressly set forth in the Plan or in the Confirmation Order, the Liquidating Trustee shall, in the exercise of its good faith business judgment, determine the timing and amount of all Distributions which are required to be made under the Plan, consistent with the goal of making such Distributions as expeditiously as reasonably possible. The Liquidating Trustee may, but shall not be required to, seek approval of, or any other appropriate relief from, the Bankruptcy Court with respect to any of such Distributions. Any Unclaimed Property may be paid into the registry of the Bankruptcy Court or otherwise distributed in accordance with the orders of the Bankruptcy Court.

8.03. Means of Cash Payment. Cash payments pursuant to this Plan shall be made by check drawn on, or by wire transfer from, a domestic bank, or by other means agreed to by the payor and payee.

8.04. Record Date for Distributions. As of the close of business on the Effective Date (the "Distribution Record Date"), the register for Class 1, 3, 4 and 5 Claims will be closed, and there shall be no further changes in the holders of record of any Claims. Although there is no prohibition against the transfer of any Claim by any Creditor, the Liquidating Trustee shall have no obligation to recognize any transfer of any Class 1, 3, 4 or 5 Claims occurring after the Distribution Record Date, and the Liquidating Trustee shall instead be authorized and entitled to recognize and deal for all purposes under this Plan, including for the purpose of making all Distributions, with only those holders of Claims so reflected as of the Distribution Record Date. However, the Liquidating Trustee may, in the exercise of its good faith business judgment, agree to recognize transfers of Class 1, 3, 4 or 5 Claims after the Distribution Record Date, but shall have no obligation to do so.

8.05. Delivery of Distributions. All Distributions, deliveries and payments to the holders of any Allowed Class 1, 3, 4, or 5 Claims shall be made to the addresses set forth on the respective proofs of Claim filed in this Bankruptcy Case by such Claimants or, if the Distribution is to be made based on a Claim reflected as Allowed in the Schedules, at the address reflected in the Schedules. Any such Distribution, delivery or payment shall be deemed as made for all purposes relating to this Plan when deposited in the United States Mail, postage prepaid, addressed as required in the preceding sentence. If any Distribution is returned as undeliverable, no further Distribution shall be made on account of such Allowed Claim unless and until the Liquidating Trustee is notified of such holder's then current address, at which time all missed Distributions shall be made to the holder of such Allowed Claim. However, all notices to the Liquidating Trustee reflecting new or updated addresses for undeliverable Distributions shall be made on or before one hundred twenty (120) days after the date of the attempted Distribution or such longer period as the Liquidating Trustee may fix in the exercise of its sole discretion. After such date, all Unclaimed Property shall revert to the Liquidating Trustee and the Claim of any holder with respect to such property shall be discharged and forever barred.

8.06. W-9 Forms. Each holder of an Allowed Claim must provide a W-9 form or other such necessary information to comply with any withholding requirements of any governmental unit (collectively the "W-9 Form") to the Liquidating Trustee prior to receiving any Distribution from the Liquidating Trust. In the event a holder of an Allowed Claim does not provide a W-9 Form to the Liquidating Trustee within thirty (30) days of the Effective Date, the Liquidating Trustee shall, at an appropriate time, issue a written request to each holder of an Allowed Claim that has not previously provided a W-9 Form to the Liquidating Trustee. The request shall be in writing and shall be delivered to the last address known to the Debtors or Liquidating Trustee, as appropriate. The request shall conspicuously advise and disclose that failure to provide a W-9 Form to the Liquidating Trustee within thirty (30) days shall result in a waiver of any right or rights to a Distribution from the Liquidating Trust. In the event any holder of an Allowed Claim fails to provide the Liquidating Trustee with a W-9 Form within thirty (30) days after the date of written request described herein, then the holder of such Allowed Claim shall be deemed to have waived the right to receive any distribution whatsoever from the Liquidating Trust.

8.07. Time Bar to Cash Payments. Checks issued in respect of Allowed Claims shall be null and void if not cashed within ninety (90) days of the date of issuance thereof. Requests for reissuance of any check shall be made directly to the Liquidating Trustee by the holder of the Allowed Claim with respect to which such check originally was issued. Any Claim in respect of such a voided check shall be made on or before one hundred twenty (120) days after the date of issuance of such check or such longer period as the Liquidating Trustee may fix. After such date, all Claims in respect of void checks shall be discharged and forever barred.

8.08. Cure Period. Except as otherwise set forth herein, the failure by the Liquidating Trustee to timely perform any term, provision or covenant contained in this Plan, or to make any payment or Distribution required by this Plan to any Creditor, or the failure to make any payment or perform any covenant on any note, instrument or document issued pursuant to this Plan, shall not constitute an event of default unless and until the Liquidating Trustee has been given thirty (30) days written notice of such alleged default in the manner provided in this Plan, and provided an opportunity to cure such alleged default. Until the expiration of such thirty (30) day cure period, the Liquidating Trustee shall not be in default, and performance during such thirty (30) day cure period shall be deemed as timely for all purposes. Such written notice and passage of the thirty (30) day cure period shall constitute conditions precedent to declaring or claiming any default under this Plan or bringing any action or legal proceeding by any Person to enforce any right granted under this Plan.

8.09. Distributions after Substantial Consummation. All Distributions of any kind made to any Creditor after Substantial Consummation and any and all other actions taken under this Plan after Substantial Consummation shall not be subject to relief, reversal or modification by any court unless the implementation of the Confirmation Order is stayed by an order granted under Bankruptcy Rule 8005.

ARTICLE IX.

RETENTION OF ESTATE CLAIMS AND ESTATE DEFENSES.

9.01. Retention of Estate Claims. Except as otherwise specifically provided in this Plan, pursuant to section 1123(b)(3) of the Bankruptcy Code, all Estate Claims shall be transferred to, and vested in, the Liquidating Trustee, both for purposes of seeking an affirmative recovery against any Person and as an offset or defense against any Claim asserted against the Estate or Liquidating Trust. Without limiting the generality of the foregoing, all

applicable legal privileges of the Debtors or Estate, including both the attorney-client privilege and the work product privilege, shall be vested in the Liquidating Trustee who shall be clothed with the sole and exclusive standing and authority to assert any such privilege on behalf of the Debtor, Estate or Liquidating Trust. All Estate Claims shall be deemed to have been transferred to, and vested in, the Liquidating Trustee as of the Effective Date based on the entry of the Confirmation Order.

Without limiting the effectiveness or generality of the foregoing reservation, out of an abundance of caution, the Debtors and the Estate hereby specifically reserve and retain the Estate Claims reflected in the attached **Exhibit "C"**. Reference is here made to **Exhibit "C"** which constitutes an integral part of this Plan. The provisions of this Article of the Plan, as well as the descriptions and disclosures relating to the Estate Claims in the Disclosure Statement, are provided in the interest of providing maximum disclosure of the Estate Claims of which Debtors are presently aware, and shall not act as a limitation on the potential Estate Claims that may exist. It is the specific intention of this Plan that all Avoidance Actions and all associated remedies, and any other Estate Claims, whether arising before or after the Petition Date, and whether arising under the Bankruptcy Code or applicable state or federal non-bankruptcy laws, shall all be retained and preserved under this Plan to be transitioned to, and vested in the Liquidating Trustee. All Estate Claims are retained both as causes of action for an affirmative recovery and as counterclaims and offset to any Claims asserted against the Estate.

9.02. Retention of Estate Defenses. Except as otherwise specifically provided in this Plan, pursuant to section 1123(b)(3) of the Bankruptcy Code, all Estate Defenses shall be transferred to, and vested in, the Liquidating Trustee. For this purpose, all Estate Defenses are hereby reserved and retained by the Debtors and the Estate, including without limitation all such Estate Defenses available to the Estate pursuant to section 558 of the Bankruptcy Code, and shall be deemed as transferred to, and vested in, the Liquidating Trustee as of the Effective Date based on the entry of the Confirmation Order.

9.03. Assertion of Estate Claims and Estate Defenses. The Liquidating Trustee shall have, and be vested with, the exclusive right, authority and standing to assert all Estate Claims and Estate Defenses for the benefit of the Liquidating Trust.

ARTICLE X.
PROCEDURES FOR RESOLVING AND TREATING
CONTESTED AND CONTINGENT CLAIMS

10.01. Claims Listed in Schedules as Disputed. Any Claim which is listed in the Schedules as unliquidated, contingent or disputed, and for which no proof of Claim has been timely filed, shall be considered as Disallowed as of the Effective Date without the necessity of any further action by the Liquidating Trustee or further order of the Bankruptcy Court other than the entry of the Confirmation Order.

10.02. Responsibility for Objecting to Claims and Settlement of Claims. The Liquidating Trustee shall have the exclusive standing and authority to either object to or settle and compromise any Objection to any Claim, including as follows:

(a) From and after the Effective Date, the Liquidating Trustee shall have the sole and exclusive right to (i) file, settle, or litigate to Final Order any Objections to any Claims; and (ii) seek to subordinate any Claim. Any Contested Claim may be litigated to Final Order by the

Liquidating Trustee; and

(b) From and after the Effective Date, the Liquidating Trustee shall have the sole and exclusive right to settle, compromise or otherwise resolve any Contested Claim without the necessity of any further notice or approval of the Bankruptcy Court. Bankruptcy Rule 9019 shall not apply to any settlement or compromise of a Contested Claim after the Effective Date.

10.03. Objection Deadline. All Objections to Claims shall be served and filed by the Objection Deadline; provided, however, the Objection Deadline shall not apply to Claims which are not reflected in the claims register, including any alleged informal proofs of Claim. The Liquidating Trustee may seek to extend the Objection Deadline pursuant to a motion filed on or before the then applicable Objection Deadline with respect to any Claim. Any such motion may be granted without notice or a hearing. In the event that the Liquidating Trustee files such a motion and the Bankruptcy Court denies such motion, the Objection Deadline shall nevertheless be automatically extended to that date which is ten (10) Business Days after the date of entry of the Bankruptcy Court's order denying such motion. Any proof of Claim other than one based upon a Rejection Claim and which is filed more than thirty (30) days after the Effective Date shall be of no force and effect and need not be objected to by the Liquidating Trustee. Nothing contained herein shall limit the right of the Liquidating Trustee to object to Claims, if any, filed or amended after the Objection Deadline.

10.04. Response to Claim Objection. If the Liquidating Trustee files an Objection to any Claim, then the holder of such Claim shall file a written response to such Objection within twenty-four (24) days after the filing and service of the Objection upon the holder of the Contested Claim. Each such Objection shall contain appropriate negative notice advising the Creditor whose Claim is subject to the Objection of the requirement and time period to file a response to such Objection and that, if no response is timely filed to the Objection, the Bankruptcy Court may enter an order that such Claim is Disallowed without further notice or hearing. The negative notice language in the Objection shall satisfy the notice requirement in section 3007(a) of the Bankruptcy Rules, and the Liquidating Trustee shall not be required to send a separate notice of the Objection to the Creditor whose Claim is subject to the Objection.

10.05. Distributions on Account of Contested Claims. If a Claim is Contested, then the dates for any Distributions as to such Contested Claim shall be determined based upon its date of Allowance, and thereafter Distribution shall be made on account of such Allowed Claim pursuant to the provisions of the Plan. No Distribution shall be made on account of a Contested Claim until Allowed. Until such time as a contingent Claim becomes fixed and absolute by a Final Order Allowing such Claim, such Claim shall be treated as a Contested Claim for purposes of estimates, allocations, and Distributions under the Plan. Any contingent right to contribution or reimbursement shall continue to be subject to section 502(e) of the Bankruptcy Code.

10.06. No Waiver of Right to Object. Except as expressly provided in this Plan, nothing contained in the Disclosure Statement, this Plan, the Confirmation Order or the Liquidating Trust Agreement shall waive, relinquish, release or impair the Liquidating Trustee's right to object to any Claim.

10.07. Offsets and Defenses. The Liquidating Trustee shall be vested with and retain all Estate Claims and Estate Defenses, including without limitation all rights of offset or recoupment and all counterclaims against any Claimant holding a Claim. Assertion of counterclaims by the

Liquidating Trustee against any Claim asserted against the Estate or Liquidating Trustee shall constitute "core" proceedings.

10.08. Claims Paid or Reduced Prior to Effective Date. Notwithstanding the contents of the Schedules, Claims listed therein as undisputed, liquidated and not contingent shall be reduced by the amount, if any, that was paid by the Debtors prior to the Effective Date, including pursuant to orders of the Bankruptcy Court. To the extent such payments are not reflected in the Schedules, such Schedules will be deemed amended and reduced to reflect that such payments were made. Nothing in the Plan shall preclude the Liquidating Trustee from paying Claims that the Debtors were authorized to pay pursuant to any Final Order entered by the Bankruptcy Court prior to the Confirmation Date, including the Prologis Settlement Payment.

ARTICLE XI.

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

11.01. Assumption and Rejection of Executory Contracts. All Executory Contracts and Unexpired Leases of the Debtors shall be deemed rejected by the Debtors upon the Effective Date unless an Executory Contract or Executory Contract (i) has been previously assumed or rejected pursuant to an order of the Bankruptcy Court, (ii) is identified in the Confirmation Order to be assumed and assigned to the Purchaser, or (iii) is the subject of a motion to assume filed on or before the Confirmation Date. The Plan shall constitute a motion to reject the Executory Contracts and Unexpired Leases except as stated in this paragraph. However, the Debtors may file a separate motion for the assumption or rejection of any Executory Contracts or Unexpired Leases at any time through the Confirmation Date.

11.02. Cure Payments. All payments that may be required by section 365(b)(1) of the Bankruptcy Code to satisfy any Cure Claim shall be made by the Liquidating Trustee as soon as reasonably practical after the Effective Date or upon such terms as may be otherwise agreed between the Liquidating Trustee and the holder of such Cure Claim; *provided, however*, in the event of a dispute regarding the amount of any Cure Claim, the cure of any other defaults, or any other matter pertaining to assumption or assignment of an Executory Contract, the Liquidating Trustee shall make such cure payments and cure such other defaults, all as may be required by section 365(b)(1) of the Bankruptcy Code, following the entry of a Final Order by the Bankruptcy Court resolving such dispute.

11.03. Bar to Rejection Claims. Except as otherwise ordered by the Bankruptcy Court, any Rejection Claim based on the rejection of an Executory Contract shall be forever barred and shall not be enforceable against the Liquidating Trust or the Liquidating Trust Assets unless a proof of Claim is filed with the Bankruptcy Court and served upon the Liquidating Trustee and his counsel by the earlier of thirty (30) days after the Effective Date or thirty (30) days after entry of the Final Order approving rejection of such Executory Contract.

11.04. Rejection Claims. Any Rejection Claim not barred by section 11.03 of the Plan shall be classified as a Class 4 General Unsecured Claim subject to the provisions of sections 502(b)(6) and 502(g) of the Bankruptcy Code; *provided, however*, that any Rejection Claim based upon the rejection of an unexpired lease of real property, either prior to the Confirmation Date, upon the entry of the Confirmation Order, or upon the Effective Date, shall be limited in accordance with section 502(b)(6) of the Bankruptcy Code and state law mitigation requirements. All Rejection Claims shall be deemed as Contested Claims until Allowed. Nothing contained herein shall be deemed an admission by the Debtors or the Liquidating

Trustee that such rejection gives rise to or results in a Claim or shall be deemed a waiver by the Debtors or Liquidating Trustee of any objections or defenses to any such Rejection Claim if asserted.

11.05. Reservation of Rights. Nothing contained in the Plan shall constitute an admission by the Debtors that any contract or lease is in fact an Executory Contract or that the Debtors or the Estate Representative have any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Liquidating Trustee shall have thirty (30) days following entry of a Final Order resolving such dispute to alter the treatment of such contract or lease.

ARTICLE XII.
SUBSTANTIVE CONSOLIDATION OF THE DEBTORS

12.01. Pursuant to the Confirmation Order, the Bankruptcy Court shall approve the substantive consolidation of the Debtors for the sole purposes of implementing the Plan, including for purposes of voting and distributions to be made under the Plan. Pursuant to such order: (a) all assets and liabilities of the Debtors will be deemed merged; (b) all guarantees by one Debtor of the obligations of the other Debtor will be deemed eliminated so that any Claim against any Debtor and any guarantee thereof executed by the other Debtor and any joint or several liability of the Debtors will be deemed to be one obligation of the consolidated Debtors; and (c) each and every Claim filed or to be filed in the Case of any of the Debtors will be deemed filed against the consolidated Debtors and will be deemed one Claim against and a single obligation of the consolidated Debtors.

ARTICLE XIII.
CONDITIONS PRECEDENT TO CONFIRMATION AND EFFECTIVENESS OF PLAN

13.01. Conditions to Confirmation and Effectiveness of Plan. The Plan shall not become effective until the following conditions shall have been satisfied and which may occur concurrently with the Effective Date: (a) the Confirmation Order shall have been entered, in form and substance acceptable to the Debtors; (b) the APA has been closed and funded according to its terms; (c) the Liquidating Trust Agreement has been executed and delivered, (d) the necessary Plan Documents have been executed and delivered, and (e) all other conditions specified by the Debtors have been satisfied.

13.02. Notice of the Effective Date. On the Effective Date, the Liquidating Trustee shall cause to be filed with the Court, and served on all Creditors and parties-in-interest, a notice of the Effective Date.

ARTICLE XIV.
EFFECT OF THE PLAN ON CLAIMS AND INTERESTS

14.01. Compromise and Settlement

(a) Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration of the classification, potential Distributions and other benefits provided under the Plan, the provisions of the Plan, including, specifically, the Plan Settlement, shall constitute a good faith compromise and settlement of all Claims, Interests and controversies subject to, or dealt with, under this Plan, including, without limitation, all Claims against the Debtors or Estate arising prior to the Effective Date, whether known or unknown,

foreseen or unforeseen, asserted or unasserted, fixed or contingent, arising out of, relating to or in connection with the business or affairs of, or transactions with, the Debtors or the Estate. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of each of the foregoing compromises or settlements embodied in this Plan, and all other compromises and settlements provided for in the Plan, and the Bankruptcy Court's findings shall constitute its determination that such compromises and settlements are in the best interest of the Debtors, the Debtors' bankruptcy Estate, Creditors and other parties-in-interest, and are fair, equitable and within the range of reasonableness. The rights afforded in the Plan and the treatment of all Claims and Interests herein shall be in exchange for, and in complete satisfaction and release of, all Claims and Interests of any nature whatsoever against and in the Debtors, the Estate, and the Assets. Except as otherwise provided herein, all Persons shall be precluded and forever barred by the Plan Injunction from asserting against the Debtors and their affiliates, successors, assigns, the Estate, the Purchaser or the Assets or Purchased Assets, the Liquidating Trustee or Liquidating Trust, any event, occurrence, condition, thing, or other or further Claims or causes of action based upon any act, omission, transaction, or other activity of any kind or nature that occurred or came into existence prior to the Effective Date, whether or not the facts of or legal bases therefore were known or existed prior to the Effective Date.

(b) Notwithstanding the foregoing, it is not the intent of the Debtors that confirmation of the Plan shall in any manner alter or amend the Prologis Settlement. To the extent of any conflict between the terms of the Plan and the Prologis Settlement as it pertains to the Prologis Administrative Claim or the Prologis Claim, the terms of the Prologis Settlement shall control and the Prologis Settlement shall be enforceable according to its terms.

14.02. Discharge. This Plan does not provide for any discharge pursuant to section 1141(d)(3) of the Bankruptcy Code. However, the Plan Injunction shall apply to all holders of Claims and Interests arising or accruing prior to the Effective Date.

14.03. PLAN INJUNCTION. THIS SECTION IS REFERRED TO HEREIN AS THE "PLAN INJUNCTION." EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, AS OF THE EFFECTIVE DATE ALL HOLDERS OF CLAIMS AGAINST, OR INTERESTS IN, THE DEBTOR, THE ESTATE OR ANY OF THE ASSETS THAT AROSE PRIOR TO THE EFFECTIVE DATE ARE HEREBY PERMANENTLY ENJOINED AND PROHIBITED FROM THE FOLLOWING: (i) THE COMMENCING OR CONTINUATION IN ANY MANNER, DIRECTLY OR INDIRECTLY, OF ANY ACTION, CASE, LAWSUIT OR OTHER PROCEEDING OF ANY TYPE OR NATURE AGAINST PURCHASER, THE PURCHASED ASSETS, THE LIQUIDATING TRUSTEE, LIQUIDATING TRUST, TRUST ASSETS, DEBTORS OR THE ESTATE, WITH RESPECT TO ANY SUCH CLAIM OR INTEREST ARISING OR ACCRUING BEFORE THE EFFECTIVE DATE, INCLUDING WITHOUT LIMITATION THE ENTRY OR ENFORCEMENT OF ANY JUDGMENT, OR ANY OTHER ACT FOR THE COLLECTION, EITHER DIRECTLY OR INDIRECTLY, OF ANY CLAIM OR INTEREST AGAINST PURCHASER, THE PURCHASED ASSETS, THE ESTATE, LIQUIDATING TRUSTEE, LIQUIDATING TRUST, DEBTORS OR TRUST ASSETS; (ii) THE CREATION, PERFECTION OR ENFORCEMENT OF ANY LIEN, SECURITY INTEREST, ENCUMBRANCE, RIGHT OR BURDEN, EITHER DIRECTLY OR INDIRECTLY, AGAINST PURCHASER, THE PURCHASED ASSETS, THE LIQUIDATING TRUSTEE, LIQUIDATING TRUST OR ANY TRUST ASSETS, OR (iii) TAKING ANY ACTION IN RELATION TO PURCHASER, THE PURCHASED ASSETS, THE DEBTORS, ESTATE, LIQUIDATING TRUSTEE, LIQUIDATING TRUST OR THE TRUST ASSETS, EITHER DIRECTLY OR INDIRECTLY, WHICH VIOLATES OR DOES NOT CONFORM OR COMPLY WITH THE PROVISIONS OF THIS PLAN APPLICABLE TO SUCH

CLAIM OR INTEREST. THE PLAN INJUNCTION SHALL ALSO BE INCORPORATED INTO THE CONFIRMATION ORDER.

Notwithstanding anything to the contrary in the Plan or Trust Agreement: (a) third party professionals employed by the Liquidating Trustee shall not be released or exculpated from any losses, claims, damages, liabilities, or expenses arising from their duties and services provided to the Liquidating Trustee; and (b) any third party professionals employed by the Liquidating Trustee shall only be entitled to be indemnified by the Liquidating Trust to the extent provided by applicable law.

Notwithstanding anything to the contrary in the Plan or Confirmation Order, nothing in the Plan or Confirmation Order (including the Plan Injunction): (a) releases any Person other than Purchaser, the Purchased Assets, the Liquidating Trustee, Liquidating Trust, Trust Assets, Debtors, or the Estate (collectively, the "Released Parties") from any Claim or cause of action held by a Governmental Unit; or (b) enjoins, limits, impairs or delays any Governmental Unit from commencing or continuing any Claim, suit, action, proceeding, cause of action, or investigation against any Person other than the Released Parties. Moreover, nothing in the Plan or in the Confirmation Order shall discharge, release, enjoin or otherwise bar (i) any liability of the Released Parties to a Governmental Unit arising on or after the Confirmation Date with respect to events occurring after the Confirmation Date, provided that the Released Parties reserve the right to assert that any such liability is a Claim that arose on or prior to the Confirmation Date and constitutes a Claim that is subject to the Plan Injunction, (ii) any liability to a Governmental Unit that is not a Claim subject to the deadlines for filing proofs of claim, (iii) any valid right of setoff or recoupment of a Governmental Unit, and (iv) any police or regulatory action by a Governmental Unit. In addition, nothing in the Plan or Confirmation Order discharges, releases, precludes or enjoins any environmental liability to any Governmental Unit that any Person other than the Released Parties would be subject to as the owner or operator of the property after the Effective Date. For the avoidance of any doubt, nothing in this paragraph shall be construed to limit the application of the Plan Injunction to any Claim which was subject to any bar date applicable to such Claim.

14.04. Setoffs. Except as otherwise expressly provided for in the Plan, pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable nonbankruptcy law, or as may be agreed to by the holder of a Claim, the Liquidating Trustee may setoff against any Allowed Claim and the Distributions to be made pursuant to the Plan on account of such Allowed Claim (before such Distribution is made), any Claims, rights, Estate Claims and Estate Defenses of any nature that the Debtors may hold against the holder of such Allowed Claim, to the extent such Claims, rights, Estate Claims and Estate Defenses against such holder have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim or Interest pursuant to the Plan shall constitute a waiver or release of any such Claims, rights, Estate Claims and Estate Defenses that the Estate may possess against such Claimant. In no event shall any Claimant or Interest holder be entitled to setoff any Claim or Interest against any Claim, right, or Estate Claim of the Debtors without the consent of the Debtors or the Liquidating Trustee unless such holder files a motion with the Bankruptcy Court requesting the authority to perform such setoff notwithstanding any indication in any proof of Claim or otherwise that such holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 of the Bankruptcy Code or otherwise.

14.05. Recoupment. Except as otherwise expressly provided for in the Plan, in no event shall any holder of Claims or Interests be entitled to recoup any Claim or Interest against any Claim, right, account receivable, or Estate Claim of the Debtors or the Liquidating Trustee unless (a) such holder actually provides notice thereof in writing to the Debtors or the Liquidating Trustee of its intent to perform a recoupment; (b) such notice includes the amount to be recouped by the holder of the Claim or Interest and a specific description of the basis for the recoupment, and (c) the Debtors or the Liquidating Trustee have provided a written response to such Claim or Interest holder, stating unequivocally that the Debtors or the Liquidating Trustee consents to the requested recoupment. The Debtors and the Liquidating Trustee shall have the right, but not the obligation, to seek an order of the Bankruptcy Court allowing any or all of the proposed recoupment. In the absence of a written response from the Debtors or the Liquidating Trustee consenting to a recoupment or an order of the Bankruptcy Court authorizing a recoupment, no recoupment by the holder of a Claim or Interest shall be allowed.

14.06. Turnover. On the Effective Date, any rights of the Estate to compel turnover of Assets under applicable nonbankruptcy law and pursuant to section 542 or 543 of the Bankruptcy Code shall be deemed transferred to and vested in the Liquidating Trust.

14.07. Automatic Stay. The automatic stay pursuant to section 362 of the Bankruptcy Code, except as previously modified by the Bankruptcy Court, shall remain in effect until the Effective Date of the Plan as to the Debtors, the Estate and all Assets. As of the Effective Date, the automatic stay shall be replaced by the Plan Injunction.

ARTICLE XV. JURISDICTION OF COURTS AND MODIFICATIONS TO THE PLAN

15.01. Retention of Jurisdiction. Pursuant to sections 1334 and 157 of title 28 of the United States Code, the Bankruptcy Court shall retain exclusive jurisdiction of all matters arising in, arising under, and related to this Bankruptcy Case and the Plan, to the full extent allowed or permitted by applicable law, including without limitation for the purposes of invoking sections 105(a) and 1142 of the Bankruptcy Code, and for, among other things, the following purposes:

- (a) To hear and determine any and all objections to, or applications or motions concerning, the allowance of Claims or the allowance, classification, priority, compromise, estimation, or payment of any Administrative Expense;
- (b) To hear and determine any and all applications for payment of fees and expenses pursuant to this Plan to any Estate Professional pursuant to sections 330 or 503 of the Bankruptcy Code, or for payment of any other fees or expenses authorized to be paid or reimbursed under this Plan, and any and all objections thereto;
- (c) To hear and determine pending applications for the rejection, assumption, or assumption and assignment of Executory Contracts and the allowance of Claims resulting therefrom, and to determine the rights of any party in respect to the assumption or rejection of any Executory Contract;
- (d) To hear and determine any and all adversary proceedings, applications, or contested matters, including relating to the allowance of any Claim;
- (e) To hear and determine all controversies, disputes, and suits which may arise in connection with the execution, interpretation, implementation, consummation, or enforcement of

the Plan or Liquidating Trust or in connection with the enforcement of any remedies made available under the Plan, including without limitation, (i) adjudication of all rights, interests or disputes relating to any of the Assets or Trust Assets, (ii) the valuation of all Collateral, (iii) the determination of the validity of any Lien or claimed right of offset; and (iv) determinations of Objections to Contested Claims;

(f) To liquidate and administer any disputed, contingent, or unliquidated Claims, including the Allowance of all Contested Claims;

(g) To administer Distributions to holders of Allowed Claims as provided herein or in the Liquidating Trust Agreement;

(h) To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, modified, or vacated;

(i) To consider any modification of the Plan pursuant to section 1127 of the Bankruptcy Code, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation the Confirmation Order;

(j) To enforce the Plan Injunction against any Person, including with respect to any motion or proceeding brought by Purchaser;

(k) To enter and implement all such orders as may be necessary or appropriate to execute, interpret, construe, implement, consummate, or enforce the terms and conditions of this Plan or the Liquidating Trust Agreement and the transactions required or contemplated pursuant thereto;

(l) To hear and determine any motion or application which the Liquidating Trustee is required or allowed to commence before the Bankruptcy Court pursuant to this Plan or the Liquidating Trust Agreement;

(m) To hear and determine any other matter not inconsistent with the Bankruptcy Code and title 28 of the United States Code that may arise in connection with or related to the Plan;

(n) To determine proceedings pursuant to section 505 of the Bankruptcy Code;

(o) To enter a Final Decree closing this Bankruptcy Case; and

(p) To determine any other matter or dispute relating to the Estate, the Assets, the Liquidating Trust or Trust Assets, or the administration of the Trust Assets and the Distribution thereof.

15.02. Abstention and Other Courts. If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of or relating to this Bankruptcy Case, this Article of the Plan shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

15.03. Non-Material Modifications. The Liquidating Trustee may, with the approval of the Bankruptcy Court and without notice to all holders of Claims and Interests, correct any

defect, omission, or inconsistency in the Plan in such manner and to such extent as may be necessary or desirable. The Liquidating Trustee may undertake such nonmaterial modification pursuant to this section insofar as it does not adversely change the treatment of the Claim of any Creditor or the Interest of any Interest holder who has not accepted in writing the modification.

15.04. Material Modifications. Modifications of this Plan may be proposed in writing by the Debtors at any time before confirmation, provided that this Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Debtors shall have complied with section 1125 of the Bankruptcy Code. This Plan may be modified at any time after confirmation and before its Substantial Consummation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Bankruptcy Court, after notice and a hearing, confirms the Plan, as modified, under section 1129 of the Bankruptcy Code, and the circumstances warrant such modification. A holder of a Claim or Interest that has accepted or rejected this Plan shall be deemed to have accepted or rejected, as the case may be, such Plan as modified, unless, within the time fixed by the Bankruptcy Court, such holder changes its previous acceptance or rejection.

ARTICLE XVI. MISCELLANEOUS PROVISIONS

16.01. Severability. Should the Bankruptcy Court determine any provision of the Plan is unenforceable either on its face or as applied to any Claim or Interest or transaction, the Liquidating Trustee may modify the Plan so that any such provision shall not be applicable to the holder of any Claim or Interest. Such a determination of unenforceability shall not (a) limit or affect the enforceability and operative effect of any other provision of the Plan or (b) require the resolicitation of any acceptance or rejection of the Plan.

16.02. Oral Agreements; Modification of Plan; Oral Representations or Inducements. The terms of the Plan, Disclosure Statement and Confirmation Order may only be amended in writing and may not be changed, contradicted or varied by any oral statement, agreement, warranty or representation. Neither the Debtors nor their attorneys have made any representation, warranty, promise or inducement relating to the Plan or its confirmation except as expressly set forth in this Plan, the Disclosure Statement, or the Confirmation Order or other order of the Bankruptcy Court.

16.03. Waiver. The Liquidating Trustee shall not be deemed to have waived any right, power or privilege pursuant to the Plan or Liquidating Trust Agreement unless the waiver is in writing and signed by the Liquidating Trustee. There shall be no waiver by implication, course of conduct or dealing, or through any delay or inaction by the Liquidating Trustee, of any right pursuant to the Plan, including the provisions of this anti-waiver section. The waiver of any right under the Plan shall not act as a waiver of any other or subsequent right, power or privilege.

16.04. Notice. Any notice or communication required or permitted by the Plan shall be given, made or sent as follows:

(a) If to a Creditor, notice may be given as follows: (i) if the Creditor has not filed a proof of Claim, then to the address reflected in the Schedules, or (ii) if the Creditor has filed a proof of Claim, then to the address reflected in the proof of Claim.

(b) If to the Liquidating Trustee, notice shall be sent to the Liquidating Trustee and

counsel of record for the Liquidating Trustee as provided in the Liquidating Trust Agreement.

(c) Any Creditor desiring to change its address for the purpose of notice may do so by giving notice to the Liquidating Trustee of its new address in accordance with the terms of this section.

(d) Any notice given, made or sent as set forth above shall be effective upon being (i) deposited in the United States Mail, postage prepaid, addressed to the addressee at the address as set forth above; (ii) delivered by hand or messenger to the addressee at the address set forth above; (iii) telecopied to the addressee as set forth above, with a hard confirmation copy being immediately sent through the United States Mail; or (iv) delivered for transmission to an expedited or overnight delivery service such as FedEx.

16.05. Compliance with All Applicable Laws. If notified by any governmental authority that it is in violation of any applicable law, rule, regulation, or order of such governmental authority relating to its business, the Liquidating Trustee shall comply with such law, rule, regulation, or order; provided, however, that nothing contained herein shall require such compliance if the legality or applicability of any such requirement is being contested in good faith in appropriate proceedings and, if appropriate, an adequate Reserve has been set aside on the books of the Liquidating Trust.

16.06. Duties to Creditors. No agent, representative, accountant, financial advisor, attorney, shareholder, officer, affiliate, member or employee of the Debtors shall ever owe any duty to any Person (including any Creditor) other than the duties owed to the Debtors' bankruptcy Estate, for any act, omission, or event in connection with, or arising out of, or relating to, any of the following: (a) the Debtors' Bankruptcy Case, including all matters or actions in connection with or relating to the administration of the Estate, (b) the Plan, including the proposal, negotiation, confirmation and consummation of the Plan, or (c) any act or omission relating to the administration of the Plan after the Effective Date.

16.07. Binding Effect. The Plan shall be binding upon, and shall inure to the benefit of the Liquidating Trust, the holders of the Claims or Liens, and their respective successors-in-interest and assigns.

16.08. Governing Law, Interpretation. Unless a rule of law or procedure supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) is applicable, the internal laws of the State of Texas shall govern the construction and implementation of the Plan and any Plan Documents without regard to conflicts of law. The Plan shall control any inconsistent term or provision of any other Plan Documents.

16.09. Payment of Statutory Fees. All accrued U.S. Trustee Fees shall be paid by the Liquidating Trustee as soon as practicable after the Effective Date, and thereafter shall be paid by the Liquidating Trustee as such statutory fees become due and payable.

16.10. Filing of Additional Documents. On or before Substantial Consummation of the Plan, the Liquidating Trustee may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

16.11. Computation of Time. Bankruptcy Rule 9006 shall apply to the calculation of all time periods pursuant to this Plan. If the final day for any Distribution, performance, act or event

under the Plan is not a Business Day, then the time for making or performing such Distribution, performance, act or event shall be extended to the next Business Day. Any payment or Distribution required to be made hereunder on a day other than a Business Day shall be due and payable on the next succeeding Business Day.

16.12. Elections by the Liquidating Trustee. Any right of election or choice granted to the Liquidating Trustee under this Plan may be exercised, at the Liquidating Trustee's election, separately as to each Claim, Creditor or Person.

16.13. Release of Liens. Except as otherwise expressly provided in this Plan or the Confirmation Order, all Liens against any of the Assets transferred to the Liquidating Trust shall be deemed to be released, terminated and nullified without the necessity of any order by the Bankruptcy Court other than the Confirmation Order.

16.14. Rates. The Plan does not provide for the change of any rate that is within the jurisdiction of any governmental regulatory commission after the occurrence of the Effective Date.

16.15. Compliance with Tax Requirements. In connection with the Plan, the Liquidating Trustee shall comply with all withholding and reporting requirements imposed by federal, state and local Taxing Authorities and all Distributions under the Plan shall be subject to such withholding and reporting requirements. Notwithstanding the above, each holder of an Allowed Claim or Interest that is to receive a Distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding and other tax obligations, on account of such Distribution under the Plan.

16.16. Notice of Occurrence of the Effective Date. Promptly after occurrence of the Effective Date, the Estate Representative, as directed by the Bankruptcy Court, shall serve on all known parties in interest and holders of Claims and Interests, notice of the occurrence of the Effective Date.

16.17. Notice of Entry of Confirmation Order. Promptly after entry of the Confirmation Order, the Debtor, as directed by the Bankruptcy Court in the Confirmation Order, shall serve on all known parties-in-interest and holders of Claims and Interests, notice of entry of the Confirmation Order.

[Remainder of page intentionally left blank.]

Dated: December 20, 2017.

Respectfully submitted,

HYDROSCIENCE TECHNOLOGIES, INC.

By: /s/ Fred Woodland
Fred Woodland
President

Solid Seismic, LLC

By: /s/ Fred Woodland
Fred Woodland
Manager

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ATTORNEYS FOR DEBTORS AND
DEBTORS-IN-POSSESSION

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EXHIBIT “A”
to
**Joint Chapter 11 Plan for Hydroscience Technologies,
Inc. and Solid Seismic, LLC**

ASSET PURCHASE AGREEMENT

By and Among

HYDROSCIENCE TECHNOLOGIES, INC. and SOLID SEISMIC, LLC (as Sellers),

SEAMAP USA, LLC (as Buyer),

MITCHAM INDUSTRIES, INC.,

SEAMAP PTE, LTD.,

and

MITSUBISHI HEAVY INDUSTRIES, LTD.

dated as of December 20, 2017

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- Exhibit B - Form of Buyer Intellectual Property Assignment
- Exhibit C - Form of Woodland Employment Agreement

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT, dated as of December 20, 2017 (this "Agreement"), is entered into by and among (i) Hydrosience Technologies, Inc., a Texas corporation ("HTI"), and Solid Seismic, LLC, a Texas limited liability company that is an Affiliate of HTI ("SSC" and, together with HTI, each a "Seller" and collectively the "Sellers"); (ii) Seemap USA, LLC, a Texas limited liability company ("Buyer"); (iii) Mitcham Industries, Inc., a Texas corporation ("MII"); (iv) Seemap Pte, Ltd., a corporation organized under the laws of Singapore ("Seemap"); and (v) Mitsubishi Heavy Industries, Ltd., a Japanese company ("MHI" and, together with MII and Seemap, the "Claimant Parties"). The Sellers, Buyer and the Claimant Parties are each individually a "Party" and, collectively, the "Parties".

WITNESSETH:

WHEREAS, Sellers are engaged in the business of designing, developing, manufacturing and selling geophysical recording systems and streamer cables for marine seismic applications (the "Business");

WHEREAS, on April 3, 2017, HTI filed a voluntary petition under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. § 101, *et seq.* (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division (the "Bankruptcy Court"), as Case No. 17-41442-rfn11 (the "HTI Bankruptcy Case");

WHEREAS, on the same date, SSC likewise initiated a bankruptcy case in the Bankruptcy Court as Case No. 17-41444-mxm11, which is being jointly administered with the HTI Bankruptcy Case (the "SSC Bankruptcy Case" and, together with the HTI Bankruptcy Case, the "Bankruptcy Cases");

WHEREAS, MII has asserted that it is a creditor of HTI through Seemap (its wholly-owned subsidiary) with a claim as of the date hereof of \$3,956,758 (the "MII Claim"), and MHI has asserted that it is a creditor of HTI with a claim as of the date hereof of \$7,330,342 (the "MHI Claim");

WHEREAS, Sellers, as debtors-in-possession in the Bankruptcy Cases, have disputed the MII Claim and the MHI Claim;

WHEREAS, Buyer is a wholly owned subsidiary of MII; and

WHEREAS, to resolve, among other things, the disputed MII Claim and MHI Claim, the Parties desire to enter into this Agreement, pursuant to which Sellers will sell, transfer and assign to Buyer, and Buyer will acquire and assume from Sellers, pursuant to Sections 363 and 365 of the Bankruptcy Code, all of the Purchased Assets and the Assumed Liabilities, all as more specifically provided herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter contained, the parties hereby agree as follows:

ARTICLE I DEFINITIONS

1.1 Certain Definitions. In addition to terms defined elsewhere herein, as used in this Agreement and the Exhibits and Schedules delivered pursuant to this Agreement, the following capitalized terms have the following respective meanings ascribed to them:

"Accounts Receivable" has the meaning assigned to that term in Section 2.1 hereof.

“Affiliate” means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person, and the term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise (which shall include, without limitation, a Person’s Subsidiaries).

“Agreement” has the meaning assigned to that term in the introductory paragraph of this Agreement.

“Alternative Transaction” means any agreement or transaction, whether pursuant to a plan or otherwise, involving the sale or other transfer (in a single transaction or a series of related transactions) of all or substantially all of the Sellers’ assets, or the issuance, sale or other transfer (in a single transaction or series of related transactions) of more than fifty percent (50%) of the equity interests in either or both Sellers or any of their successors, to any party other than Buyer or MII.

“Asset Acquisition Statement” has the meaning assigned to that term in Section 12.3 hereof.

“Assumed Liabilities” has the meaning assigned to that term in Section 2.4 hereof.

“Bankruptcy Cases” has the meaning assigned to that term in the recitals to this Agreement.

“Bankruptcy Code” has the meaning assigned to that term in the recitals to this Agreement.

“Bankruptcy Court” has the meaning assigned to that term in the recitals to this Agreement.

“Break-Up Fee” means a break-up fee payable to Buyer in an amount equal to \$250,000 or such other amount as approved by the Bankruptcy Court with the consent of Buyer pursuant to the Break-Up Fee Order.

“Break-Up Fee Motion” means the *Debtors’ Motion for Entry of Order (i) Approving Break-Up Fee pertaining to the Sale of Substantially All of the Debtors’ Assets through a Joint Plan of Liquidation, and (ii) Granting Related Relief* [Docket No. 125].

“Break-Up Fee Order” means the order entered by the Bankruptcy Court approving the Break-Up Fee Motion.

“Business” has the meaning assigned to that term in the recitals to this Agreement.

“Business Day” means any day of the year other than a Saturday or Sunday on which national banking institutions in New York are open to the public for conducting business and are not required or authorized to close.

“Buyer” has the meaning assigned to that term in the introductory paragraph of this Agreement.

“Buyer Bill of Sale” means, collectively, one or more bills of sale and/or assignment and assumption agreements in the forms attached hereto as Exhibit A to be executed and delivered by Sellers to Buyer at the Closing.

“Buyer Documents” has the meaning assigned to that term in Section 6.2 hereof.

“Buyer Indemnified Parties” has the meaning assigned to that term in Section 12.1(b) hereof.

“Buyer Intellectual Property Assignment” means, collectively, one or more assignments relating to the Purchased Intellectual Property (including without limitation the Patents and Copyrights) in the forms attached hereto as Exhibit B to be executed and delivered by Sellers to Buyer at the Closing.

“Cash Purchase Price” means the amount of \$3.0 million.

“Claim” means a claim as defined in Section 101(5) of the Bankruptcy Code.

“Claimant Parties” has the meaning assigned to that term in the introductory paragraph of this Agreement.

“Closing” has the meaning assigned to that term in Section 4.1(a) hereof.

“Closing Date” has the meaning assigned to that term in Section 4.1(a) hereof.

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

“Confidential Information” has the meaning assigned to that term in Section 8.6(c) hereof.

“Confidentiality Agreement” means that certain non-disclosure agreement by and among one or more of the Parties dated as of April 15, 2016, as amended.

“Confirmation Order” means the order, in form and substance acceptable to the Buyer, entered by the Bankruptcy Court approving and confirming the Plan.

“Contract” means any contract, agreement, indenture, note, bond, loan, instrument, lease, commitment, Employment Related Agreement, or other arrangement or undertaking, whether written or oral, unless otherwise defined or delineated.

“Copyrights” has the meaning assigned to that term in the definition of Intellectual Property.

“Direct Claim” has meaning assigned to that term in Section 11.3(b) hereof.

“Documents” means all files, documents, instruments, papers, books, reports, records, tapes, microfilms, photographs, letters, ledgers, journals, regulatory filings, operating data and plans, technical documentation (design specifications, functional requirements, operating instructions, logic manuals, flow charts, etc.), user documentation (installation guides, user manuals, training materials, release notes, working papers, etc.), and other similar materials related to the Purchased Assets, in each case whether or not in electronic form.

“Employment Related Agreement” means any Contract executed between Richard Pearce and SSC, including the Contribution Agreement having an effective date of December 20, 2011 and the Executive Employment Agreement having an effective date of June 6, 2012.

“Equipment” means the fixtures and equipment of Sellers.

“Excluded Assets” shall mean all assets, properties, interests and rights of Sellers other than the Purchased Assets.

“Excluded Liabilities” has the meaning assigned to that term in Section 2.5 hereof.

“Existing WIP Contracts” has meaning assigned to that term in Section 2.2(a) hereof.

“GAAP” means generally accepted accounting principles in the United States of America as of the date hereof.

“Governmental Body” means any government or governmental or regulatory body thereof, or political subdivision thereof, whether foreign, federal, state, or local, or any agency, instrumentality or authority thereof, or any court or arbitrator (public or private) (including the Bankruptcy Court).

“Hardware” means any and all computer and computer-related hardware, including, but not limited to, computers, file servers, facsimile servers, scanners, color printers, laser printers and networks.

“HTI” has the meaning assigned to that term in the introductory paragraph of this Agreement.

“HTI Bankruptcy Case” has the meaning assigned to that term in the recitals to this Agreement.

“Indebtedness” means any of the following: (i) any indebtedness (including the principal amount thereof or, if applicable, the accreted amount thereof and the amount of any accrued and unpaid interest thereon) for the repayment of borrowed money; (ii) any obligations evidenced by bonds, debentures, notes or other similar instruments; (iii) any obligations as lessee under leases that are required under GAAP to be treated as capital leases; (iv) all deferred indebtedness for the payment of the purchase price of property or assets purchased; (v) any outstanding reimbursement obligation with respect to letters of credit, surety bonds, bankers’ acceptances or similar facilities; (vi) indebtedness for borrowed money of third parties secured by any encumbrances, liens or other security interest on against any Seller; (vii) any payment obligation, transaction expenses or other Liability arising out of or relating to any prior acquisition or business combination, including, without limitation, any deferred payment obligations and any earnout, milestone, performance or other contingent payment obligation or arrangement in connection with any such prior acquisition or business combination; (viii) all premiums, penalties and change of control payments required to be paid or offered in respect of any of the foregoing as a result of the consummation of the transactions contemplated by this Agreement, to the extent actually paid; and (ix) any accrued and unpaid interest, fees and other expenses owed with respect to the foregoing, including prepayment penalties.

“Intellectual Property” means all intellectual and industrial property rights, title and interests owned or licensed by Sellers and/or arising from or used in connection with Sellers’ Business, whether protected, created or arising under the Laws of the United States or any other jurisdiction throughout the world and whether registered or unregistered, including: (i) all patents and applications therefor, inventions and invention disclosures, including provisional applications, revisions, extensions, reexaminations, continuations, divisionals, continuations-in-part, or reissues of patent applications and patents issuing thereon (collectively, “Patents”); (ii) all Software and all copyrights (including copyrights in computer software programs) and registrations and applications therefor, works of authorship and mask work rights (collectively, “Copyrights”); (iii) all discoveries, concepts, ideas, research and development, know-how, formulae, inventions (whether patentable or unpatentable and whether or not reduced to practice and all improvements thereto), compositions, manufacturing and production processes and techniques, technical data, procedures, designs (including product designs), drawings, specifications, databases (including source code, object code and algorithms), documentation, user and training manuals, and other proprietary rights and confidential information relating thereto (collectively, “Trade Secrets”); (iv) all trademarks, service marks, trade names, service names, brand names, trade dress rights, logos, Internet domain names, identifying symbols, logos, emblems, signs or insignia, and corporate names and general intangibles of a like nature, together with the goodwill associated with any of the foregoing, and all applications, registrations and renewals thereof (collectively, “Marks”); and (v) in the case of each of the foregoing, all copies and tangible embodiments thereof (in whatever form or medium).

“Intellectual Property Licenses” means any Contract that contains any grant by either Seller or any of its Affiliates to a third Person of any right to use any of the Purchased Intellectual Property.

“IST” means International Seismic Technology, Inc., a Nevada corporation that is the parent company of the Sellers.

“Knowledge of Sellers” or other words of similar meaning shall mean and include all facts, circumstances and other matters that Fred Woodland or any other officers of the Sellers who had any involvement with the Purchased Assets prior to the Closing Date either actually knows or would have known upon reasonable inquiry.

“Law” means any foreign, federal, state or local law (including common law), statute, code, ordinance, rule, regulation or other requirement (including the Bankruptcy Code).

“Legal Proceeding” means any judicial, administrative or arbitral actions, suits, proceedings (public or private) or claims or any proceedings by or before a Governmental Body.

“Liability” means any debt, loss, damage (including consequential, special, indirect, incidental and punitive damages), adverse claim, liability or obligation (whether direct or indirect, known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due, and whether in contract, tort, strict liability or otherwise), and including all costs and expenses relating thereto.

“Lien” means any lien, pledge, mortgage, deed of trust, security interest, claim, lease, charge, option, right of first refusal, easement, servitude, proxy, voting trust or agreement, transfer restriction under any shareholder or similar agreement, encumbrance or any other restriction or limitation whatsoever.

“Marks” has the meaning assigned to that term in the definition of Intellectual Property.

“Material Adverse Event” means (i) an event or occurrence that results in a material adverse effect on the value of the Purchased Assets, taken as a whole; or (ii) an event or occurrence that results in a material adverse effect on the ability of Sellers to consummate the transactions contemplated by this Agreement or perform their obligations under this Agreement or under the Seller Documents.

“MHI” has the meaning assigned to that term in the introductory paragraph of this Agreement.

“MHI Claim” has the meaning assigned to that term in the recitals to this Agreement.

“MII” has the meaning assigned to that term in the introductory paragraph of this Agreement.

“MII Claim” has the meaning assigned to that term in the recitals to this Agreement.

“New WIP Contracts” has meaning assigned to that term in Section 2.2(a) hereof.

“Order” means any order, injunction, judgment, decree, ruling, writ, assessment or arbitration award.

“Ordinary Course of Business” means the ordinary and usual course of normal day-to-day operations of the Sellers’ Business consistent with past practice to the extent consistent with the limitations of the Bankruptcy Cases.

“Parties” has the meaning assigned to that term in the introductory paragraph of this Agreement.

“Patents” has the meaning assigned to that term in the definition of Intellectual Property.

“Permits” means any approvals, authorizations, consents, licenses, permits or certificates.

“Person” means any individual, corporation, limited liability company, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Body or other entity.

“Plan” means that certain Joint Plan of Liquidation to be filed by the Sellers in the Bankruptcy Cases after the date hereof.

“Purchase Price” has the meaning assigned to that term in Section 3.1 hereof.

“Purchased Assets” has the meaning assigned to that term in Section 2.1 hereof.

“Purchased Intellectual Property” has the meaning assigned to that term in Section 2.1(a) hereof.

“Released Claims” has meaning assigned to that term in Section 8.11 hereof.

“Restricted Business” has the meaning assigned to that term in Section 8.6(a) hereof.

“Restructuring Transaction” means (a) a recapitalization transaction involving, in whole or in part, either or both Sellers and their existing security holders or creditors, (b) any merger, consolidation, share exchange, business combination or other similar transaction with either or both Sellers, (c) any tender offer or exchange offer for more than fifty percent (50%) of the outstanding shares of the common stock or any class of debt securities of either or both Sellers or the filing of a registration statement under the Securities Act of 1933, as amended, in connection therewith, or (d) a transaction or series of transactions, including by way of a plan of reorganization, in connection with a liquidation or reorganization or other continuation of Sellers’ Business relating to some or all of the Purchased Assets.

“Revised Statements” has the meaning assigned to that term in Section 12.3 hereof.

“Sale Motion” means the motion, in form and substance acceptable to Buyer and included in the Plan, filed by the Sellers in the Bankruptcy Cases seeking the authority to sell the Purchased Assets pursuant to Section 363 of the Bankruptcy Code.

“Sale Order” means the order, in form and substance acceptable to Buyer, entered by the Bankruptcy Court granting the relief requested in the Sale Motion.

“Seamap” has the meaning assigned to that term in the introductory paragraph of this Agreement.

“Seller” and “Sellers” have the meanings assigned to those terms in the introductory paragraph of this Agreement.

“Seller Documents” has the meaning assigned to that term in Section 5.2 hereof.

“Seller Indemnified Parties” has the meaning assigned to that term in Section 12.1(c) hereof.

“Seller Representatives” has the meaning assigned to that term in Section 7.10 hereof.

“Software” means any and all (i) computer programs, including any and all software implementations of algorithms, models and methodologies, whether in source code, object code or other form (and including any firmware relating to same), (ii) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, (iii) descriptions, flow-charts and other work product used to design, plan, organize and develop any of the foregoing, screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons, and (iv) all documentation including user manuals and other training documentation related to any of the foregoing.

“SSC” has the meaning assigned to that term in the introductory paragraph of this Agreement.

“SSC Bankruptcy Case” has the meaning assigned to that term in the recitals to this Agreement.

“Straddle Period” has meaning assigned to that term in Section 11.2 hereof.

“Subsidiary” means any and all corporations, partnerships, limited liability companies, joint ventures, associations and other entities controlled by a Party, directly or indirectly through one or more intermediaries or in which a Party directly or indirectly through one or more intermediaries has an economic interest. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a partnership, limited liability company, association or other business entity if such Person or Persons shall be allocated a majority of partnership, limited liability company, association or other business entity gains or losses or shall be or control the managing director or general partner of such partnership, limited liability company, association or other business entity.

“Tax” or “Taxes” means (i) any and all federal, state, local or foreign taxes, charges, fees, imposts, levies or other assessments, including, without limitation, all net income, gross receipts, capital, sales, use, ad valorem, value added, transfer, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, social security, unemployment, excise, severance, stamp, occupation, property and estimated taxes, customs duties, fees, assessments and charges of any kind whatsoever, (ii) all interest, penalties, fines, additions to tax or additional amounts imposed by any Taxing Authority in connection with any item described in clause (i) above, and (iii) any liability in respect of any items described in clauses (i) and/or (ii) payable by reason of contract, assumption, transferee liability, operation of law, Treasury Regulation section 1.1502-6(a) (or any predecessor or successor thereof or any analogous or similar provision under law) or otherwise.

“Tax Return” means any return, report or statement required to be filed with respect to any Tax (including any attachments thereto, and any amendment thereof) including, but not limited to, any information return, claim for refund, amended return or declaration of estimated Tax.

“Taxing Authority” means the U.S. Internal Revenue Service and any other Governmental Body responsible for the administration of any Tax.

“Third Party Claim” has meaning assigned to that term in Section 11.3(a) hereof.

“Tokio Marine” has the meaning assigned to that term in Section 3.2 hereof.

“Tokio Marine Claim” has the meaning assigned to that term in Section 3.2 hereof.

“Tokio Marine Consent” has the meaning assigned to that term in Section 3.2 hereof.

“Trade Secrets” has the meaning assigned to that term in the definition of Intellectual Property.

“Transaction Expenses” means all expenses of the Sellers incurred in connection with the transactions contemplated hereby, including without limitation all investment banking fees and expenses (if any), attorneys’ fees and expenses, accountants’ fees and expenses, and any amounts owed by Sellers to any of their employees as a result of or in connection with the completion of the transactions contemplated hereby (such as retention or incentive bonuses).

“Transfer Taxes” has meaning assigned to that term in Section 12.1 hereof.

“Transition Services Agreement” means an agreement dated as of the Closing Date between Buyer, MII, Seemap, Sellers and IST on terms and conditions reasonably satisfactory to Buyer and Sellers, pursuant to which each of Sellers and IST, on the one hand, and Buyer, MII and Seemap on the other hand, shall provide to one another, as applicable, such transition services as mutually agreed to by Buyer and Sellers (which may include, among other things, (i) engagement by Buyer, MII and/or Seemap of certain employees of Sellers or the engagement by Sellers of certain employees of Buyer, in each case for reasonable limited purposes, and (ii) the access and use by Buyer, MII and/or Seemap of certain facilities of Sellers and IST and, in consideration thereof, the payment by Buyer to Sellers of an agreed-upon amount in respect of the Sellers’ operation costs of such access and use).

“WARN” means the Worker Adjustment and Retraining Notification Act of 1988, as amended.

“Work in Progress” has meaning assigned to that term in Section 2.1 hereof.

“Woodland Employment Agreement” means that certain Employment Agreement to be entered into between MII and Fred Woodland on the Closing Date in substantially the form attached hereto as Exhibit C.

1.2 Other Definitional and Interpretive Matters.

(a) Unless otherwise expressly provided, for purposes of this Agreement, the following rules of interpretation shall apply:

Calculation of Time Period. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a non-Business Day, the period in question shall end on the next succeeding Business Day.

Dollars. Any reference in this Agreement to \$ shall mean U.S. dollars.

Exhibits/Schedules. The Exhibits and Schedules to this Agreement are hereby incorporated and made a part hereof and are an integral part of this Agreement. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Schedule or Exhibit but not otherwise defined therein shall be defined as set forth in this Agreement.

Gender and Number. Any reference in this Agreement to gender shall include all genders, and words imparting the singular number only shall include the plural and vice versa.

Headings. The provision of a Table of Contents, the division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in construing or interpreting this Agreement. All references in this

Agreement to any "Section" are to the corresponding Section of this Agreement unless otherwise specified.

Herein. The words such as "herein," "hereinafter," "hereof," and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires.

Including. The word "including" or any variation thereof means "including, without limitation" and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

(b) The Parties hereto have participated jointly in the negotiation and drafting of this Agreement and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the Parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement.

ARTICLE II PURCHASE AND SALE OF PURCHASED ASSETS

2.1 Purchase and Sale of Purchased Assets. On the terms and subject to the conditions set forth in this Agreement, at the Closing, Buyer shall purchase, acquire and accept from Sellers, and Sellers shall sell, transfer, assign, convey and deliver to Buyer, all of Sellers' right, title and interest in, to and under the Purchased Assets, free and clear of all Liens, Claims, and interests pursuant to Section 363 of the Bankruptcy Code. "Purchased Assets" means the following assets (and those assets, properties, interests and rights of Sellers primarily related to the following assets):

(a) All of Sellers' Intellectual Property related to the seismic streamer and recording system technology developed and owned by Sellers, including without limitation:

(i) all Patents, Patent applications and Patent rights relating thereto, including without limitation all of the foregoing identified on Schedule 2.1(a)(i) attached hereto;

(ii) all Software relating thereto, including without limitation all Software identified on Schedule 2.1(a)(ii) attached hereto;

(iii) all Copyrights relating thereto, including without limitation all Copyrights identified on Schedule 2.1(a)(iii) attached hereto;

(iv) all Trade Secrets relating thereto, including without limitation the product designs and processes identified on Schedule 2.1(a)(iv) attached hereto (all of the Intellectual Property referred to in this Section 2.1, which expressly excludes any of Sellers' Marks, is collectively referred to herein as the "Purchased Intellectual Property"); and

(v) all causes and rights of action and remedies for past, present and future infringement or violation of any of the foregoing Purchased Intellectual Property;

(b) All Equipment and Hardware of Sellers listed on Schedule 2.1(b) attached hereto;

(c) All Documents that are used in, held for use in or intended to be used in, or that arise primarily out of the Purchased Assets, including Documents relating to the Purchased Intellectual Property;

(d) All rights (but not any obligations) of Sellers under (i) employee assignment of rights agreements and employee invention agreements (or similar agreements); (ii) non-disclosure or confidentiality agreements (or similar agreements) with employees or with third parties; and (iii) any non-compete or non-solicitation agreements with employees and agents of Sellers or with third parties, as well as all continuing common law confidentiality rights of Sellers, in each case to the extent relating to the Purchased Assets (or any portion thereof) (such rights, collectively, to be part of the "Purchased Intellectual Property");

(e) All rights (but not any obligations) of Sellers under or pursuant to all warranties, representations and guarantees made by suppliers, manufacturers and contractors to the extent relating to any Purchased Assets; and

(f) All rights, claims or causes of action against third parties (except for Sellers' rights, claims or causes of action based on Sellers' Accounts Receivable) relating to the Purchased Assets or Assumed Liabilities.

For the avoidance of doubt, and notwithstanding anything to the contrary herein, the term "Purchased Assets" does not include, and specifically excludes, Sellers' Accounts Receivable. As used herein, the term "Accounts Receivable" means all accounts receivable of the Sellers, including from all sums payable to the Sellers by any customer of the Sellers on account of goods or services provided, or that part of any work in progress ("Work in Progress") performed, by the Sellers prior to the Closing Date, including any Work in Progress for Omniquest International, bv, SAAB Dynamics, AB, or Försvarets Materielverk, regardless of whether the Work in Progress was fully completed, or whether the Sellers' Account Receivable was billed, before the Closing Date.

2.2 Division of Contracts for Work in Progress.

(a) At least fourteen (14) days prior to the proposed date for the confirmation hearing for the Plan, Sellers shall provide Buyer with a list of all Contracts involving unfinished Work in Progress (the "Existing WIP Contracts") which Sellers believe will not be completed before the Closing Date. Sellers hereby acknowledge and agree that Buyer will not be assuming (or be responsible for any obligations of, or any amounts owed by, Sellers under) any such Existing WIP Contracts, regardless of whether any such Existing WIP Contracts are assumed or rejected by Sellers under the Plan and the Confirmation Order (which decision, as between the Sellers and the Buyer, shall be made by the Sellers in their sole discretion). Within seven (7) days after its receipt of the list of Existing WIP Contracts, Buyer will notify Sellers in writing if there is any Work in Progress for any of Sellers' customers under any Existing WIP Contracts where Buyer is willing to perform the remainder of such Work in Progress for such customers, in which event Buyer shall have the right to enter into new Contracts with such customers to provide for the performance by Buyer of the remainder of such Work in Progress (the "New WIP Contracts"), provided that no New WIP Contract shall reduce the pricing set forth in the related Existing WIP Contract to the extent that such pricing includes payment for any Work in Progress performed by Sellers prior to the Closing Date unless Sellers shall have first consented thereto in writing. Sellers shall provide such assistance to Buyer in connection with Buyer's negotiation of New WIP Contracts as is reasonably requested by Buyer. With respect to all Work in Progress where Buyer informs Sellers that Buyer will be attempting to enter into New WIP Contracts with the applicable customers, at least three (3) Business Days prior to the Closing Date Buyer and Sellers shall agree upon the percentage of completion of such Work in Progress as of the Closing Date.

(b) To the extent that any New WIP Contract provides for the payment to Buyer of any amounts in respect of Work in Progress performed by Sellers prior to the Closing Date, Buyer and Sellers hereby agree that Sellers or their successor-in-interest shall be entitled to receive the percentage of

the New WIP Contract price equivalent to the percentage of the Work in Progress completed (but not paid for) by the Closing Date upon payment of the invoice for the Work in Progress by the customer, regardless of whether the payment is a progress or final payment under the New WIP Contract. For example, (i) if there is an Existing WIP Contract for \$10,000 worth of work, (ii) the Work in Progress thereunder will be 75% complete by the Closing Date, with an additional 25% to be performed by the Buyer following the Closing Date under a New WIP Contract, and (iii) the entire \$10,000 will be paid to Buyer under the New WIP Contract upon completion of such work, then the Sellers and Buyer agree that in such case 75% of the payment collected from the customer under the New WIP Contract (or \$7,500) would belong to the Sellers (or their successor-in-interest) and the remaining 25% (or \$2,500) would belong to the Buyer. Similarly, if in such example the customer had already paid Sellers \$5,000 under the Existing WIP Contract (such that there was only 25% of the overall work that had been performed by Sellers but not yet paid to Sellers), and such customer paid the Buyer the remaining \$5,000 upon completion of the work, then 50% of the payment collected from the customer under the New WIP Contract (or \$2,500) would belong to the Sellers (or their successor-in-interest) for the 25% of the work performed by Sellers prior to the Closing Date and not yet paid to the Sellers and the remaining 50% (or \$2,500) would belong to the Buyer for the 25% of the work performed by Buyer after the Closing Date. Notwithstanding the foregoing, if Buyer receives at any time a payment under any New WIP Contract that is owed to Sellers under this Section 2.2(b) and, at such time, any Buyer Indemnified Party has made a timely claim for indemnification against the Sellers under Section 12.1(b) hereof that has not yet been resolved, then Buyer may, upon written notice to Sellers, offset the amount of any Liabilities subject to such outstanding indemnification claim from any amounts then owing by Buyer to Sellers under this Section 2.2(b), provided that if upon the final resolution of any such indemnification claim it is determined that the amount withheld by Buyer is in excess of the amount that is finally determined to be owed by Sellers in respect of such indemnification claim, then Buyer shall promptly pay over such excess amount to Sellers.

2.3 Excluded Assets. Nothing herein contained shall be deemed to transfer, assign or convey any Excluded Assets to Buyer, and Sellers shall retain all right, title and interest to, in and under the Excluded Assets.

2.4 Assumption of Liabilities. On the terms and subject to the conditions set forth in this Agreement, at the Closing, Buyer shall assume, effective as of the Closing, only the liabilities and obligations of Sellers, if any, that are first required to be paid, performed or discharged with respect to the ownership and/or maintenance of the Purchased Assets following the Closing Date (collectively, the "Assumed Liabilities").

2.5 Excluded Liabilities. Notwithstanding anything contained in this Agreement to the contrary, Buyer does not assume or agree to pay, satisfy, discharge or perform, and shall not be deemed by virtue of the execution and delivery of this Agreement or any document delivered at the Closing pursuant to this Agreement, or as a result of the consummation of the transactions contemplated by this Agreement, to have assumed, or to have agreed to pay, satisfy, discharge or perform, any Liability of Sellers or any of their Affiliates, whether arising or relating to any period on, prior to or after the Closing Date, whether primary or secondary, direct or indirect, known or unknown, contingent or absolute, determined or indeterminable (including without limitation any Liabilities relating to the Excluded Assets, the Existing WIP Contracts, Taxes resulting from or arising out of the conduct by Sellers of their Business (whether prior to, on or after the Closing Date) and any claim based upon, resulting from or arising out of the conduct by Sellers of their Business (including without limitation the use of the Purchased Assets) on or prior to the Closing Date), other than solely the Assumed Liabilities (collectively, the "Excluded Liabilities"). Sellers shall retain all Excluded Liabilities (including without limitation Liabilities arising out of tort) which shall be treated pursuant to the terms of their Plan.

2.6 Further Conveyances and Assumptions. From time to time following the Closing, Sellers and Buyer shall (at their own expense), and shall cause their respective Affiliates to, execute, acknowledge and deliver all such further conveyances, notices, assumptions, releases and acquaintances and such other instruments, and shall take such further actions, as may be necessary or appropriate to assure fully to Buyer and their respective successors or assigns, all of the properties, rights, titles, interests, estates, remedies, powers and privileges intended to be conveyed to Buyer under this Agreement and the Seller Documents and to otherwise make effective the transactions contemplated hereby and thereby.

2.7 Bulk Sales Law. Buyer hereby waives compliance by Sellers with the requirements and provisions of any “bulk-transfer” Laws of any jurisdiction that may otherwise be applicable with respect to the sale of any or all of the Purchased Assets to Buyer. Pursuant to Section 363(f) of the Bankruptcy Code, the transfer of the Purchased Assets shall be free and clear of any security interests in the Purchased Assets, including any Liens, Claims, or claims arising out of the bulk transfer laws, and the Sellers and Buyer shall take such steps as may be necessary or appropriate to so provide in the Sale Order.

ARTICLE III CONSIDERATION

3.1 Consideration. The aggregate consideration for the Purchased Assets (the “Purchase Price”) will be comprised of:

- (a) The Cash Purchase Price;
- (b) The assumption of the Assumed Liabilities;
- (c) The written agreement of MII and Seemap to waive or subordinate, with respect to the MII Claim, their right to receive any portion of the distributions made under the Plan to unsecured creditors who hold allowed claims (provided that such waiver shall not apply to, and MII and Seemap shall be entitled to participate in, any further distributions made under the Plan to creditors if at any time such unsecured creditor allowed claims are paid in full); and
- (d) The written agreement of MHI to waive or subordinate, with respect to the MHI Claim, its right to receive any portion of the distributions made under the Plan to unsecured creditors who hold allowed claims (provided that such waiver shall not apply to, and MHI shall be entitled to participate in, any further distributions made under the Plan to creditors if at any time such unsecured creditor allowed claims are paid in full).

3.2 Provisions Relating to the Tokio Marine Claim. Sellers hereby acknowledge that Tokio Marine & Nichido Fire Insurance Co., Ltd., a Japanese company (“Tokio Marine”), has paid MHI the amount of \$4,616,818.92 in respect of claims that MHI would have otherwise had against the Sellers and has become subrogated to that portion of MHI’s claims equal to such amount (the “Tokio Marine Claim”). MHI shall not take any action after the date hereof to waive or release any part of the Tokio Marine Claim, and MHI hereby reserves all rights under all Contracts, this Agreement and applicable Laws with regard to the Tokio Marine Claim. It shall be a condition to Sellers’ obligation to Close hereunder that, on or prior to the Closing Date, Tokio Marine (and, if requested by Sellers, MHI) shall have agreed in writing (the “Tokio Marine Consent”) that Tokio Marine will accept a distribution under the Plan of \$500,000.00 in cash on the effective date of the Plan; *provided, however*, that Tokio Marine will not seek any other or further distribution until all Administrative Claims, Priority Tax Claims, Trust Expenses, and Allowed Claims in Classes 1, 3 and 4 (as defined in the Plan) have been paid in full.

**ARTICLE IV
CLOSING AND TERMINATION**

4.1 Closing Date.

(a) Subject to the satisfaction of the conditions set forth in Sections 10.1, 10.2, 10.3, and 10.4 hereof (or the waiver thereof by the Party entitled to waive that condition), the closing of the purchase and sale of the Purchased Assets and the assumption of the Assumed Liabilities provided for in Article II hereof (the "Closing") shall take place at the offices of Munsch Hardt Kopf & Harr, P.C. located at 500 N. Akard Street, Suite 3800, Dallas, Texas 75201 (or at such other place as the Parties may designate in writing) at 10:00 a.m. Central time on a date to be specified by the Parties, which date shall be no later than the fifth Business Day after satisfaction or waiver of the conditions set forth in Article X (other than conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions), unless another time or date, or both, are agreed to in writing by the Parties hereto. The date on which the Closing shall be held is referred to in this Agreement as the "Closing Date." Unless otherwise agreed by the Parties in writing, the Closing shall be deemed effective and all right, title and interest of Sellers to be acquired by Buyer hereunder shall be considered to have passed to Buyer as of 12:01 a.m. Central time on the Closing Date.

(b) At the Closing, the Parties shall deliver to each other the various agreements, documents, certificates and other items referenced in Article X hereof, and the Purchase Price shall be paid and/or delivered to the Sellers pursuant to Section 4.2 hereof.

4.2 Payment of the Purchase Price. At the Closing, the Purchase Price shall be paid and/or delivered to the Sellers as follows:

(a) Buyer shall pay the Sellers, in cash by wire transfer of immediately available funds to one or more accounts designated by the Sellers, an amount equal to the Cash Purchase Price;

(b) MII and Seemap (on their behalf and on behalf of all of their Subsidiaries, if any) shall deliver to the Sellers such documents as may be reasonably requested by, and which shall be in form and substance reasonably satisfactory to, the Sellers to evidence their agreement referenced in Section 3.1(c) hereof with respect to the MII Claim; and

(c) MHI (on its behalf and on behalf of all of its Subsidiaries, if any) shall deliver to the Sellers such documents as may be reasonably requested by, and which shall be in form and substance reasonably satisfactory to, the Sellers to evidence its agreement referenced in Section 3.1(d) hereof with respect to the MHI Claim.

4.3 Termination of Agreement. This Agreement may be terminated prior to the Closing as follows:

(a) by mutual written consent of Sellers and Buyer;

(b) by Buyer, if any of the conditions to the obligations of Buyer set forth in Section 10.1 and/or Section 10.3 shall have become incapable of fulfillment other than as a result of a breach by Buyer of any covenant or agreement contained in this Agreement, and such condition is not waived by Buyer;

(c) by Sellers, if any of the conditions to the obligations of Sellers set forth in Section 10.2 and/or Section 10.3 shall have become incapable of fulfillment other than as a result of a

breach by Sellers of any covenant or agreement contained in this Agreement, and such condition is not waived by Sellers;

(d) by Buyer, if there shall be a breach by Sellers of any representation or warranty, or any covenant or agreement contained in this Agreement which would result in a failure of a condition set forth in Section 10.1 or Section 10.3 and which breach cannot be cured or has not been cured by ten (10) Business Days after the giving of written notice by Buyer to Sellers of such breach;

(e) by Sellers, if there shall be a breach by Buyer of any representation or warranty, or any covenant or agreement contained in this Agreement which would result in a failure of a condition set forth in Section 10.2 or Section 10.3 and which breach cannot be cured or has not been cured by ten (10) Business Days after the giving of written notice by Sellers to Buyer of such breach;

(f) by Sellers or Buyer if there shall be in effect a final nonappealable Order of a Governmental Body of competent jurisdiction restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated hereby; it being agreed that the Parties hereto shall promptly appeal any adverse determination which is not nonappealable (and pursue such appeal with reasonable diligence) that the Parties reasonably agree is advisable to pursue;

(g) by Buyer, if there is a Material Adverse Event;

(h) by Buyer, if the Confirmation Order and Sale Order have not been entered by the Bankruptcy Court within fifty (50) days after the date on which the Plan and Sale Motion are filed with the Bankruptcy Court;

(i) by Sellers or Buyer, if the Bankruptcy Court approves a Restructuring Transaction or an Alternative Transaction, provided that no termination under this Section 4.3(i) based on the approval of an Alternative Transaction shall be effective until the Break-Up Fee shall have been paid to Buyer;

(j) by Buyer, if (i) the Bankruptcy Court enters an order appointing a trustee, examiner with expanded powers or responsible officer in either Bankruptcy Case, (ii) either Bankruptcy Case is converted to a case under chapter 7 of the Bankruptcy Code, or (iii) either Bankruptcy Case is dismissed;

(k) by Buyer, if the Break-Up Fee Order or the Sale Order is modified in any material respect without the consent of Buyer;

(l) by Buyer, if any secured creditor of either Seller obtains relief from the stay to foreclose on or enforce its rights against any of the Purchased Assets; or

Notwithstanding the foregoing, if the Closing shall not have occurred by the close of business on ninety (90) days after the date hereof, either Sellers or the Buyer may terminate this Agreement.

4.4 Effect of Termination. Except as otherwise set forth in this Section 4.4, in the event that this Agreement is validly terminated as provided herein, then each of the Parties shall be relieved of its duties and obligations arising under this Agreement after the date of such termination and such termination shall be without liability to Buyer, Sellers or the Claimant Parties; provided, however, that the obligations of the Parties set forth in Section 7.7 hereof shall survive any such termination and shall be enforceable hereunder; provided, further, however, that nothing in this Section 4.4 shall relieve Buyer, Sellers or the Claimant Parties of any liability under Article XI hereof for a breach by such Party of any

representations, warranties, covenants or agreements in this Agreement prior to the effective date of such termination.

**ARTICLE V
REPRESENTATIONS AND WARRANTIES OF SELLERS**

Each Seller jointly and severally represents and warrants to Buyer as set forth below:

5.1 Organization and Good Standing. HTI is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas and has all requisite corporate power and authority to own, lease and operate its properties and to carry on its Business as now conducted. SSC is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Texas and has all requisite limited liability company power and authority to own, lease and operate its properties and to carry on its Business as now conducted. Each Seller is duly qualified or authorized to do business as a foreign corporation or limited liability company, as applicable, and is in good standing under the laws of each other jurisdiction in which it owns or leases real property and each other jurisdiction in which the conduct of its Business or the ownership of its properties requires such qualification or authorization, except where the failure to be so qualified, authorized or in good standing would not result in a Material Adverse Event. Sellers have delivered to Buyer true, complete and correct copies of their certificates of incorporation, by-laws, company agreements and/or comparable organizational documents as in effect on the date hereof. SSC is the only Subsidiary of HTI. SSC does not have any Subsidiaries.

5.2 Authorization of Agreement. Upon obtaining the approval of the Bankruptcy Court pursuant to the Sale Order and Confirmation Order, Sellers will have all requisite authority and legal capacity to execute and deliver this Agreement and each other agreement, document, or instrument or certificate contemplated by this Agreement or to be executed by Sellers in connection with the consummation of the transactions contemplated by this Agreement (collectively, the "Seller Documents"), to perform their obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. Upon obtaining the approval of the Bankruptcy Court pursuant to the Sale Order and Confirmation Order, this Agreement and each of the Seller Documents will be at or prior to the Closing, duly and validly executed and delivered by Sellers and, following the approval of this Agreement and the transactions contemplated hereby by the Bankruptcy Court pursuant to the Sale Order and Confirmation Order, this Agreement constitutes, and each of the Seller Documents when so executed and delivered will constitute, the legal, valid and binding obligations of Sellers, enforceable against Sellers in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

5.3 Conflicts; Consents of Third Parties.

(a) Except as a result of the Bankruptcy Cases or as set forth on Schedule 5.3(a) hereto, none of the execution and delivery by Sellers of this Agreement or by Sellers of the Seller Documents, the consummation of the transactions contemplated hereby or thereby, or compliance by Sellers with any of the provisions hereof or thereof will conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to loss of a material benefit under, or give rise to any obligation of Sellers to make any payment under, or to the increased, additional, accelerated or guaranteed rights or entitlements of any Person under, or result in the creation of any Liens upon any of the properties or assets of Sellers under any provision of (i) the certificates of incorporation, by-laws, company

agreements and/or comparable organizational documents of Sellers; (ii) any Contract or Permit to which either Seller is a party or by which any of the properties or assets of either Seller is bound; (iii) subject to entry of the Sale Order, any Order of any court, Governmental Body or arbitrator applicable to Sellers or any of the properties or assets of Sellers as of the date hereof; or (iv) subject to entry of the Sale Order, any applicable Law.

(b) Other than in connection with the entry of the Sale Order or as set forth on Schedule 5.3(b), subject to the entry of the Sale Order and Confirmation Order, no consent, waiver, approval, Order, Permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Body is required on the part of Sellers (i) in connection with the execution and delivery of this Agreement or the Seller Documents, the compliance by Sellers with any of the provisions hereof or thereof, the consummation of the transactions contemplated hereby or the taking by Sellers of any other action contemplated hereby, or (ii) the continuing validity and effectiveness immediately following the Closing of any Purchased Assets or Permit of Sellers.

5.4 Creditors. Schedule 5.4 attached hereto sets forth the name, the amount owing (if applicable), and the last known street address, email address and business phone number for each Person who has or had a Claim against, is or was a creditor of, and/or is or was owed any money by either Seller during the period of time starting one year prior to the date Sellers filed bankruptcy and ending on the date of execution hereof, including Claims that are contingent. For the avoidance of doubt, Schedule 5.4 shall include responsive information even if such information was not included on, or was not required by, Sellers' bankruptcy schedules.

5.5 Equipment and Hardware. Schedule 5.5 sets forth a complete and accurate list of all Equipment and Hardware that is owned or licensed by Sellers and is used in the operation of Sellers' Business, including without limitation the Equipment and Hardware included in the Purchased Assets. Each item of Equipment and Hardware that is included in the Purchased Assets is owned exclusively by Sellers, free and clear of all Claims, Liens and interests, and has been maintained by Sellers in a manner consistent with past practice and is in good operating condition, normal wear and tear excepted.

5.6 Absence of Certain Developments. Except as expressly contemplated by this Agreement or as set forth on Schedule 5.6, since the commencement of the Bankruptcy Cases (i) Sellers have conducted their Business only in the Ordinary Course of Business and (ii) there has not been any event, change, occurrence or circumstance singly or in the aggregate that has had or could reasonably be expected to constitute a Material Adverse Event. Since the commencement of the Bankruptcy Cases:

(a) there has not been any damage, destruction or physical loss, whether or not covered by insurance, with respect to the Purchased Assets having a replacement cost of more than \$2,500 for any single loss or \$10,000 for all such losses; and

(b) Sellers have not mortgaged, pledged or subjected to any Claim, Lien or interest any of their assets, or acquired any assets or sold, assigned, transferred, conveyed, leased or otherwise disposed of any assets of Sellers, except for assets acquired or sold, assigned, transferred, conveyed, leased or otherwise disposed of in the Ordinary Course of Business.

5.7 Taxes.

(a) With respect to the Purchased Assets, (i) except for Sellers' Tax Returns for the fiscal years ending September 30, 2015 and September 30, 2016, which are currently being prepared by the Sellers' accountants, BDO USA, LLC, all Tax Returns required to be filed by or on behalf of Sellers have been duly and timely filed with the appropriate Taxing Authority in all jurisdictions in which the

Tax Returns are required to be filed (after giving effect to any valid extensions of time in which to make such filings); and (ii) all Taxes payable by or on behalf of Sellers have been fully and timely paid or will be paid pursuant to the Sellers' Plan.

(b) Sellers have timely paid or will pay pursuant to their Plan, any Taxes due with respect to the Purchased Assets arising prior to the Closing Date, the non-payment of which would result in a Lien on any Purchased Asset or would result in Buyer becoming liable or responsible therefor.

(c) Neither Seller is a foreign person within the meaning of Section 1445 of the Code.

(d) The transactions contemplated herein are not subject to the tax withholding provisions of Code section 3406, or of subchapter A of Chapter 3 of the Code or of any other provision of Law.

5.8 Title to Purchased Assets. Except as set forth on Schedule 5.8 hereto, Sellers own and have good title to each of the Purchased Assets, and at the Closing Sellers shall convey all of their right, title and interest in the Purchased Assets to Buyer free and clear of all Liens, Claims and interests. The Purchased Assets include all of the Intellectual Property of the Sellers (other than Sellers' Marks) that are used by the Sellers in the conduct of their Business as of the date hereof. **EXCEPT FOR SELLERS' EXPRESS REPRESENTATIONS AND WARRANTIES IN THIS ARTICLE V, THE PURCHASED ASSETS SHALL BE TRANSFERRED "AS IS, WHERE IS," "WITH ALL FAULTS," AND WITHOUT ANY WARRANTIES, EITHER EXPRESS OR IMPLIED, AND SELLERS EXPRESSLY DISCLAIM ANY WARRANTIES OF VALIDITY, NON-INFRINGEMENT, AND ANY WARRANTIES AS TO THE SCOPE AND FUNCTIONALITY OF THE PURCHASED ASSETS AND, WITH RESPECT TO ANY PATENT, TRADEMARK, OR COPYRIGHT APPLICATION, THAT SUCH APPLICATION WILL PROCEED TO GRANT, ALL OF WHICH WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED.**

5.9 Intellectual Property.

(a) Schedules 2.1(a)(i), 2.1(a)(ii) and 2.1(a)(iii) attached hereto set forth an accurate and complete list of all Sellers' Patents, Software and Copyrights, whether currently used in Sellers' Business as of the date hereof or not and whether registered or unregistered (including any pending applications for registrations), in each case owned or filed by Sellers, and such schedules list the jurisdictions in which each such item of Intellectual Property has been issued or registered or in which any such application for such issuance and registration has been filed. Sellers are not a party to, any license that contains a grant by a third Person to Sellers of a right to use a third Person's Intellectual Property. Schedule 5.9(a) attached hereto sets forth a list of all of Sellers' Intellectual Property (including Sellers' Marks) that is not included in the Purchased Intellectual Property.

(b) Schedule 5.9(b) lists each Intellectual Property License to which either Seller grants to any third Person a license or other right to use, resell, sublicense or develop any of Sellers' Intellectual Property, including without limitation any Purchased Intellectual Property. Except as set forth on Schedule 5.9(b), Sellers are not in default under any such Intellectual Property License, nor, to the Knowledge of Sellers, is any other party to such Intellectual Property License in default thereunder. No party to any such Intellectual Property Licenses has exercised any termination rights with respect thereto.

(c) No Trade Secret or any other non-public, proprietary information material to Sellers' Business as presently conducted has been authorized to be disclosed or, to the Knowledge of Sellers, has been actually disclosed by Sellers to any employee or any third party other than pursuant to a

non-disclosure agreement restricting the disclosure and use of such Trade Secret or information. Sellers have taken adequate security measures to protect the secrecy, confidentiality and value of all the Trade Secrets of Sellers and any other confidential information, including invention disclosures, not covered by any patents owned or published patent applications filed by Sellers, which measures are reasonable in the industry in which Sellers operate.

(d) To the Knowledge of Sellers, except as set forth on Schedule 5.9(d), Sellers are not the subject of any pending or threatened Legal Proceedings which involve a claim of infringement, unauthorized use, misappropriation or other violation by any Person against Sellers with respect to the Purchased Intellectual Property or challenging the ownership, use, validity or enforceability of, any Purchased Intellectual Property.

5.10 Labor. Sellers are not a party to any labor or collective bargaining agreement and there are no labor or collective bargaining agreements which pertain to the employees of Sellers.

5.11 Litigation. Except as set forth in Schedule 5.11 and the Bankruptcy Cases, there is no suit, action, proceeding, investigation, claim or order pending or, to the Knowledge of Sellers, threatened, against Sellers or any of the officers, directors or employees of Sellers with respect to the Sellers' Business, or to which Sellers are otherwise a party, nor to the Knowledge of Sellers is there any reasonable basis for any such action, proceeding, or investigation. Other than the Bankruptcy Cases, Sellers are not subject to any Order of any Governmental Body, and Sellers are not engaged in any legal action to recover monies due them or for damages sustained by them.

5.12 Compliance with Laws; Permits.

(a) Subject to the Bankruptcy Cases, Sellers are in compliance with all Laws of any Governmental Body applicable to their operations, the Purchased Assets or their Business. Sellers have not received any written or other notice of or been charged with the violation of any Laws nor, to the Knowledge of Sellers, are Sellers under investigation with respect to the violation of any Laws.

(b) Sellers currently have all Permits, which are listed on Schedule 5.12(b) hereto, that are required for the operation of their Business as presently conducted.

5.13 Related Party Transactions. Except as set forth on Schedule 5.13, neither Sellers nor any of their respective officers or employees owns any direct or indirect interest of any kind in, or controls or is a director, officer, employee or partner of, or consultant to, or lender to or borrower from, or has the right to participate in the profits of, any Person which is (i) a competitor, supplier or customer of Sellers, (ii) engaged in a business related to the Business of Sellers, or (iii) is a participant in any transaction or Contract to which either Seller is a party.

5.14 Financial Advisors. Except as set forth on Schedule 5.14, no Person has acted, directly or indirectly, as a broker, finder or financial advisor for Sellers in connection with the transactions contemplated by this Agreement and no Person is entitled to any fee or commission or like payment in respect thereof.

5.15 Contracts. Except to the extent listed on Schedule 5.9(b) hereto, Schedule 5.15 hereto lists each Contract, including the Employment Related Agreement, to which either Seller or any Affiliates is a party that relates to the Business of Sellers. To the extent that any such Contracts are expressly included in the Purchased Assets, Sellers transfer their entire right, title and interest in (but not any obligations under) such Contracts to Buyer and Buyer has determined what rights, remedies, defenses and/or value, if any, are associated with such Contracts and has not relied upon Seller for interpretation of

such issues.

5.16 Inspections; No Other Representations. Buyer is an informed and sophisticated purchaser, and the Claimant Parties are sophisticated parties, which have engaged expert advisors, experienced in the evaluation and purchase of property and assets such as the Purchased Assets, and the evaluation of other transactions as contemplated hereunder. Buyer and Claimant Parties acknowledge and represent, warrant and agree that they have not relied upon the accuracy or completeness of any express or implied representation, warranty, statement or information of any nature made or provided by or on behalf of Sellers, except for the representations and warranties of Sellers expressly set forth in this Agreement, and waive any right Buyer and Claimant Parties may have against Sellers with respect to any inaccuracy in any such representation, warranty, statement or information (except for inaccuracies in the representations and warranties of Sellers expressly set forth in this Agreement), or with respect to any omission, on the part of Sellers or any representative of Sellers, of any potentially material information. Buyer and Claimant Parties agree, warrant and represent that except as set forth in this Agreement and the other documents delivered by Sellers pursuant to this Agreement, neither Sellers nor any director, officer, manager, employee, agent, consultant, or representative of any of them has made any warranties, representations or guarantees, express, implied or statutory, written or oral, respecting the subject matter or this Agreement. Buyer and Claimant Parties further acknowledge that the consideration for the Purchased Assets specified in this Agreement has been agreed upon by Sellers and Buyer after good faith arms'-length negotiation. Buyer and Claimant Parties agree, warrant and represent that, except as set forth in this Agreement, they have relied, and shall rely, solely upon their own investigation of all such matters.

Except for the representations and warranties contained in this Agreement (as qualified by the Schedules and Exhibits), neither Sellers nor any other Person makes (and Buyer and Claimant Parties are not relying upon) any other representations, warranties or guaranties, either express, implied, or statutory, written or oral, with respect to the Sellers (including the title, value, condition, or use of any of the Purchased Assets) or the transaction contemplated by this Agreement, and Sellers disclaim all warranties, guaranties, and representations not contained in this Agreement, whether made by Sellers or either of them, any Affiliate of Sellers, or any of their respective officers, directors, managers, employees, agents, consultants or representatives. Except for the representations and warranties contained in this Agreement (as qualified by the schedules and exhibits), Sellers disclaim all liability and responsibility for any representation, warranty, guaranty, projection, forecast, statement or information made, communicated, or furnished (orally or in writing) to Buyer, Claimant Parties, or their Affiliates, or any of their officers, directors, managers, employees, agents, consultants or representatives (including without limitation any opinion, information, projection, or advice that may have been or may be provided to Buyer, Claimant Parties or their Affiliates by any director, officer, employee, agent, consultant or representative of Sellers or any of their Affiliates).

ARTICLE VI REPRESENTATIONS AND WARRANTIES OF BUYER AND CLAIMANT PARTIES

Buyer hereby severally represents and warrants to the Sellers as set forth below in Section 6.1 through Section 6.5, and each Claimant Party hereby, severally and not jointly, makes the representations and warranties set forth below in Section 6.6:

6.1 Organization and Good Standing. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Texas.

6.2 Authorization of Agreement. Buyer has full organizational power and authority to

execute and deliver this Agreement and each other agreement, document, instrument or certificate contemplated by this Agreement or to be executed by Buyer in connection with the consummation of the transactions contemplated hereby and thereby (the "Buyer Documents"), and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by Buyer of this Agreement and each Buyer Document have been duly authorized by all necessary organizational action on behalf of Buyer including any approvals of its managers and members. This Agreement has been, and each Buyer Document will be at or prior to the Closing, duly executed and delivered by Buyer and this Agreement constitutes, and each Buyer Document when so executed and delivered will constitute, the legal, valid and binding obligations of Buyer, enforceable against Buyer in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

6.3 Conflicts; Consents of Third Parties.

(a) Neither the execution and delivery by Buyer of this Agreement and the Buyer Documents, nor the compliance by Buyer with any of the provisions hereof or thereof will (i) conflict with, or result in the breach of, any provision of the company agreement or other organizational documents of Buyer, (ii) conflict with, violate, result in the breach of, or constitute a default under any note, bond, mortgage, indenture, license, agreement or other obligation to which Buyer is a party or by which Buyer or its properties or assets is bound or (iii) violate any statute, rule, regulation or Order by which Buyer is bound.

(b) No consent, waiver, approval, Order, Permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Body is required on the part of Buyer in connection with the execution and delivery of this Agreement or Buyer Documents or the compliance by Buyer with any of the provisions hereof or thereof (other than any of the foregoing that will be obtained by Buyer on or prior to the Closing Date).

6.4 Litigation. There are no Legal Proceedings pending or, to the knowledge of Buyer, threatened that are reasonably likely to prohibit or restrain the ability of Buyer to enter into this Agreement or consummate the transactions contemplated hereby.

6.5 Financial Advisors. No Person has acted, directly or indirectly, as a broker, finder or financial advisor for Buyer in connection with the transactions contemplated by this Agreement and no Person is entitled to any fee or commission or like payment in respect thereof.

6.6 Representations and Warranties of the Claimant Parties.

(a) MII and Seemap hereby represent and warrant to the Sellers, and MHI hereby represents and warrants to the Sellers and Buyer, as follows: (i) such Claimant Party is duly organized, validly existing and in good standing under the laws of its jurisdiction of formation and has full organizational power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby; (ii) the execution, delivery and performance of this Agreement by such Claimant Party have been duly authorized by all necessary organizational action on behalf of such Claimant Party; (iii) this Agreement has been duly executed and delivered by such Claimant Party and this Agreement constitutes the legal, valid and binding obligations of such Claimant Party, enforceable against such Claimant Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial

reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity); (iv) neither the execution and delivery by such Claimant Party, nor the compliance by such Claimant Party with any of the provisions hereof will (A) conflict with, or result in the breach of, any provision of the certificate of incorporation, by-laws, company agreement or other organizational documents of such Claimant Party, (B) conflict with, violate, result in the breach of, or constitute a default under any note, bond, mortgage, indenture, license, agreement or other obligation to which such Claimant Party is a party or by which its properties or assets is bound, or (C) violate any statute, rule, regulation or Order by which such Claimant Party is bound; and (v) no consent, waiver, approval, Order, Permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Body is required on the part of such Claimant Party in connection with the execution and delivery of this Agreement or the compliance by such Claimant Party with any of the provisions hereof (other than any of the foregoing that will be obtained by such Claimant Party on or prior to the Closing Date).

(b) MII and Seamap hereby represent and warrant to the Sellers that they own all right, title and interest in and to the MII Claim, have not pledged or transferred any interest therein to any third party, and have the right and authority to waive such claim in accordance with the terms of this Agreement.

(c) MHI hereby represents and warrants to the Sellers and Buyer that (i) it owns all right, title and interest in and to the MHI Claim, has not pledged or transferred any interest therein to any third party, and has the right and authority to waive its interest in such claim in accordance with the terms of this Agreement; *provided, however*, that Tokio Marine may be subrogated to all or part of MHI's rights to the MHI Claim and Tokio Marine's assertion of any subrogation rights shall not be a breach of this representation and warranty, and (ii) Tokio Marine will (A) abide by and not challenge any of the provisions of this Agreement or any of the transactions contemplated hereby, (B) will accept a distribution under the Plan of \$500,000.00 in cash on the effective date of the Plan and will not seek any other or further distribution on account of the Tokio Marine Claim until all Administrative Claims, Priority Tax Claims, Trust Expenses, and Allowed Claims in Classes 1, 3 and 4 (as defined in the Plan) have been paid in full, and (C) will not assert any Claim or action against any Party hereto (whether in the Bankruptcy Cases or otherwise) seeking any recovery in respect of the MHI Claim other than as provided in the Plan.

6.7 No Other Representations and Warranties. Sellers acknowledge that except as expressly provided in this Agreement, Buyer and the Claimant Parties make no representations or warranties of any kind whatsoever or by operation of law, by statute or otherwise.

ARTICLE VII BANKRUPTCY COURT MATTERS

7.1 Pleadings and Motions. Prior to filing any pleading or motion in the Bankruptcy Cases, including the Plan, the Sale Motion and the other pleadings and motions referenced herein, Sellers will provide Buyer with a list of creditors and parties in interest who will receive notice of such motions and other pleadings in the Bankruptcy Cases. Buyer shall have the right to request that additional Persons be included on such list. In addition, Sellers shall provide Buyer with drafts of all documents, motions, orders, filings or pleadings that they propose to file with the Bankruptcy Court that relate to the approval of this Agreement and the consummation of the transactions contemplated hereby. Sellers shall also promptly provide Buyer with copies of all pleadings received by or served by or upon Sellers in connection with the Bankruptcy Cases not otherwise served on Buyer that relate to or may reasonably be expected to affect the transactions provided for in this Agreement and which have not otherwise been

served on Buyer; it being understood that the attorneys for Buyer shall file an electronic notice of appearance requesting service of all documents, notices, motions, pleadings and responses in the Bankruptcy Cases. Sellers shall use their reasonable best efforts to obtain expedited Bankruptcy Court consideration of all motions, orders, filings and/or pleadings contemplated hereby or referenced herein as necessary to enable Sellers to meet the various deadlines relating thereto as set forth in this Agreement (including without limitation Section 4.3 and this Article VII hereof).

7.2 Intentionally Omitted.

7.3 Filing of Sale Motion. Concurrently with the filing of their Plan, Sellers shall file the Sale Motion with the Bankruptcy Court requesting entry of the Sale Order that, *inter alia* (a) requests (i) approval of the sale of the Purchased Assets to Buyer on the terms and conditions set forth in this Agreement and (ii) authorization for Sellers to proceed with the Closing, (b) includes a specific finding and conclusion of law that Buyer is a good faith purchaser of the Purchased Assets within the meaning of Section 363(m) of the Bankruptcy Code, (c) states that the sale of the Purchased Assets shall be free and clear of all Liens, Claims, and interests whatsoever, and (d) includes such other provisions as reasonably requested by Buyer.

7.4 Service of Sale Motion. Sellers will serve a copy of the Sale Motion and the accompanying attachments on the Persons who are to receive a copy of same as identified in the Sale Order and such other Persons as Buyer reasonably requests and, if requested by Buyer, Sellers will provide notice by publication in such manner as may be requested by Buyer. Prior to the service of such documents, Sellers will provide Buyer a list of such Persons identified in the Sale Order. At least five (5) days prior to the hearing approving the Sale Order, Sellers shall serve a copy of the Sale Motion (along with a copy at the proposed Sale Order) on each jurisdiction where the Purchased Assets are subject to Tax. Sellers shall obtain entry of the Sale Order no later than fifty (50) days after the date on which the Sale Motion is filed with the Bankruptcy Court.

7.5 The Sale Order. The Sale Order shall include, among other provisions reasonably requested by Buyer, the following provisions (it being understood that certain of such provisions may be contained in either the findings of fact or conclusions of law to be made by the Bankruptcy Court as part of the Sale Order):

(a) the sale of the Purchased Assets by the Sellers to Buyer (A) is or will be legal, valid and effective transfers of the Purchased Assets; (B) vests or will vest in Buyer all right, title and interest of Sellers to the Purchased Assets free and clear of all Liens, Claims and interests pursuant to Section 363(f) of the Bankruptcy Code; and (C) constitute transfers for reasonably equivalent value and fair consideration under the Bankruptcy Code and the laws of the states in which Sellers are conducting business and any other applicable non-bankruptcy laws;

(b) all amounts to be paid to Buyer pursuant to this Agreement constitute administrative expenses under Sections 503(b) and 507(a)(1) of the Bankruptcy Code and are immediately payable if and when the obligations of Sellers arise under this Agreement, without any further order of the Bankruptcy Court;

(c) all Persons are enjoined from taking any actions against Buyer or any Affiliates of Buyer (as they existed immediately prior to the Closing) to recover any Claim which such Person has against a Seller or its Affiliates;

(d) subject to Article XI, the obligations of Sellers relating to Taxes arising prior to the Closing Date, whether arising under law or by this Agreement, shall be the responsibility of Sellers;

(e) the provisions of the Sale Order are non-severable and mutually dependent;

(f) provide that Buyer will not have any successor or transferee liability whatsoever for liabilities of Sellers (whether under federal or state law or otherwise) as a result of the sale of the Purchased Assets;

(g) Buyer has acted in good faith within the meaning of Section 363(m) of the Bankruptcy Code, the transactions contemplated by this Agreement are undertaken by Buyer and Sellers at arm's length, without collusion and in good faith within the meaning of Section 363(m) of the Bankruptcy Code, and Buyer is entitled to the protections of Section 363(m) of the Bankruptcy Code;

(h) the Bankruptcy Court retains exclusive jurisdiction to interpret and enforce the provisions of this Agreement, the Break-Up Fee Order, and the Sale Order in all respects; provided, however, that in the event the Bankruptcy Court abstains from exercising or declines to exercise jurisdiction with respect to any matter provided for in this clause or is without jurisdiction, such abstention, refusal or lack of jurisdiction shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction of any other court having competent jurisdiction with respect to any such matter; and

(i) such other provisions as Buyer may agree to, or reasonably request or require of Sellers.

7.6 Auction. Unless otherwise required by an order of the Bankruptcy Court, the Parties agree that no auction for the sale of the Purchased Assets is necessary.

7.7 Approval of Break-Up Fee.

(a) Sellers acknowledge and agree that Buyer has expended considerable time and expense in connection with this Agreement and the negotiation thereof and the identification and quantification of assets of Sellers. In consideration therefor, Sellers shall timely file with and seek the approval of the Break-Up Fee as an administrative expense claim under Sections 503(b) and 507(a)(1) of the Bankruptcy Code.

(b) Sellers shall pay to Buyer the Break-Up Fee in accordance with the terms of the Break-Up Fee Order.

7.8 Intentionally Omitted.

7.9 Cooperation. Sellers shall cooperate with Buyer and its representatives in connection with the Break-Up Fee Motion, the Sale Motion, the Sale Order and the bankruptcy proceedings related thereto. Such cooperation shall include, but not be limited to, consulting with Buyer at Buyer's reasonable request concerning the status of such proceedings and providing Buyer with copies of requested pleadings, notices, proposed orders and other documents not otherwise received by Buyer as a result of the filing of a notice of appearance relating to such proceedings as soon as reasonably practicable prior to any submission thereof to the Bankruptcy Court.

7.10 Non-Solicitation Period.

(a) From the time of Sellers' and Buyer's execution and delivery of this Agreement until the Bankruptcy Court's entry of the Break-Up Fee Order (the "Non-Solicitation Period"), Sellers shall not, nor shall they authorize or permit any Subsidiary of Sellers to, nor shall they authorize or permit

any officer, director, manager or employee of, or any investment banker, attorney or other advisor, agent or representative of, Sellers (collectively, "Seller Representatives") to solicit or otherwise proactively encourage any Person with respect to the submission of an Alternative Transaction or negotiate the terms of an Alternative Transaction; provided, however, that during the Non-Solicitation Period so long as Sellers are not otherwise in breach of this Agreement, nothing in this Agreement shall prohibit Sellers or Seller Representatives from entering into confidentiality agreements with any Person or furnishing to any Person any information relating to the Purchased Assets with respect to any proposal or expression of interest that constitutes, or which may lead to, an Alternative Transaction; and provided, further, however, that Sellers shall not execute any Alternative Transaction prior to the Bankruptcy Court's entry of the Break-Up Fee Order. In the event Sellers receive an Alternative Transaction during the Non-Solicitation Period, Sellers shall as promptly as practicable (and in any event within twenty-four (24) hours after receipt) deliver to Buyer by facsimile transmission or send by courier service for delivery to Buyer by the morning of the next Business Day, true and complete copies of any such Alternative Transaction, and, to the extent known by the Sellers, the principals who are backing such Person.

(b) Following entry of the Break-Up Fee Order, Sellers and Seller Representatives shall not be subject to any restrictions with respect to the solicitation or encouragement of any entity concerning an Alternative Transaction; provided, however, that promptly upon Sellers' receipt of any offer for an Alternative Transaction, Sellers must deliver to Buyer by electronic mail, facsimile transmission or by courier service for delivery to Buyer by the morning of the next Business Day true and complete copies of any such Alternative Transaction or a summary of the material terms of such Alternative Transaction, including, without limitation, the identity of the counterparty thereto.

7.11 Bankruptcy Court Objections. In furtherance and not in limitation of the covenants of the parties contained in this Article VII, each of the Parties hereto shall use its commercially reasonable efforts to resolve objections, if any, as may be asserted or raised by the Bankruptcy Court, any party in interest to the Bankruptcy Cases, a Governmental Body or other Person with respect to the transactions contemplated by this Agreement.

ARTICLE VIII COVENANTS

8.1 Access to Information. Sellers agree that, prior to the Closing Date, Buyer shall be entitled, through its officers, employees and representatives (including without limitation through its legal and financial advisors and accountants and, if requested by Buyer, through one or more Claimant Parties) and subject to the Confidentiality Agreement, to make such investigation of the properties, businesses and operations of Sellers and such examination of the books, records and financial condition of Sellers as it reasonably requests and to make extracts and copies of such books and records. Any such investigation and examination shall be conducted during regular business hours and under reasonable circumstances, and Sellers shall cooperate fully therein. No investigation by Buyer (or any Claimant Parties) prior to or after the date of this Agreement shall diminish or obviate any of the representations, warranties, covenants or agreements of Sellers contained in this Agreement or the Seller Documents. In order that Buyer may have full opportunity to make such physical, business, accounting and legal review, examination or investigation as it may reasonably request of the affairs of Sellers, Sellers shall use commercially reasonable efforts to cause the officers, employees, consultants, agents, accountants, attorneys and other representatives of Sellers to cooperate fully with such representatives in connection with such review and examination. Sellers shall promptly provide to Buyer all documents and materials relating to the proposed sale of the Purchased Assets or any portion thereof, including, without limitation, with respect to any Alternative Transactions, and otherwise cooperate with Buyer, to the extent reasonably necessary in connection with Buyer's preparation for or participation in any part of the Bankruptcy Cases in which Buyer's participation is necessary, required or reasonably appropriate. Sellers

shall promptly deliver to Buyer all pleadings, motions, notices, statements, schedules, applications, reports and other papers filed in any other judicial or administrative proceeding as Buyer may reasonably request. In addition, Sellers shall consult with Buyer with respect to any written or oral communication concerning, in whole or in part, the transactions contemplated by this Agreement. If an Alternative Transaction is approved by the Bankruptcy Court, Buyer agrees, at the request of the Sellers, to return or destroy any and all records, documents and copies of information provided by the Sellers at any time.

8.2 Conduct of the Business Pending the Closing.

(a) Except as otherwise expressly contemplated by this Agreement (including the prosecution of the Bankruptcy Cases) or with the prior written consent of Buyer, each Seller shall:

(i) conduct its Business only in the Ordinary Course of Business;

(ii) use its commercially reasonable efforts to substantially preserve intact its present Business operations and present relationships with Persons having business dealings with such Seller (including customers and suppliers);

(iii) maintain (A) all of the Purchased Assets and Assumed Liabilities of such Seller in their current condition, ordinary wear and tear excepted and (B) insurance upon all of the Purchased Assets and Assumed Liabilities of such Seller in such amounts and of such kinds comparable to that in effect on the date of this Agreement;

(iv) (A) maintain the books, accounts and records of such Seller in the Ordinary Course of Business, (B) continue to collect accounts receivable and pay accounts payable utilizing normal procedures and without discounting or accelerating payment of such accounts other than in the Ordinary Course of Business consistent with past practice, and (C) materially comply with all contractual and other obligations applicable to the operation of such Seller;

(v) comply in all material respects with applicable Laws including without limitation WARN and any state counterpart to WARN, subject to any limitations under the Bankruptcy Code; and

(vi) not take any action which would adversely affect the ability of the Parties to consummate the transactions contemplated by this Agreement.

(b) Except as otherwise expressly contemplated by this Agreement or with the prior written consent of Buyer, each Seller shall not:

(i) sell, assign, license, transfer, convey, lease or otherwise dispose of any of the Purchased Assets of such Seller;

(ii) enter into or agree to enter into any merger or consolidation with, any other Person, and not engage in any new business or invest in, make a loan, advance or capital contribution to, or otherwise acquire the securities of any other Person;

(iii) enter into, modify or terminate any labor or collective bargaining agreement or, through negotiation or otherwise, make any commitment or incur any liability to any labor organization;

(iv) introduce any material change with respect to the operation of such Seller's Business;

(v) enter into any transaction or enter into, modify or renew any Contract which by reason of its size or otherwise is not in the Ordinary Course of Business;

(vi) enter into any Contract, understanding or commitment that restrains, restricts, limits or impedes the ability of such Seller's Business, or the ability of Buyer, to compete with or conduct any business or line of business in any geographic area;

(vii) terminate or waive any rights under any Permit;

(viii) make any new elections with respect to Taxes, or change any current elections with respect to Taxes, affecting the Purchased Assets; or

(ix) agree to do anything prohibited by this Section 8.2 or anything which would make any of the representations and warranties of such Seller in this Agreement untrue or incorrect in any material respect.

8.3 Consents. Sellers shall use their best efforts, and Buyer shall cooperate with Sellers, to obtain at the earliest practicable date all consents and approvals required to consummate the transactions contemplated by this Agreement, including, without limitation, the consents and approvals referred to in Section 5.3(b) hereof.

8.4 Reasonable Efforts; Further Assurances. Subject to the terms and conditions of this Agreement, each Party hereto shall use its respective commercially reasonable efforts to (i) take, or cause to be taken, all actions necessary or appropriate to consummate the transactions contemplated by this Agreement and (ii) cause the fulfillment at the earliest practicable date of all of the conditions to its respective obligations to consummate the transactions contemplated by this Agreement, in each case, subject to such Party's obligations under the Bankruptcy Code. Without limiting the foregoing, the Sellers and Buyer agree to execute and deliver such other documents, certificates, agreements and other writings and to take such other actions as may be necessary or desirable in order to consummate or implement expeditiously the transactions contemplated by this Agreement and to vest in Buyer good title to the Purchased Assets.

8.5 Certain Filings.

(a) Sellers and Buyer shall cooperate with one another (i) in determining whether any action by or in respect of, or filing with, any Governmental Body is required, or any actions, consents, approvals or waivers are required to be obtained from parties to any material contracts, in connection with the consummation of the transactions contemplated by this Agreement and (ii) in taking such actions or making any such filings, furnishing information required in connection therewith and seeking timely to obtain any such actions, consents, approvals or waivers.

(b) All of the Parties shall use their commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary under any Law to obtain any necessary regulatory approval, as applicable, and to consummate and make effective the transactions contemplated by this Agreement (and to reasonably cooperate with each other in so doing), including furnishing all information required by applicable Law in connection with approvals of or filings with any Governmental Body. In the event that any Order is sought to be imposed that would prevent, delay or make unlawful the consummation of the transactions contemplated this Agreement, the Parties will use

commercially reasonable efforts to contest and resist any action seeking to have imposed any such Order and take promptly any and all steps (including the appeal thereof or the taking of the steps set forth in this paragraph but not the posting of a bond) reasonable and necessary to vacate, modify or suspend any such Order so as to permit such consummation as promptly as practicable after the date hereof.

8.6 Non-Competition; Non-Solicitation; Confidentiality.

(a) If the Bankruptcy Court approves the Sale Motion and the transactions contemplated by this Agreement are consummated, then for a period from the Closing Date until the fifth (5th) anniversary of the Closing Date (and except solely as may be permitted hereunder), Sellers shall not directly or indirectly, own, manage, operate, control or participate in the ownership, management, operation or control of any business, whether in corporate, proprietorship or partnership form or otherwise, that is engaged in or competes with Sellers' Business as of the date hereof and during the preceding twelve (12) months or that is engaged in any business that is competitive with the business conducted by Buyer and/or its Affiliates as of the Closing Date (or is proposed to be conducted by the Buyer after the Closing Date utilizing the Purchased Assets) anywhere in the world (a "Restricted Business"). Sellers specifically acknowledge and agree that the remedy at law for any breach of the foregoing will be inadequate and that Buyer, in addition to any other relief available to it, shall be entitled to temporary and permanent injunctive relief without the necessity of proving actual damage or posting any bond whatsoever.

(b) If the Bankruptcy Court approves the Sale Motion and the transactions contemplated by this Agreement are consummated, then for a period from the Closing Date to the fifth (5th) anniversary of the Closing Date, Sellers shall not: (i) cause, solicit, induce or encourage any employees of Buyer or its Affiliates (including any employees of Sellers who become employees of Buyer or its Affiliates) to leave such employment or hire, employ or otherwise engage any such individual; or (ii) cause, induce or encourage any actual or prospective client, customer, supplier, or licensor of Buyer or its Affiliates (including any existing or former customer of Sellers that becomes a client or customer of Buyer after the Closing) or any other Person who has a business relationship with Buyer or its Affiliates to terminate or modify any such actual or prospective relationship.

(c) From and after the date hereof, Sellers shall not and shall use commercially reasonable efforts to cause their respective officers, directors, managers, and employees not to, directly or indirectly, disclose, reveal, divulge or communicate to any Person other than authorized officers, directors and employees of Buyer or use or otherwise exploit for their own benefit or for the benefit of anyone other than Buyer, any Confidential Information (as defined below). Sellers and their officers, directors, and managers shall not have any obligation to keep confidential any Confidential Information if and to the extent disclosure thereof is specifically required by Law; provided, however, that in the event disclosure is required by applicable Law, Sellers shall, to the extent reasonably possible, provide Buyer with prompt notice of such requirement prior to making any disclosure so that Buyer may seek an appropriate protective order. For purposes of this Section 8.6(c), "Confidential Information" shall mean any confidential or proprietary information with respect to the Purchased Assets and Assumed Liabilities including, to the extent applicable, methods of operation, technology, inventions, Patents, Trade Secrets, Copyrights, know-how, Software, or other specialized information or proprietary matters. "Confidential Information" does not include, and there shall be no obligation hereunder with respect to, information that (i) is generally available to the public on the date of this Agreement or (ii) becomes generally available to the public other than as a result of a disclosure not otherwise permissible thereunder. This Section 8.6 shall not in any way limit the disclosure of information (x) by Sellers in connection with the prosecution of the Bankruptcy Cases or (y) regarding Sellers to other parties potentially interested in pursuing an Alternative Transaction to the extent specifically permitted by this Agreement. Prior to the Closing Date and after any termination of this Agreement, the Confidentiality Agreement shall remain in full force and

effect. After the Closing has occurred, the Confidentiality Agreement shall be terminated to the extent relating to the Purchased Assets and Assumed Liabilities and shall, with respect to any of the Excluded Assets and Excluded Liabilities, remain in full force and effect.

(d) The covenants and undertakings contained in this Section 8.6 relate to matters which are of a special, unique and extraordinary character and a violation of any of the terms of this Section 8.6 will cause irreparable injury to the parties, the amount of which will be impossible to estimate or determine and which cannot be adequately compensated. Therefore, Buyer will be entitled to an injunction, restraining order or other equitable relief from any court of competent jurisdiction in the event of any breach of this Section 8.6. The rights and remedies provided by this Section 8.6 are cumulative and in addition to any other rights and remedies which Buyer may have hereunder or at law or in equity. In the event that Buyer were to seek damages for any breach of this Section 8.6, the portion of the Purchase Price which is allocated by the Sellers and Buyer to the foregoing covenant shall not be considered a measure of or limit on such damages.

(e) The Sellers and Buyer agree that, if any court of competent jurisdiction in a final nonappealable judgment determines that a specified time period, a specified geographical area, a specified business limitation or any other relevant feature of this Section 8.6 is unreasonable, arbitrary or against public policy, then a lesser time period, geographical area, business limitation or other relevant feature which is determined to be reasonable, not arbitrary and not against public policy may be enforced against the applicable Party.

8.7 Preservation of Records. Sellers and Buyer agree that each of them shall preserve and keep the records held by it, Sellers' Affiliates or Buyer's Affiliates relating to the Purchased Assets and Assumed Liabilities for a period of one (1) year from the Closing Date, or such longer period as may be required under applicable Laws, and shall make such records and personnel available to the other (including through providing remote access to the appropriate computer servers) as may be reasonably required by such party in connection with, among other things, any insurance claims by, legal proceedings (including without limitation the Bankruptcy Cases) against, or governmental investigations of, Sellers or Buyer or any of their current or future Affiliates, or in order to enable Sellers or Buyer to comply with their respective obligations (including any administrative obligations relating to the Bankruptcy Cases) under this Agreement and each other agreement, document or instrument contemplated hereby or thereby. In the event Sellers or Buyer wishes to destroy such records before or after that time, such party shall first give ninety (90) days prior written notice to the other and such other party shall have the right at its option and expense, upon prior written notice given to such party within such ninety (90) day period, to take possession of the records within one hundred and eighty (180) days after the date of such notice.

8.8 Publicity. No Party hereto shall issue any press release or public announcement concerning this Agreement or the transactions contemplated hereby without obtaining the prior written approval of the Sellers and Buyers, which approval will not be unreasonably withheld or delayed; provided, however, that Sellers or Buyer may make disclosures if in the sole judgment of Sellers or Buyer (as applicable), such disclosures are otherwise required by applicable Law or by the Bankruptcy Court with respect to filings to be made with the Bankruptcy Court in connection with this Agreement (provided that the Seller or Buyer intending to make such disclosure shall use its commercially reasonable efforts consistent with such applicable Law or Bankruptcy Court requirement to consult with the other Party with respect to the text thereof).

8.9 Financing Statement Releases. On or prior to the Closing, Seller shall have filed valid releases and/or termination statements for any and all financing statements and other recorded liens and security interests filed or recorded with any Governmental Body with respect to any Purchased Asset.

8.10 Sellers' Fiduciary Duties. Notwithstanding anything herein to the contrary, nothing in this Agreement shall require the Sellers, their Affiliates or their respective directors, officers, managers (in such person's capacity as a director or officer or manager) or agents or advisors to take any action, or to refrain from taking any action, to the extent that taking such action or refraining from taking such action would be reasonably likely to result in a breach of such person's fiduciary obligations under applicable law.

8.11 Release. Effective upon the Closing, each Seller, on its own behalf and on behalf of its Affiliates, successors, assigns and any other Person that may claim by, through or under any of them, hereby irrevocably and unconditionally releases and forever discharges the Buyer, the Claimant Parties and their respective Affiliates from any and all Claims, charges, complaints, causes of action, damages, agreements and Liabilities of any kind or nature whatsoever, whether known or unknown and whether at Law or in equity, arising from any conduct, circumstances or matter occurring on or prior to the Closing Date ("Released Claims"); provided, however that the Released Claims shall not include a release of a Party of its obligations under this Agreement or under any document delivered by such Party in connection with this Agreement.

ARTICLE IX EMPLOYEES AND EMPLOYEE BENEFITS

9.1 Responsibility for Sellers' Employees.

(a) Except as otherwise provided herein, at any time prior to or after the Closing, Buyer shall be permitted in its sole discretion (but shall not be required) to offer employment to and hire any current or former employees of Sellers, on such terms and conditions as Buyer shall determine in its sole discretion. Subject to applicable Laws, Buyer shall have the right to dismiss any or all such employees at any time, with or without cause, and to change the terms and conditions of their employment (including compensation and employee benefits provided to them). Nothing herein shall be construed as an offer of employment on other than an employee-at-will basis.

(b) Sellers shall be solely responsible for, and Buyer shall have no obligations whatsoever for, any compensation or other amounts payable to any current or former employees, officers, directors, independent contractors or consultants of the Business, including without limitation hourly pay, commission, bonus, salary, accrued vacation, fringe, pension or profit sharing benefits or severance pay for any period relating to their service with Sellers at any time on, prior to or after the Closing Date. Sellers shall remain solely responsible for the satisfaction of all claims for medical, dental, life insurance, health accident or disability benefits brought by or in respect of current or former employees, officers, directors, independent contractors or consultants of the Business or the spouses, dependents or beneficiaries thereof, which claims relate to their service with Sellers at any time on, prior to or after the Closing Date. Sellers also shall remain solely responsible for all worker's compensation claims of any current or former employees, officers, directors, independent contractors or consultants of the Business which relate to their service with Sellers at any time on, prior to or after the Closing Date. Sellers shall pay, or cause to be paid, all such amounts to the appropriate persons as and when due.

ARTICLE X CONDITIONS TO CLOSING

10.1 Conditions Precedent to Obligations of Buyer. The obligation of Buyer to consummate the transactions contemplated by this Agreement is subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived by Buyer in whole or in part to the extent permitted by applicable Law):

(a) The representations and warranties of Sellers and MHI set forth in this Agreement shall be true and correct as of the date of this Agreement and as of the Closing as though made at and as of the Closing (except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall be true and correct on and as of such earlier date), and Buyer shall have received one or more certificates signed by an authorized officer of Sellers and MHI (in form and substance reasonably satisfactory to Buyer), dated the Closing Date, to such effect;

(b) Each Seller and MHI shall have performed and complied in all material respects with all obligations and agreements required in this Agreement to be performed or complied with by it prior to the Closing Date, and Buyer shall have received one or more certificates signed by an authorized officer of Sellers and MHI (in form and substance reasonably satisfactory to Buyer), dated the Closing Date, to such effect and copies of such authorizing resolutions and other documents evidencing the performance thereof as Buyer may reasonably request;

(c) There shall not have been or occurred any event, change, occurrence or circumstance individually or in the aggregate that has had or which could reasonably be expected to constitute a Material Adverse Event on Sellers since the date hereof, and Buyer shall have received one or more certificates signed by an authorized officer of Sellers (in form and substance reasonably satisfactory to Buyer), dated the Closing Date, to such effect;

(d) Sellers shall have obtained and delivered to Buyer all consents, waivers and approvals referred to in Section 5.3(b) hereof in a form satisfactory to Buyer;

(e) Buyer shall have received a duly executed Buyer Bill of Sale from Sellers;

(f) Buyer shall have received a duly executed Buyer Intellectual Property Assignment from Sellers and, as requested by Buyer, duly executed assignments of the registrations and applications for registration included in the Purchased Intellectual Property, in a form suitable for recording in the U.S. Patent and Trademark office and applicable foreign counterpart offices, and general assignments of all other Purchased Intellectual Property;

(g) Buyer shall have received duly executed affidavits of non-foreign status for Sellers that comply with Section 1445 of the Code;

(h) Buyer shall have received from Sellers clearance certificates or similar documents that may be required by any state or foreign Taxing Authority in order to relieve Buyer of any obligation to withhold any portion of the Purchase Price;

(i) Buyer shall have received a duly executed Transition Services Agreement from Sellers and IST and, in connection therewith, Sellers and IST shall have taken all necessary action to secure the right of Buyer, MII and Seamap to access and use the offices, facilities and structures of Sellers and/or IST located at 805 Harvey Road, Mineral Wells, Texas 76067 and 6100 Columbia Road, Mineral Wells, Texas 76067 on the terms and for the time period set forth in the Transition Services Agreement;

(j) Fred Woodland shall have executed and delivered the Woodland Employment Agreement to Buyer;

(k) Buyer shall have received such other good and sufficient instruments of transfer from Sellers as Buyer may request; and

(l) The conditions to the obligations of MII and Seemap to proceed to Closing under Section 10.4 hereof shall have been met or waived by MII.

10.2 Conditions Precedent to Obligations of Sellers. The obligations of Sellers to consummate the transactions contemplated by this Agreement are subject to the fulfillment, prior to or on the Closing Date, of each of the following conditions (any or all of which may be waived by Sellers in whole or in part to the extent permitted by applicable law):

(a) The representations and warranties of Buyer and each Claimant Party set forth in this Agreement shall be true and correct as of the date of this Agreement and as of the Closing as though made at and as of the Closing (except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall be true and correct on and as of such earlier date), and Sellers shall have received one or more certificates signed by an authorized officer of Buyer and each Claimant Party (in form and substance reasonably satisfactory to Sellers), dated the Closing Date, to such effect;

(b) Buyer and each Claimant Party shall have performed and complied in all material respects with all obligations and agreements required by this Agreement to be performed or complied with by it on or prior to the Closing Date, and Sellers shall have received one or more certificates signed by an authorized officer of Buyer and each Claimant Party (in form and substance reasonably satisfactory to Sellers), dated the Closing Date, to such effect and copies of such authorizing resolutions and other documents evidencing the performance thereof as Sellers may reasonably request;

(c) Sellers shall have received a duly executed Buyer Bill of Sale from Buyer;

(d) Sellers shall have received a duly executed Buyer Intellectual Property Assignment from Buyer;

(e) Sellers shall have received a duly executed Transition Services Agreement from Buyer, MII and Seemap;

(f) The Purchase Price shall be paid and/or delivered to Sellers pursuant to Sections 3.1 and 4.2 hereof; and

(g) Sellers shall have received the Tokio Marine Consent under Section 3.2 hereof.

10.3 Conditions Precedent to Obligations of Buyer and Sellers. The respective obligations of Buyer and Sellers to consummate the transactions contemplated by this Agreement are subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived by Buyer and Sellers in whole or in part to the extent permitted by applicable Law):

(a) no Legal Proceedings over which the Bankruptcy Court has jurisdiction under 28 U.S.C. § 157(b) and (c) shall have been instituted or threatened seeking to restrain or prohibit the consummation of the transactions contemplated hereby, and there shall not be in effect any Order by a Governmental Body of competent jurisdiction restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated hereby;

(b) the Bankruptcy Court shall have entered the Break-Up Fee Order;

(c) the Bankruptcy Court shall have entered a final, non-appealable Sale Order approving Buyer as the "Buyer" thereunder and any stay period applicable to the Sale Order shall have

expired or shall have been waived by the Bankruptcy Court;

(d) the Bankruptcy Court shall have entered a final, non-appealable Confirmation Order (which shall be in form and substance reasonably satisfactory to Buyer and Sellers) approving and confirming the Plan without reservation or condition (and the Plan, as so confirmed, shall be in form and substance reasonably satisfactory to Buyer and Sellers); and

(e) any Governmental Body whose consent is required for consummation of the transactions contemplated hereby shall have issued all consents required for the transactions contemplated hereby, without any unreasonable condition or limitation.

10.4 Conditions Precedent to Obligations of the Claimant Parties. The respective obligations of the Claimant Parties to consummate the transactions contemplated by this Agreement are subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived by Claimant Parties in whole or in part to the extent permitted by applicable Law):

(a) The representations and warranties of Sellers, Buyer and each other Claimant Party set forth in this Agreement shall be true and correct as of the date of this Agreement and as of the Closing as though made at and as of the Closing (except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall be true and correct on and as of such earlier date), and Claimant Parties shall have received one or more certificates signed by an authorized officer of Sellers, Buyer and each other Claimant Party (in form and substance reasonably satisfactory to Claimant Parties), dated the Closing Date, to such effect;

(b) Sellers, Buyer and each other Claimant Party shall have performed and complied in all material respects with all obligations and agreements required by this Agreement to be performed or complied with by it on or prior to the Closing Date, and Claimant Parties shall have received one or more certificates signed by an authorized officer of Sellers, Buyer and each other Claimant Party (in form and substance reasonably satisfactory to Claimant Parties), dated the Closing Date, to such effect and copies of such authorizing resolutions and other documents evidencing the performance thereof as Claimant Parties may reasonably request;

(c) no Legal Proceedings over which the Bankruptcy Court has jurisdiction under 28 U.S.C. § 157(b) and (c) shall have been instituted or threatened seeking to restrain or prohibit the consummation of the transactions contemplated hereby, and there shall not be in effect any Order by a Governmental Body of competent jurisdiction restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated hereby;

(d) the Bankruptcy Court shall have entered the Break-Up Fee Order;

(e) the Bankruptcy Court shall have entered a final, non-appealable Sale Order approving Buyer as the "Buyer" thereunder and any stay period applicable to the Sale Order shall have expired or shall have been waived by the Bankruptcy Court;

(f) the Bankruptcy Court shall have entered a final, non-appealable Confirmation Order; and

(g) any Governmental Body whose consent is required for consummation of the transactions contemplated hereby shall have issued all consents required for the transactions contemplated hereby, without any unreasonable condition or limitation.

10.5 Frustration of Closing Conditions. No Party may rely on the failure of any condition set forth in Section 10.1, 10.2, 10.3 or 10.4, as the case may be, if such failure was caused by such Party's failure to comply with any provision of this Agreement.

ARTICLE XI TAXES

11.1 Transfer Taxes.

(a) Sellers shall be responsible for any and all Liabilities for any sales or income tax levied by any Taxing Authority in connection with the transactions contemplated by this Agreement.

(b) Any and all use, stamp, documentary, filing, recording, transfer, real estate transfer, stock transfer, gross receipts, registration, duty, securities transactions or similar fees or taxes or governmental charges (together with any interest or penalty, addition to tax or additional amount imposed) as levied by any Taxing Authority in connection with the transactions contemplated by this Agreement (collectively, "Transfer Taxes") shall be paid by the Party liable for such Transfer Taxes under applicable Law (and if applicable Law does not impose such Transfer Taxes upon a specific Party, then one-half by Sellers and one-half by Buyer). Buyer will timely file or caused to be filed all necessary documents (including all Tax Returns) with respect to Transfer Taxes. The Sellers and Buyer will reasonably cooperate to minimize any such Transfer Taxes, including with respect to delivery location.

11.2 Apportionment of Taxes. In the case of any Tax period, with respect to any non-income Tax, that includes (but does not end on or before) the Closing Date (a "Straddle Period"), the portion of any such Taxes that are allocable to the Purchased Assets and Assumed Liabilities for the portion of the Straddle Period ending on the Closing Date (which shall be the responsibility of Sellers) shall be: (A) in the case of Taxes that are imposed on a periodic basis (and not based on invoices, receipts, sales or payments), deemed to be the amount of such Taxes for the entire period multiplied by a fraction the numerator of which is the number of calendar days in the Straddle Period ending on (and including) the Closing Date and the denominator of which is the number of calendar days in the entire Straddle Period, and (B) in the case of Taxes not described in (A) (such as Taxes that are imposed in connection with any sale or other transfer or assignment of property, or based on invoices, receipts or payments), deemed equal to the amount that would be payable if the taxable year or period ended and the books closed at the close of the Closing Date.

11.3 Purchase Price Allocation. Not later than sixty (60) days after the Closing Date, Buyer shall prepare and deliver to Sellers copies of Form 8594 and any required exhibits thereto (the "Asset Acquisition Statement") allocating the Purchase Price among the Purchased Assets in accordance with Section 1060 of the Code. Buyer shall prepare and deliver to Sellers from time to time revised copies of the Asset Acquisition Statement (the "Revised Statements") so as to report any matters on the Asset Acquisition Statement that need updating (including Purchase Price adjustments, if any). All income Tax Returns filed by Buyer and Sellers shall be prepared consistently with such Asset Acquisition Statement as revised by the Revised Statements. Notwithstanding the foregoing, if Buyer and Sellers are unable to agree on a mutually satisfactory Asset Acquisition Statement or Revised Statement, after using reasonable good faith efforts, each of Buyer and Sellers may allocate the Purchase Price or adjustment thereto in the manner each believes appropriate, provided such allocation is reasonable and in accordance with Code Section 1060 and the Treasury Regulations thereunder.

11.4 Cooperation on Tax Matters.

(a) Buyer and Sellers shall furnish or cause to be furnished to each other, as

promptly as practicable, such information and assistance relating to the Purchased Assets as is reasonably necessary for the preparation and filing of any Tax Return, claim for refund or other required or optional filings relating to Tax matters, for the preparation for any Tax audit, for the preparation for any Tax protest, for the prosecution or defense of any suit, or for other proceeding relating to Tax matters.

(b) Buyer shall be entitled to a copy of all accounting, business, financial and non-income Tax Returns that are in existence on the Closing Date and relate in any way to the Purchased Assets for a period of at least three (3) years from the Closing Date.

ARTICLE XII MISCELLANEOUS

12.1 Survival; Indemnification.

(a) The representations and warranties made by each Party contained in this Agreement shall end on the date that is six (6) months after the Closing Date; provided, however, that the representations and warranties in Section 5.7 shall survive the Closing for 30 days following the expiration of any statute of limitations applicable thereto or applicable to third party claims which may arise related to the subject matter thereof. The Parties' obligations under Section 2.2 hereof shall survive until all New WIP Contracts have been paid and all amounts payable to Sellers or their successor-in-interest in respect thereof have been paid. All other covenants and agreements of the Parties contained herein shall survive the Closing indefinitely or for the period explicitly specified therein. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching Party to the breaching Party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until finally resolved.

(b) Sellers shall, jointly and severally and upon receipt of written notice setting forth the basis for the same, indemnify and defend each of Buyer, the Claimant Parties, their Affiliates and their respective successors, assigns, shareholders, partners, members, managers, agents, representatives, officers, directors and employees (collectively, the "Buyer Indemnified Parties") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them reasonably promptly following receipt of such written notice for, any and all Liabilities incurred or sustained by, or imposed upon, the Indemnified Parties based upon, arising out of, with respect to or by reason of (i) any inaccuracy in or breach of any of the representations, warranties or covenants of Sellers contained in this Agreement or in any Seller Documents; or (ii) any Excluded Asset, any Excluded Liability, any Taxes resulting from or arising out of the conduct by Sellers of their Business (whether prior to, on or after the Closing Date), or any claim arising out of the conduct by Sellers of their Business or use of the Purchased Assets on or prior to the Closing Date.

(c) Buyer, MII and Seemap shall jointly and severally and upon receipt of written notice setting forth the basis for same, indemnify and defend each of the Sellers, their Affiliates, and their respective assigns, shareholders, partners, members, managers, agents, representatives, officers, directors and employees (collectively, the "Seller Indemnified Parties") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them reasonably promptly following receipt of such written notice for, any and all Liabilities incurred or sustained by, or imposed upon, the Seller Indemnified Parties based upon, arising out of, with respect to or by reason of (i) any inaccuracy in the representations of Buyer, MII and/or Seemap, as applicable, contained in this Agreement, the Buyer Documents or in any certificate or instrument delivered by or on behalf of Buyer, MII and/or Seemap pursuant to this Agreement, or (ii) the Purchased Assets, the Assumed Liabilities, any Taxes resulting from or arising out of the conduct by Buyer of the Business (whether on or after the Closing Date), or any

claim arising out of the conduct by Buyer of the Business or the use of the Purchased Assets on or after the Closing Date.

12.2 Expenses. Except as otherwise provided in this Agreement, each Party hereto shall bear its own expenses incurred in connection with the negotiation and execution of this Agreement and each other agreement, document and instrument contemplated by this Agreement and the consummation of the transactions contemplated hereby and thereby, including their Transaction Expenses.

12.3 Specific Performance. The Parties hereto acknowledge and agree that the breach of this Agreement by any Party would cause irreparable damage to the other Parties, and that the other Parties will not have an adequate remedy at law. Therefore, the obligations of the Parties under this Agreement (including without limitation Sellers' obligation to sell the Purchased Assets to Buyer) shall be enforceable by a decree of specific performance issued by the Bankruptcy Court, and appropriate injunctive relief may be applied for and granted in connection therewith.

12.4 Submission to Jurisdiction; Consent to Service of Process.

(a) The Parties hereto hereby irrevocably submit to the exclusive jurisdiction of the Bankruptcy Court over any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby and each Party hereby irrevocably agrees that all claims in respect of such dispute or any suit, action proceeding related thereto may be heard and determined in the Bankruptcy Court; provided, however, that in the event the Bankruptcy Court abstains from exercising or declines to exercise jurisdiction with respect to any matter provided for in this sentence or is without jurisdiction, such abstention, refusal or lack of jurisdiction shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction of any other state or federal court in Ft. Worth, Texas having competent jurisdiction with respect to any such matter. The Parties hereby irrevocably waive, to the fullest extent permitted by applicable Law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the Parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law.

(b) Each of the Parties hereto hereby consents to process being served by any Party to this Agreement in any suit, action or proceeding by the mailing of a copy thereof in accordance with the provisions of Section 13.7.

12.5 Waiver of Right to Trial by Jury. Each Party to this Agreement waives any right to trial by jury in any action, matter or proceeding regarding this Agreement or any provision hereof.

12.6 Entire Agreement; Amendments and Waivers. This Agreement (including the schedules and exhibits hereto) and the Confidentiality Agreement represent the entire understanding and agreement between the Parties hereto with respect to the subject matter hereof. This Agreement can be amended, supplemented or changed, and any provision hereof can be waived, only by written instrument making specific reference to this Agreement signed by the Party against whom enforcement of any such amendment, supplement, modification or waiver is sought. No action taken pursuant to this Agreement, including without limitation, any investigation by or on behalf of any Party, shall be deemed to constitute a waiver by the Party taking such action of compliance with any representation, warranty, covenant or agreement contained herein. The waiver by any Party hereto of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any Party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise

thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by Law.

12.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas applicable to contracts made and performed in such State.

12.8 Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed given (i) when delivered personally by hand (with written confirmation of receipt), (ii) when sent by facsimile (with written confirmation of transmission) or (iii) one Business Day following the day sent by overnight courier (with written confirmation of receipt), in each case at the following addresses and facsimile numbers (or to such other address or facsimile number as a Party may have specified by notice given to the other Party pursuant to this provision):

If to Sellers, to:

Hydroscience Technologies, Inc.
c/o Jeff Prostok
Forshey Prostok, LLP
777 Main Street, Suite 1290
Fort Worth, Texas 76102
Facsimile: 817-877-4151
jprostok@forsheyprostok.com

Solid Seismic, LLC
c/o Jeff Prostok
Forshey Prostok, LLP
777 Main Street, Suite 1290
Fort Worth, Texas 76102
Facsimile: 817-877-4151
jprostok@forsheyprostok.com

If to Buyer, MII and/or Seamap, to:

Mitcham Industries, Inc.
8141 SH Highway 75 South
P.O. Box 1175
Huntsville, TX 77340
Facsimile: 936-295-0382
Attention: Robert P. Capps, Co-Chief Executive Officer

With a copy to (which copy alone shall not constitute notice):

Munch Hardt Kopf & Harr, P.C.
500 N. Akard Street, Suite 3800
Dallas, TX 75201
Facsimile: 214-855-7584
Attention: Joseph J. Wielebinski

If to MHI, to:

Mitsubishi Heavy Industries, Ltd.

16-1, 6-Chome, Hikoshima-Enoura-Cho
Shimonoseki 750-8505 Japan
Facsimile: +81-83-266-1810
Attention: Kazuma Nakamizo, Manager, Shimonoseki Procurement Group, Procurement Center
Shipbuilding & Ocean Development Division, Industry & Infrastructure

With a copy to (which copy alone shall not constitute notice):

Mitsubishi Heavy Industries America, Inc.
20 East Greenway Plaza, Suite 830
Houston, TX 77046
Facsimile: (346) 308-8787
Attention: Tadaaki Matsunaga, Corporate Secretary & General Counsel

and

Thompson & Knight LLP
1722 Routh Street, Suite 1500
Dallas, Texas 75201
Facsimile: (214) 880-3379
Attention: Jeremiah M. Mayfield

12.9 Severability. If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any law or public policy, all other terms or provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

12.10 Binding Effect Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Nothing in this Agreement shall create or be deemed to create any third party beneficiary rights in any person or entity not a Party to this Agreement except as provided below. No assignment of this Agreement or of any rights or obligations hereunder may be made by any Party hereto (by operation of law or otherwise) without the prior written consent of the Sellers and Buyer and any attempted assignment without the required consents shall be void; provided, however, that Buyer may assign this Agreement and any or all rights or obligations hereunder (including, without limitation, Buyer's rights to purchase the Purchased Assets and assume the Assumed Liabilities hereunder) to any Affiliate of Buyer. Upon any such permitted assignment, the references in this Agreement to Buyer shall also apply to any such assignee unless the context otherwise requires.

12.11 Non-Recourse. No past, present or future director, officer, employee, incorporator, member, manager, partner, equity holder, Affiliate, agent, attorney or representative of Buyer or their Affiliates shall have any liability for any obligations or liabilities of Buyer under this Agreement or the Buyer Documents of or for any claim based on, in respect of, or by reason of, the transactions contemplated hereby and thereby.

12.12 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together,

will be deemed to constitute one and the same agreement.

(signatures on following page)

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first written above.

HYDROSCIENCE TECHNOLOGIES, INC.

By: Fred Woodland
Name: Fred Woodland
Title: President

SOLID SEISMIC, LLC

By: Fred Woodland
Name: Fred Woodland
Title: Manager

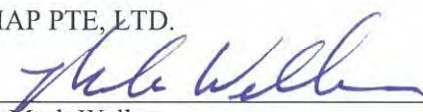
SEAMAP USA, LLC

By: [Signature]
Name: _____
Title: _____

MITCHAM INDUSTRIES, INC.

By: [Signature]
Name: Rob Capps
Title: Chief Executive Officer


SEAMAP PTE, LTD.

By: 

Name: Mark Welker

Title: Managing Director

MITSUBISHI HEAVY INDUSTRIES, LTD.

By: 

Name: Tohru Kitamura

Title: General Manager, Shipbuilding & Ocean
Development Division, Industry & Infrastructure,
Head of Shimonoseki Shipyard & Machinery
Works

Schedule 2.1(a)(i)**Solid Seismic, LLC Patents and Patent Applications**

Title	Country	Application Number	Date Filed/Granted	Patent Number	Status
Solid streamer longitudinal body apparatus and method of use thereof	United States	US 14/066,422 (2015/0117146)	10/29/2013		Abandoned
Towed sensor array surface structure apparatus and method of use thereof	United States	US/13/915,440 (2014/0362660)	6/11/2013		Abandoned
Method and apparatus for a flexible syntactic elastomer based solid seismic streamer to use in marine seismic surveys	United States	PCT/US2011/067577 (WO 2012/092368)	12/28/2011		Withdrawn
Passive noise cancelling piezoelectric sensor apparatus and method of use thereof	United States	PCT/US2011/067587 (WO 2012/092372)	12/28/2011		Withdrawn
Bandwidth enhancing liquid coupled piezoelectric sensor apparatus and method of use thereof	United States	13/295,356	02/09/2016	9256001	Patented
Flexible microsphere coated piezoelectric acoustic sensor apparatus and method of use therefor	United States	13/295,380	04/15/2014	8695431	Patented
Combination motion and acoustic piezoelectric sensor apparatus and method of use therefor	United States	13/295,402	12/08/2015	9207341	Patented
Solid streamer connector apparatus and method of use thereof	United States	13/855,129	11/29/2016	9507041	Patented
Passive Noise Cancelling Piezoelectric Sensor Apparatus and Method of Use Thereof	United States	13/337091			Abandoned
Combination Motion and Acoustic Piezoelectric Sensor Apparatus and Method of Use Therefor	United States	14/961045			
Method and Apparatus for a Flexible Syntactic Elastomer	Norway	20131048			Renewal requested to CPA
Passive Noise Cancelling Piezoelectric Sensor	Norway	20131049			Renewal requested to CPA
Method and Apparatus for a Flexible Syntactic Elastomer Based Solid Seismic Streamer to use in Marine Seismic Surveys.	Mexico	MX/a/2013/007627	10/05/2015	333778	Patented Case
Passive Noise Cancelling Piezoelectric Sensor Apparatus and Method of Use Thereof	Mexico	MX/a/2013/007629			Abandoned

Hvdrosceince Technologies. Inc. Trademarks

Mark	Country	Serial #	Registration Number	PTO Status	Live / Dead	Goods & Services
SEAMUX	United States	77/128,319	3,343,342	Section 8 & 15 - Accepted and Acknowledged	Live	009 - Digitizing Modules used for marine seismic exploration
SEATRAK	United States	77/266,505	3,426,243	Section 8 & 15 - Accepted and Acknowledged	Live	009 - A 12-Channel, 24 Bit analog to digital digitizer

Schedule 2.1(a)(ii) Software

1. NTRS2 source code (all versions)
2. PC based seismic acquisition recorder supporting retrieval of GPS data via the seismic telemetry link and for HR3D systems and for multi-streamer applications.
3. Dual & Quad Array/ Streamer Interface Card source code for single and multi-streamer applications.
4. Tail_Comm Interface Card source code for sorting GPS data from each tail streamer GPS and transmitting to SeaMAP controller.
5. SeaMUX Legacy, SeaTRAK legacy, SeaMUX2, SeaTRAK2, SeaMUX3, SeaTRAK3, SeaMUX & SeaTRAK Power Modules with Tail GPS retrieval, SeaMUX & SeaTRAK Tension Modules with source code firmware for each. Fiber Optics firmware source codes for wet and dry optical packages. Compatible with SeaMUX Legacy, SeaTRAK legacy, SeaMUX2, SeaTRAK2, SeaMUX3, SeaTRAK3 systems. HR3D node firmware source code for HR3D application. Only compatible with SeaMUX3 systems.
6. Hydra Windows 98 Software; Operates-----Military CMUX distributed electronics ASW array & SAI (Streamer Array Interface).
7. Hydra XP LIC Software; Operates/Interfaces-----Military CMUX distributed ASW interface to General Dynamics Data Processing.
8. Firmware source code for all modular elements of the Hydra Array. CRU, NCU, LF DAU, HF DAU, SCM and all optical interfaces.
9. Proprietary developed Telemetry Communications scheme that is expandable.
10. All development and test software including, but not limited to quality control software and manufacturing test software.
11. All third party software licenses for engineering and development tools.

Schedule 2.1(a)(iii) Copyrights

Seller has not formally registered, but claims all rights to following authored documents, publications, and trade/product and product family names:

HTI, Solid Seismic, SeaMAP, SeaMUX Legacy, SeaTRAK legacy, SeaMUX2, SeaTRAK2, SeaMUX3, SeaTRAK3, SeaMUX (Trademarked) and SeaTRAK (Trademarked), SeaBAM, New Technology Recording System, NTRS Recording System, and NTRS2 Recording System, NTRS3C Recording System, SSCT Digital Arrays, SeaMUX3 24 Channel Tension Cell 24bit Digitizing Module and all other products sold using combinations of the above names.

All content, past and present, published on www.seamux.com

All content on past and present sales and trade show brochures

Schedule 2.1(a)(iv)

Trade Secrets (Product Designs and Processes)

- NTRS2 source code--- XP & Windows 7 operating systems that supports expansion to ____ number of streamers. PC based seismic acquisition recorder. Supports retrieval of GPS data via the seismic telemetry link.
- Dual & Quad Array/ Streamer Interface Card source code.
- Tail_Comm Interface Card source code-----sorts GPS data from each tail streamer GPS & sends to SeaMAP controller.
- Proprietary developed Telemetry Communications scheme that is expandable.
- Proprietary 56 contact connector designs.
- SeaMUX Legacy, SeaTRAK legacy, SeaMUX2, SeaTRAK2, SeaMUX3, SeaTRAK3, SeaMUX & SeaTRAK Power Modules with Tail GPS retrieval, SeaMUX & SeaTRAK Tension Modules -----source code firmware for all.
- HR3D Node Modules-----Allows multi streamer systems operation utilizing 2 lead ins. Allows system flexibility & expandability.
- Fiber Optics Telemetry System-----Wet & Dry optics communications.
- Required for long lead in communications for multistreamer 3D systems.
- Gel Cable-----process and material trade secrets
- Solid Cable-----process and material trade secrets
- PVDF Hydrophones-----process and material trade secrets
- Lead-ins, deck leads, stretch cables, STIC cables -----process and material trade secrets
- Production tooling designs

Schedule 2.1(b)

Equipment and Hardware

1. All assets identified as "Purchased Assets" on the attachment to Schedule 2.1(b)
2. All HTI inventory (other than chemicals)
3. All SS inventory (other than chemicals)

Schedule 2.1(b) Addendum

Machinery and Equipment

Description	Debtor	Location	Asset Tag	Purchased Assets	Excluded Assets
Western Gallery - Bar Table - RH	HTI	MW			x
Western Gallery - Bar Stools - RH	HTI	MW			x
Uline - Legal Size Filing Cabinet - Mikes Office	HTI	MW	85	x	
Uline - Legal Size Filing Cabinet - Quality Room	HTI	MW	84	x	
Uline - 4 Drawer Lateral File - Benny's Office	HTI	MW	83	x	
Air Conditioner for Training Room - DB CC - SN 900068	HTI	MW	79		x
Staples - 4 Drawer Lateral File - Shipping Dept	HTI	MW	86	x	
Western Gallery - 2 Benches - RH	HTI	MW			x
Lateral File - Staples - Quade Office #1	HTI	MW	92	x	
Lateral File - Staples - Quade Office #2	HTI	MW	93	x	
Western Gallery - Table - RH	HTI	MW			x
Rustic Furniture 2 mirrors & chest - RH	HTI	MW			x
Ricoh - HP DesignJet 111 Wide Format Printer w/ support	HTI	MW	17		x
Digi-Key - Steel Computer Rack - Field Service	HTI	MW	112	x	
Blue Sky Safes - Fireproof Cabinets (2)	HTI	MW	22, 23	x	
One Way Furniture - (Pool Table?) - RH	HTI	MW			x
Forklift	HTI	Mexico			x
Tensioning Rack - Nathan Buschow	HTI	MW	32	x	
Wesley International - Single Fork Pallet Truck 6" X 38"	HTI	MW	6	x	
Mower from Lowe's	HTI	MW	35		x
Compass Bird Model 5011 - FS Area SN 30954	HTI	MW	68	x	
2 Channel PCS Bird Controller - FS Rack	HTI	MW	67	x	
56 Contacts Pin Mold	HTI	Tx Geo	AT VENDOR	x	
56 Contacts Socket Mold	HTI	Tx Geo	AT VENDOR	x	
Caseman Aluminum Shock Mount Case #2 - in MW	HTI	Customer	At Customer	x	
Ultrasonic Parts Cleaner	HTI	Mexico	47	x	
Platinous Temperture Chamber - Espec North America	HTI	Mexico	25	x	
GNG Work PlugL - PMC Mercury #331218-2MN	HTI	MW	134	x	
Ring Gage 1.125" -28 2A Ring G-N-G - PMC Mercury #112528-1F	HTI	MW	122	x	

Schedule 2.1(b) Addendum**Machinery and Equipment**

Description	Debtor	Location	Asset Tag	Purchased Assets	Excluded Assets
Big Czech Machine - Weaving Fixture - Prod A	HTI	MW	114	x	
OM2040-V15 Dual Power Boom Microscope - Microscope.com	HTI	MW	Not assigned	x	
60MHZ O-Scope - Newark	HTI	MW	49	x	
MSC Industrial - Caliper Gage - Internal Dial Gauge 2.4 to 3.2	HTI	MW	118	x	
Height Gage24" max .1 Grad - MSC Industrial	HTI	MW	14	x	
Reeves & Associates - Go/NoGo chrome plated #131216-1F	HTI	MW	124	x	
Mouser Electronics - Micro Mate N Lok Hand Tool	HTI	MW	113	x	
PMC Mercury - Go/NoGo Set - #281218-2F (Etched Tag)	HTI	MW	131	x	
GNG Set Plug w/ 2 HandlesL - PMC Mercury #331218-2MG	HTI	MW	133	x	
T Equipment.net - Megger Isolation Tester - MIT420-EN #1	HTI	MW	8	x	
T Equipment.net - Megger Isolation Tester - MIT420-EN #2	HTI	MW	10	x	
PMC Gage - Class 2 Ring Go/NoGo Set #218716-2F	HTI	MW	128	x	
PMC Gage - Go/NoGo gage set # 218716-1F	HTI	MW	127	x	
Digital Force Indicator - Cooper Instruments	HTI	MW	117	x	
UN-2A Go/NG Thread Ring Cages - Gaging.com #262518-1F	HTI	MW	129	x	
Filament case for Makerbot 3D printer	HTI	MW	Not assigned	x	
Reeves & Associates - Go/NoGo chrome plated #112528-2F	HTI	MW	123	x	
Production Automation - Weller WHA300 Hot Air Rework	HTI	MW	89	x	
Bruel & Kjaer Calibration Exciter Model 4294 - Prod B	HTI	MW	81	x	
1.875-18P 2A GO/NO GO Ring Set - Reeves and Associates	HTI	MW	125	x	
1.875-18P 2A GO/NO GO Ring Set - Reeves and Associates	HTI	MW	126	x	
UN GNG RingL - PMC Mercury #281218-1F	HTI	MW	130	x	
Lever Chain Hoist - McMaster Carr	HTI	MW	33	x	
Micro Drill Press Model 164B - Cameron Micro Drill Presses	HTI	MW	MX - HTI090 1/31/09	x	
Topaz Ultra Isolation Transformer - Surplus Sales - FMV area	HTI	MW	99	x	
Ultra Isolation Transformer - Surplus Sales.com #1	HTI	MW	16	x	
Ultra Isolation Transformer - Surplus Sales.com #2	HTI	MW	9	x	
Intel Pentium Replacement Computer 1	HTI	MW	See IT Dept	x	
Intel Pentium Replacement Computer 10	HTI	MW	See IT Dept	x	

Schedule 2.1(b) Addendum

Machinery and Equipment

Description	Debtor	Location	Asset Tag	Purchased Assets	Excluded Assets
Intel Pentium Replacement Computer 2	HTI	MW	See IT Dept	x	
Intel Pentium Replacement Computer 3	HTI	MW	See IT Dept	x	
Intel Pentium Replacement Computer 4	HTI	MW	See IT Dept	x	
Intel Pentium Replacement Computer 5	HTI	MW	See IT Dept	x	
Intel Pentium Replacement Computer 6	HTI	MW	See IT Dept	x	
Intel Pentium Replacement Computer 7	HTI	MW	See IT Dept	x	
Intel Pentium Replacement Computer 8	HTI	MW	See IT Dept	x	
Intel Pentium Replacement Computer 9	HTI	MW	See IT Dept	x	
Ballasting Tank - Company Built - IS - 12/31/13	HTI	MW	Not yet assigned	x	
Motion Industries - Tension Table Rams - 60" #1	HTI	MW	110	x	
Motion Industries - Tension Table Rams - 60" #2	HTI	MW	111	x	
Reeves & Associates - 2 3/8-12 UN2A Go/NoGo Rings PO 5802	HTI	MW	AT VENDOR	x	
Micro Drill Press Model 164A - Cameron Micro Drill Presses	HTI	MW	7	x	
Ring Gage 3.312-18P Go/No Go - Reeves and Associates	HTI	MW	Not assigned	x	
T Equipment.net - Digital Oscilloscope - TDS2002C	HTI	MW	27	x	
Tension Load Cell 5000LB - Dillon Quality Plus	HTI	MW	41	x	
Tensitron - Cable tension meter po 135 bldg C	HTI	MW	108	x	
Surface Plate and Stand - MSC Industrial	HTI	MW	15	x	
Tensitron - Cable Tension Meter	HTI	MW	109	x	
MBT 350 System A05 - Production Automation Corp	HTI	MW	96	x	
Molex Tool for 2.75 Board - TTI, Inc.	HTI	MW	51	x	
Tension Load Cell 10000LB - Dillon Quality Plus	HTI	MW	40	x	
Viking Pump Relief Valve - DXP Enterprises, Inc. - Prod C	HTI	MW	104	x	
Dillion Force Indicator - Lasbasculas.com	HTI	MW	42	x	
Dillion Force Indicator - Lasbasculas.com	HTI	MW	MX - HT1066 5/14/08	x	
Pace Solder Sucker - Production Automation Co.	HTI	MW	43	x	
Production Automation - Pace MBT350 Solder Sucker	HTI	MW	87	x	
Motor for VC100 Vacuum Pump - Republic Sales	HTI	MW	52	x	
Dillon 10,000# Tension Load Cell - Dynamic Measurement Systems	HTI	MW	Not assigned	x	

Schedule 2.1(b) Addendum

Machinery and Equipment

Description	Debtor	Location	Asset Tag	Purchased Assets	Excluded Assets
QC Tool System 32 Series - Lillbacka PowerCo	HTI	MW	54	x	
QC Tool System 32 Series - Lillbacka PowerCo	HTI	MW	MX - HTI049-50 5/14/2008	x	
QC Tool System 32 Series - Lillbacka PowerCo	HTI	MW	MX - HTI049-50 5/14/2008	x	
Air Compressor - Grainger.com	HTI	MW	31	x	
Pancake Load Cell 30K LB & Assy - Cooper Inst	HTI	MW	48	x	
PMC Mercury - Go/NoGo Third Ring - #281218-4F (Etched Tag)	HTI	MW	132	x	
Electronic Pallet Truck Scale - Northern Tool and Equipment Co.	HTI	MW	46	x	
Transformer Line Noise Isolation Unit - Surplus Sales (2) Prod A	HTI	MW	97, 98	x	
100MHZ 4 CH Dig O-Scope - Newark	HTI	MW	Missing/Engineering??	x	
Sensitivity Box - Company made	HTI	MW	107	x	
Megommeter 1050 - Tequipment.net - Prod A Assembly	HTI	MW	82	x	
ABMX Servers 2U Rack Mounted Low Profile CPU	HTI	MW	Not assigned	x	
Horizon Expansion Box & Adapter - Quadtech (for cable tester Oct 08)	HTI	MW	50	x	
Republic Sales - Welch Pump 1402B-01 #1	HTI	MW	105	x	
Republic Sales - Welch Pump 1402B-01 #2	HTI	MW	106	x	
Cage Fence with gates installed - Bldg B	HTI	MW	Not assigned		x
Ash Industries Pre Mold Connector PN 110.4314.NNJ Rev 2	HTI	MW	Not assigned	x	
Global Equipment Company - Elec Hang Scale w/ Remote	HTI	MW	101	x	
Meter-A-Register - Murray Equipment	HTI	MW	56	x	
Meter-A-Register - Murray Equipment	HTI	MW	MX - HTI064 7/15/08	x	
Meter-A-Register - Murray Equipment	HTI	MW	MX - HTI073 7/15/08	x	
Humboldt Materials Testing Eq - Pentrometer - in repair room	HTI	MW	90	x	
Vacuum Pump - Republic Sales	HTI	MW	53	x	
Republic Sales - Fill Tanks w/ pumptps and motors #1	HTI	MW	102	x	
Republic Sales - Fill Tanks w/ pumptps and motors #2	HTI	MW	103	x	
Environmental Chamber Rack w/ Trays - Bittner Precision Fabrication	HTI	MW	94	x	
Environmental Chamber Rack w/ Trays - Bittner Precision Fabrication	HTI	MW	95	x	
Bird Coil Tester - ION	HTI	MW	Not assigned	x	
JDR Cable System - Storage Reel po 43 outside bldg C	HTI	MW	100	x	

Schedule 2.1(b) Addendum

Machinery and Equipment

Description	Debtor	Location	Asset Tag	Purchased Assets	Excluded Assets
Oil Flooded Rotary Vane VA PU - Republic Sales	HTI	MW	44	x	
Oil Flooded Rotary Vane VA PU - Republic Sales	HTI	MW	45	x	
Oil Flooded Rotary Vane Vac 1	HTI	MW	MX - HTI061-62 5/14/2008	x	
Oil Flooded Rotary Vane Vac 2	HTI	MW	MX - HTI061-62 5/14/2008	x	
Krohn-Hite 4402B Oscillator Ultra Low Distortion (3) Mod Rm, 2 @ FS	HTI	MW	70115116	x	
Motion Industries - Hydro Power Unit	HTI	MW	69	x	
Ash Industries Pre Mold Connector PN 110.4310.NNJ Rev 4	HTI	MW	Not assigned	x	
Tension Module Test Frame - Mfg use from Inventory	HTI	MW	13	x	
Instruquest Inc. - HUMIPYC Model 2 Pycnometer	HTI	MW	65	x	
NTRS Beta Test Unit - Company made	HTI	MW	Not assigned	x	
Reel-o-matic Take up Machine #4 - in MW	HTI	MW	34	x	
Z18 3D Printer - Makerbot	HTI	MW	Not assigned	x	
QuadTech Testing Eq - Horizon 1500 Cable Tester	HTI	MW	MX - HTI033 5/14/2008	x	
MegaWavs - Bruel & Kjaer Vibration Exciter System Type 4802	HTI	MW	28	x	
Crimping Machine - Lillbacka Powerco #1	HTI	MW	57	x	
Dodson Amplifier 6KVA, 120VAC, 55 AMPS RMS Output	HTI	MW	Not assigned	x	
Low Production Crimping Machine - Lillbacka PowerCo	HTI	MW	55	x	
Low Production Crimping Machine - Lillbacka PowerCo	HTI	MW	MX - HTI051-52 5/14/2008	x	
Low Production Crimping Machine - Lillbacka PowerCo	HTI	MW	MX - HTI051-52 5/14/2008	x	
Agilent Pulse Pattern Generator - Newark - FS Area	HTI	MW	91	x	
Platinous Temperture Chamber - Espec North America	HTI	MW	26	x	
Laser Etching Machine - Engravers Network	HTI	MW	135	x	
Sealant Equipment - Gel Machine	HTI	MW	MX - HTI079 7/15/08	x	
13/16-18 Ring Gage Go/No Go w/ Cert - Ledford Gage PO 4888	HTI	Vendor	AT VENDOR	x	
Reeves & Associates - 2 3/16-18 UN2A Go/NoGo Rings PO 5802	HTI	Vendor	AT VENDOR	x	
Nettur Precision - Isoplast 2 Stressmember 63MM Spacer Mold	HTI	Vendor	AT VENDOR	x	
M2E Boot Tooling Mold - Geospectrum	HTI	Vendor	AT VENDOR	x	
Seacon Global - 37 Pin Connector 28-21 Style Mold	HTI	Vendor	AT VENDOR	x	
Seacon Global - 28-21 Style 37 Socket Connector Mold	HTI	Vendor	AT VENDOR	x	

Schedule 2.1(b) Addendum

Machinery and Equipment

Description	Debtor	Location	Asset Tag	Purchased Assets	Excluded Assets
Pin & Socket Mold	HTI	Vendor	AT VENDOR	x	
Pin & Socket Mold	HTI	Vendor	AT VENDOR	x	
Injection Mold Modify Revision F - Nettur Precision	HTI	Vendor	AT VENDOR	x	
Classic Tool & Mold - modify existing cavities	HTI	Vendor	AT VENDOR	x	
Classic Tool & Mold	HTI	Vendor	AT VENDOR	x	
Mfg Equip 2 mold sets 1825 each & Quadtech	HTI	Vendor	AT VENDOR	x	
For 2 Stressmember Spacer Mold Modification- Nettur Precision Tech	HTI	Vendor	AT VENDOR	x	
Dell 1800MP Projector for Training Room	HTI	MW	80		x
Ice Machine	HTI	MW	66		x
NEC DSX - 160 Phone System	HTI	MW	24		x
Toshiba Satellite Pro Laptop - SS#1071 - Trsf from Solid - Behrens	HTI	MW	143	x	
Battery Back up for server room	HTI	MW	Not assigned		x
Acer Veriton PC Office Depot for KB	HTI	MW	64	x	
Rosetta Stone software - Learn Spanish	HTI	MW	78		x
Acer Laptop, CDW Direct, Glenn Tilley	HTI	MW	63	x	
Toshiba Satellite Pro Laptop - SS3	HTI	MW	See IT Dept	x	
HP 550 - Core 2 Duo T5670 Laptop - Texedo Technologies	HTI	MW	See IT Dept	x	
Computer for Chuck Holt - Tiger Direct PO 7373	HTI	MW	Not assigned	x	
Computer for NTRS2 testing - Tiger Direct Supermicro used w/ Bird	HTI	MW	76	x	
HP Laptop for Tim - Tiger Direct Inc.	HTI	MW	See IT Dept	x	
Apple Store - 32GB Ipad - Michelle	HTI	MW	19	x	
Apple Store - 32GB Ipad - Ron	HTI	MW	11	x	
Eric Boyer expense report - Ipad and cover	HTI	MW	See IT Dept		x
Seagate Black Armor NAS 440 Serial ATA-300 Network Storage Mod Rm	HTI	MW	77	x	
Computers for OBR Creation - Interloper.com - Module Room	HTI	MW	71	x	
Computers for OBR Creation - Interloper.com - Repair	HTI	MW	72	x	
Computers for OBR Creation - Interloper.com - Repair	HTI	MW	73	x	
Computers for OBR Creation - Interloper.com- Snack Closet Wht Box	HTI	MW	74	x	
Computers for OBR Creation - Interloper.com- Snack Closet Wht Box	HTI	MW	75	x	

Schedule 2.1(b) Addendum**Machinery and Equipment**

Description	Debtor	Location	Asset Tag	Purchased Assets	Excluded Assets
Toshiba Direct Laptop - L750D-BT5N22 - Benny Cook	HTI	MW	58	x	
UPS 3000VA / 2400W Pure Wave Battery Backup #1	HTI	MW	Not assigned	x	
UPS 3000VA / 2400W Pure Wave Battery Backup #2	HTI	MW	Not assigned	x	
Adobe software and license	HTI	MW	See IT Dept		x
NEC 1091028 - NEC DSX VoIP Starter Package - Texedo Tech	HTI	MW	120	x	
Toshiba Laptop - ToshibaDirect.com for BQ	HTI	MW	60	x	
Surface 3 Tablet - Tiger Direct - Michelle McCarty	HTI	MW	Not assigned	x	
Toshiba Laptop - Toshiba Direct.com - Michelle	HTI	MW	20	x	
Super Micro Server 2U Rack	HTI	MW	Not assigned	x	
Texedo Tech Invoice 36732	HTI	MW	See IT Dept	x	
Advantech Computer Components CO Built George ENG - IS 12/31/13	HTI	MW	145	x	
Adobe CS6 Design Software - Adobe.com	HTI	MW	Not assigned	x	
Toshiba Direct Laptop - Robert Adams	HTI	MW	1	x	
Toshiba Direct Laptop - Mike Easley	HTI	MW	21	x	
Advantech Computer Components CO Built George ENG #2 - NIS	HTI	MW	144	x	
Dell PC for Chris Ellis	HTI	MW	See IT Dept	x	
Lenovo B470 Laptloop (Black) - Carlos and Hector	HTI	MW	121	x	
Extreme Internet - Intel Business Tower - Desktop Computer - James	HTI	MW	61	x	
Extreme Internet - Intel Business Tower - Desktop Computer - Sue	HTI	MW	62	x	
Printer - HP Design Jet 110Plus NR - Tiger Direct Inc.	HTI	MW	See IT Dept	x	
Super Micro Server 4U Rack for server room	HTI	MW	Not assigned	x	
Video Studio Premium with MSDN - R Allen - Software	HTI	MW	SOFTWARE - NO TAG	x	
Texedo Tech Computer inv# 2106	HTI	MW	See IT Dept	x	
Vostro 1720 Laptop, Case, etc - Dell Small Business	HTI	MW	See IT Dept	x	
Computer KB CC 8/09	HTI	MW	64	x	
Firewall Appliance - Untangle.com	HTI	MW	161	x	
Epson Plotter - Stylus Pro 7700 w/ Stand	HTI	MW	18	x	
Win Driver PCI Software	HTI	MW	Not assigned	x	
SolidWorks Simulation Premium Software - GoEngineer	HTI	MW	Not assigned	x	

Schedule 2.1(b) Addendum**Machinery and Equipment**

Description	Debtor	Location	Asset Tag	Purchased Assets	Excluded Assets
Global Shop Software	HTI	MW	SOFTWARE - NO TAG	x	
Utility Trailer - The Trailer Man	HTI	MW	Titled		x
Uline - yellow fire safe cabinet Yellow fire safe cabinet	SS	MW	1051	x	
Berry's Office Furniture, Inc. U-Shaped receptionist desk with pedestals and desk top	SS	MW	1069		x
Global Industrial 216 X 30 Workmaster Bench	SS	Mexico	1048, 1114, 1115	x	
Global Industrial 216 X 30 Workmaster Bench	SS	Mexico	1056, 1057, 1058	x	
Global Industrial 216 X 30 Workmaster Bench	SS	Mexico	1059, 1060, 1061	x	
Exactitude, LLC Bifurcating hydrophone fill molds	SS	Mexico	1116	x	
Exactitude, LLC Bifurcating hydrophone fill molds	SS	Mexico	1117	x	
Exactitude, LLC Bifurcating hydrophone fill molds	SS	Mexico	1118	x	
Richard Pearce B&K Analyzer 2032	SS	Mexico	1001	x	
Richard Pearce B&K 8105 Reference hydrophone	SS	Mexico	1002	x	
Richard Pearce B&K 2635 Charge Amp	SS	Mexico	1003	x	
Richard Pearce B&K 2635 Charge Amp	SS	Mexico	1004	x	
Richard Pearce B&K 4708 Power Amplifier	SS	Mexico	1006	x	
Richard Pearce B&K Plotter	SS	Mexico	1007	x	
Hydrophone Molds (3 each, old)	SS	Mexico		x	
Exactitude, LLC Teflon Coil Molds 7.51 x 3.26	SS	Mexico	1082	x	
Exactitude, LLC Teflon Coil Molds 7.51 x 3.26	SS	Mexico	1083	x	
Various Vendors Calibration Box - Company made	SS	Mexico	1010	x	
T Equipment.com Reflectometer - TDR 500/3	SS	Mexico	1124	x	
MHZ Electronics Reference Hydrophones - SN 1203576	SS	Mexico	1132	x	
Michael Engineering Pumpkin Adhesive Dispenser PK-071	SS	Mexico	1155	x	
Michael Engineering Pumpkin Adhesive Dispenser PK-072	SS	Mexico	1156	x	
Fluid Research Corporation Tritin Floor Mount Dispensing System	SS	MW	1041	x	
EBAY Pycnometer Test Equipment	SS	MW	1049	x	
Global Industrial 216 X 30 Workmaster Bench	SS	MW	1042, 1043, 1044	x	
Global Industrial 216 X 30 Workmaster Bench	SS	MW	1045, 1046, 1047	x	
Tractor Supply 80 gal air compressor w/4 yr svc plan	SS	MW		x	

Schedule 2.1(b) Addendum**Machinery and Equipment**

Description	Debtor	Location	Asset Tag	Purchased Assets	Excluded Assets
Richard Pearce cement mixer	SS	MW	1034	x	
Quantachrome Spheres for calibration of pycnometer	SS	MW	1120	x	
Various Vendors Mold Fixture - Custom Built	SS	MW	1033	x	
EBAY compressed air dryer part of molding equipment	SS	MW	1087	x	
Hawkeye Precision 1.500 x 6.000 78.000 Mold Halves, Inner shot molds and frames	SS	MW	1101	x	
Hawkeye Precision 1.500 x 6.000 78.000 Mold Halves, Inner shot molds and frames	SS	MW	1102	x	
Hawkeye Precision 1.500 x 6.000 78.000 Mold Halves, Inner shot molds and frames	SS	MW	1103	x	
Hawkeye Precision 1.500 x 6.000 78.000 Mold Halves, Inner shot molds and frames	SS	MW	1104	x	
Hawkeye Precision 1.500 x 6.000 78.000 Mold Halves, Inner shot molds and frames	SS	MW	1105	x	
Hawkeye Precision 1.500 x 6.000 78.000 Mold Halves, Inner shot molds and frames	SS	MW	1106	x	
Hawkeye Precision 1.500 x 6.000 78.000 Mold Halves, Inner shot molds and frames	SS	MW	1107	x	
Hawkeye Precision 1.500 x 6.000 78.000 Mold Halves, Inner shot molds and frames	SS	MW	1108	x	
Hawkeye Precision 1.500 x 6.000 78.000 Mold Halves, Inner shot molds and frames	SS	MW	1109	x	
Hawkeye Precision 1.500 x 6.000 78.000 Mold Halves, Inner shot molds and frames	SS	MW	1110	x	
Hawkeye Precision 1.500 x 6.000 78.000 Mold Halves, Inner shot molds and frames	SS	MW	1111	x	
Hawkeye Precision 1.500 x 6.000 78.000 Mold Halves, Inner shot molds and frames	SS	MW	1112	x	
Hawkeye Precision Hi Res Mold 1.5, 3.42m long, note 1.5" diam molding area	SS	MW	1088	x	
Exactitude, LLC PN SCM01-02 Rev0, Inner Connector Mold, Solid Cable - outer floatation	SS	MW	1015	x	
Exactitude, LLC PN SCM01-02 Rev0, Inner Connector Mold, Solid Cable - outer floatation	SS	MW	1016	x	
Exactitude, LLC PN SCM01-01 Rev0, Coil Mold, Solid Cable	SS	MW	1119	x	
Richard Pearce 12x36 Horizontal Metal Lathe	SS	MW	1038	x	
Richard Pearce Vertical Mill with Tooling	SS	MW	1039	x	
Richard Pearce Large Rolling Tool Box	SS	MW	1032	x	
Richard Pearce 48 ch DH mold	SS	MW	1064	x	
Richard Pearce B&K Accelerometer	SS	MW	1067	x	
Richard Pearce Endevco Tri axial accelerometer	SS	MW	1066	x	
Richard Pearce B&K Miniature accelerometer	SS	MW	1067	x	
Richard Pearce Flow noise test fixture	SS	MW	1086	x	
Richard Pearce Connector Fixture	SS	MW	1065	x	

Schedule 2.1(b) Addendum

Machinery and Equipment

Description	Debtor	Location	Asset Tag	Purchased Assets	Excluded Assets
Hydroscience Technologies, Inc. Quadtech Meridian Cable Tester	SS	MW	1008	x	
MSC Industrial Supply Diaphragm Barrel Pumps	SS	MW	1052	x	
MSC Industrial Supply Diaphragm Pumps	SS	MW	1053	x	
Bid on Equipment.com 70 Gallon Stainless Steel Batch Tank	SS	MW	1036	x	
Hydroscience Technologies, Inc. Horizon Test Cables	SS	MW	1009	x	
Hydroscience Technologies, Inc. Horizon Test Cables	SS	MW	1050	x	
Hawkeye Precision 3.047 Meter Mold	SS	MW	1089	x	
Pittsburgh Spray Equipment Gear Drive Unit for the Improvement of the Batch Tank - 8/1/1	SS	MW	1037	x	
Exactitude, LLC Centralizer Mold - Delrin Material - Centering Spacer	SS	MW	1019	x	
Exactitude, LLC Centralizer Mold - Delrin Material - Centering Spacer	SS	MW	1020	x	
Exactitude, LLC Centralizer Mold - HDPE Material - Centering Spacer	SS	MW	1021	x	
Exactitude, LLC Centralizer Mold - HDPE Material - Centering Spacer	SS	MW	1022	x	
Exactitude, LLC Centralizer Mold - HDPE Material - Centering Spacer	SS	MW	1023	x	
Exactitude, LLC Centralizer Mold - HDPE Material - Centering Spacer	SS	MW	1024	x	
Northern Tool Cement Mixer 6 cu ft.	SS	MW	1035	x	
Exactitude, LLC Short Spline w/ modification	SS	MW		x	
Fluid Research Corporation Z-2000G Zephyr Dispensing System	SS	MW	1031	x	
Southwest Quality Molding Hydrophone Mold - SCHYD02-02 Body w/shoulder	SS	MW		x	
Southwest Quality Molding Hydrophone Mold - SCHYD02-03 Shoulder, Diaphragm Securin	SS	MW		x	
McMaster Carr Slimline Durometer 1388T213	SS	MW	1080	x	
Exactitude, LLC HDPE Repair Molds w/ Alum base (2 halves) 5 phone repair	SS	MW	1027	x	
Exactitude, LLC HDPE Repair Molds w/ Alum base (2 halves) 5 phone repair	SS	MW	1028	x	
Exactitude, LLC HDPE Repair Molds w/ Alum base (2 halves) 5 phone repair	SS	MW	1029	x	
Exactitude, LLC HDPE Repair Molds w/ Alum base (2 halves) 5 phone repair	SS	MW	1030	x	
Fluid Research Corporation Control box unit for Triton machine w/ heated hoses	SS	MW	1054	x	
Various Vendors Pressure Tester for Solid Cable - company built - In Svc - 5/1/13	SS	MW	1113	x	
Modern Sales & Service 5 HP Air Compressor with Holding Tank	SS	MW	1055, 1062	x	
Exactitude, LLC Mold Bend Limiter, Core & Cavity - SCM03-01 & SCM03-02 (Spring Molds)	SS	MW	1025	x	
Exactitude, LLC Mold Bend Limiter, Core & Cavity - SCM03-01 & SCM03-02 (Spring Molds)	SS	MW	1026	x	

Schedule 2.1(b) Addendum**Machinery and Equipment**

Description	Debtor	Location	Asset Tag	Purchased Assets	Excluded Assets
Exactitude, LLC Mold Tri-Axial Protect PGS, Outer - 451-SCM04-01, 02	SS	MW	1068	x	
Exactitude, LLC Mold Bend Limiter Encapsulating, Core & Cavity - 451-SCM06-01, 02	SS	MW	1100	x	
Exactitude, LLC Mold Inner Connector, Cavity & Core - 451-SCM01-02, 03	SS	MW	1017	x	
Exactitude, LLC Mold Inner Connector, Cavity & Core - 451-SCM01-02, 03	SS	MW	1018	x	
Exactitude, LLC Mold Phone Group, Cavity & Core - 451-SCM10-01, 02 Centering	SS	MW	1063	x	
Exactitude, LLC Mold Tri-Axial, Inner, 451-SCM04-03, 04	SS	MW	1085	x	
Exactitude, LLC Mold Accelerometer Mount, Cavity & Core, 451-SCM04-05, 06	SS	MW	1081	x	
Exactitude, LLC Mold Individual Phone, Cavity & Core, 451-SCM04-07, 08	SS	MW	1084	x	
Exactitude, LLC Coil Mold, Cavity & Core, 451-SCM01-05, 06	SS	MW	1011	x	
Exactitude, LLC Coil Mold, Cavity & Core, 451-SCM01-05, 06	SS	MW	1012	x	
Exactitude, LLC Coil Mold, Cavity & Core, 451-SCM01-05, 06	SS	MW	1013	x	
Exactitude, LLC Coil Mold, Cavity & Core, 451-SCM01-05, 06	SS	MW	1014	x	
Band Saw	SS	MW	1121	x	
Exactitude, LLC Mold, Cavity & Core, 451-SCM11-01, 02	SS	MW	1122	x	
Exactitude, LLC Mold, Cavity & Core, 451-SCM11-01, 02	SS	MW	1123	x	
Exactitude, LLC SCM14 Repair Mold	SS	MW	1125	x	
Exactitude, LLC Centering Spacer Mold, Cavity and Core, 451-SCM02-01 Rev 4	SS	MW	1126 - 1140	x	
Exactitude, LLC Centering Spacer Mold, Cavity and Core, 451-SCM02-01 Rev 4	SS	MW	1127 - 1141	x	
Exactitude, LLC Centering Spacer Mold, Cavity and Core, 451-SCM02-01 Rev 4	SS	MW	1128 - 1142	x	
Exactitude, LLC Centering Spacer Mold, Cavity and Core, 451-SCM02-01 Rev 4	SS	MW	1129 - 1143	x	
Fluid Research Corporation Pump Assembly - 177-4060-7, M-4-6.0, Viton	SS	MW	1130	x	
MHZ Electronics Reference Hydrophones - SN 1203578	SS	MW	1131	x	
MHZ Electronics Piston Phone - SN 147533	SS	MW	1133	x	
EBAY B&K Charge AMP - SN 921598	SS	MW	1134	x	
EBAY B&K Charge AMP - SN 1278057	SS	MW	1135	x	
EBAY B&K Power Amplifier - SN 1555603	SS	MW	1136	x	
EBAY HP Dual Channel Analyzer - SN 2708A02652	SS	MW	1137	x	
Various Vendors Slip Ring Tester - company made	SS	MW	IS 1/14 NO TAG	x	
Burt Store.com Work Platform / Steps for Fixture	SS	MW	1138	x	

Schedule 2.1(b) Addendum

Machinery and Equipment

Description	Debtor	Location	Asset Tag	Purchased Assets	Excluded Assets
Diaphragm Pump for Batch Tank	SS	MW	1139	x	
Exactitude, LLC Runner Plate Mold, Cavity and Core, 451-SCM17-01, 02 NIS til 3/31/14	SS	MW	1144 - 1149	x	
EBAY Diaphragm Pump	SS	MW		x	
Exactitude, LLC Inner Connector Vertical Fill Mold, SCM19-01, 02 In Svc 3/14	SS	MW	1145 - 1153	x	
Exactitude, LLC Inner Connector Vertical Fill Mold, SCM19-01, 02 In Svc 3/14	SS	MW	1146 - 1152	x	
Hydroscience Technologies, Inc. Gel Machine to create the See Flow NIS	SS	MW		x	
Tiger Direct Rack-Mountable APC Smart-UPS 3000VA	SS	MW	1147	x	
EBAY Dearing Chamber Tank (includes Binks pressure pot)	SS	MW	1148	x	
Exactitude, LLC Runner Plate Mold, Cavity and Core, 451-SCM17-01, 02 NIS til 7/14/14	SS	MW	1150	x	
Exactitude, LLC Runner Plate Mold, Cavity and Core, 451-SCM17-01, 02 NIS til 7/14/14	SS	MW	1151	x	
Exactitude, LLC Runner Plate Mold, Cavity and Core, 451-SCM17-01, 02 NIS	SS	MW	Untagged - 1154	x	
Exactitude, LLC Down Hole Mold 451-SCM22-09, including Assembly 110-SCM22-01 4	SS	MW	Not assigned	x	
Ensinger Putnam Mold for new hydrophone In Svc 1/1/15	SS	MW	Not assigned	x	
Tornomecanica Industrial Bend Limiter Overmold, Cavity and Core, 451-SCM03-01, 02	SS	MW	Not assigned	x	
Exactitude, LLC Bend Limiter Overmold, Cavity and Core, 451-SCM06-03, 04	SS	MW		x	
Exactitude, LLC Bend Limiter Overmold, Cavity and Core, 991/992 SCM01-05, 06	SS	MW		x	
Champion Rentals Scissor Lift	SS	MW		x	
Withers Steel Mold Stand with Mounting Plates	SS	MW		x	
MSC Industrial Supply Diaphragm Pump	SS	MW		x	
Mineral Wells Rent-All Scissor Lift	SS	MW	1040	x	
LCD Touch Monitors (2) - Elo Touch	SS	Mexico		x	
Texedo Technologies, Inc Toshiba Satellite Pro Laptop - SS1 - Richard Pearce	SS	MW	1070	x	
Texedo Technologies, Inc Toshiba Satellite Pro Laptop - SS4	SS	MW	1072	x	
Texedo Technologies, Inc Toshiba Satellite Pro Laptop - SS5	SS	MW	1073	x	
Texedo Technologies, Inc Cloud Server and Rack	SS	MW	1079	x	
Texedo Technologies, Inc Allworx Phone System	SS	MW	1074	x	
Comtech purchase of visioncore software	SS	MW		x	
Texedo Technologies, Inc Dell Vostro Laptop - Fred/Andy	SS	MW	1075	x	
Texedo Technologies, Inc Dell Optiplex 390 DT w/ 27" monitor & Microsoft Office - Jake	SS	MW	1076	x	

Schedule 2.1(b) Addendum
Machinery and Equipment

Description	Debtor	Location	Asset Tag	Purchased Assets	Excluded Assets
Texedo Technologies, Inc HP Mini 1103 - Atom N44 Laptop/Netbook & Microsoft Office - Fe	SS	MW	1077	x	
Texedo Technologies, Inc Power Edge R410 Chassis Server and licenses	SS	MW	1078	x	
Tiger Direct 17.3" Notebook Computer - Rick Pearce	SS	MW	Not assigned	x	

**Schedule 5.3(a)
Conflicts**

None

Schedule 5.3(b)
Consents of Third Parties

None Required

Schedule 5-L
List of Indebtedness and Creditors

Name	Address 1	Address 2	Address 3	City, State, Zip	Attention	Phone	Email	Claim/Balance	Debtor	Type
A B & S Heating & Air	P.O. Box 225			Mineral Wells, TX 76068		940 445 0555		None	HTI	Prior Creditor w/o Claim
ABMX SERVERS	1582 PARKWAY LOOP, UNIT B			TUSTIN, CA 92780		800 711 1788		None	HTI	Prior Creditor w/o Claim
ACCURACY PRODUCTS	3800 NORTH HWY 281			MINERAL WELLS, TX 76067	JOE HAWKINS	940 325 0714		21,035.00	HTI	Claimant
ACE HARDWARE OF MINERAL WELLS	2901 HWY 180 E.			MINERAL WELLS, TX 76067	TONYA BROGDON	940 325 5954		None	HTI	Prior Creditor w/o Claim
ADVANCED CIRCUITS, INC.	21101 E. 32ND PARKWAY			AURORA, CO 80011	DANA NIELSON	800 289 1724		5,177.95	HTI	Claimant
ADVANCED TOOLING, INC	3643 HWY 281 N.			MINERAL WELLS, TX 76067	LARRY THOMAS	940 328 9504		2,227.56	HTI	Claimant
AIRGROUP EXPRESS/AIRGROUP COR	P.O. BOX 3627	1227 120TH AVE N.E.		BELLEVEUE, WA 98009	SN CARR	800 843 4784		177.00	HTI	Claimant
ALLIED ELECTRONICS, INC.	P.O. BOX 2325	7151 JACK NEWELL BLVD S		FORT WORTH, TX 76118	KATHY HAYES	817 595 6425		None	HTI	Prior Creditor w/o Claim
ALPHA SLIP RINGS, INC.	7801 N. Lamar - Ste. E190			Austin, TX 78752	Bill Ballette	512 535 2353		None	HTI	Prior Creditor w/o Claim
ALTEC PRODUCTS, INC.	23422 MILL CREEK DR.	SUITE #225		LAGUNA HILLS, CA 92653	GREGG HOWARD	949 727 1248		None	HTI	Prior Creditor w/o Claim
AMERICAN HEIL-ARC	5009 PINEMONT DRIVE			HOUSTON, TX 77092	TOM YOUNG	713 680 0682		None	HTI	Prior Creditor w/o Claim
AMERICAN SWISS PRODUCTS, INC	1987 JEFFERSON ROAD W.			PITTSFORD, NY 14534	DOUG BELL	800 805 9855		5,356.40	HTI	Claimant
ANDREW MONTES	1606 SE 21ST STREET			MINERAL WELLS, TX 76067				None	HTI	Prior Creditor w/o Claim
ANDY MONTES	1606 SE 21st Street			Mineral Wells, TX 76067		817 597 7386		9,860.11	HTI	Claimant
Angela Johnson	1507 SE 23rd Ave			Mineral Wells, TX 76067				None	HTI	Employee
ANOVAY TECHNOLOGIES LIMITED	6F, Building 12, 1115 SE 20th St.	Jiuxiangling Industrial Zone	Xili,Nanshan District,Shenzhe	518055 P. R. China	Sharon	86-755-860186		None	HTI	Prior Creditor w/o Claim
Antonio Lule				Mineral Wells, TX 76067				58.00	HTI	Claimant
ARROW ELECT COMP GROUP	1820 PRESTON PK BLVD	SUITE 2800		PLANO, TX 75093	LINDA PRESTON	972 447 8060		None	HTI	Prior Creditor w/o Claim
ASIAN GEOS (S) PTE LTD	LOYANG OFFSHORE SUPPLY BASE	25B LOYANG CRESCENT	BLK 302, TOPS AVE 3, #03-13	SINGAPORE 506817		656 546 1869		Unknown	HTI	Customer/Warranty
AT&T	PO BOX 105414			ATLANTA, GA 30348-541	RENE - CANDICE	800 924 1743		1,617.61	HTI	Claimant
AT&T LONG DISTANCE	P.O. BOX 660688			CAROL STREAM, IL 60197-501		888 560 9399		None	HTI	Prior Creditor w/o Claim
AT&T U-VERSE	PO BOX 5014			CAROL STREAM, IL 60197-501				None	HTI	Prior Creditor w/o Claim
AT&T WIRELESS-HTI	P.O. BOX 6463			CAROL STREAM, IL 60197-646		800 888 7600		None	HTI	Prior Creditor w/o Claim
AUSTIN MFG. SERVICES	PO BOX 80249			AUSTIN, TX 78708-0249		512 651 5250		Unknown	HTI	Customer/Warranty
Authur J. Gallagher	Risk Management Services, Inc	110 North Mariefeld, Suite 3		Midland, TX 79701		432 570 3456		None	HTI	Prior Creditor w/o Claim
BAYLAND, INC	7900 BISSELL	P.O. BOX 467		MANVEL, TX 77578	SONJA SEAY	281 489 1930		8,279.50	HTI	Claimant
BDO	6050 SOUTHWEST BLVD.	SUITE 300		FORT WORTH, TX 76109		817 738 2400		Unknown	HTI	Professional
BECKY DUMAS	1107 SW 10th Street			Mineral Wells, TX 76067				2,431.00	HTI	Claimant
BELL NUNNALLY	3232 MCKINNEY AVE, SUITE 1400			DALLAS, TX 75204-242				110,806.29	HTI	Claimant
BENNY COOK	108 Cinnamon CT			Weatherford, TX 76088		817 629 9236		None	HTI	Employee
BESCO Inc.	306 BROUSSARD ROAD			LOREAUVILLE, LA 70552		337 229 6590		792.96	HTI	Claimant
BGP INC	CHINA NATIONAL PETROLEUM CORP	NO 189 FANYANG ROAD		ZHUOZHOU, HE 027251PR CHINA	MR ZHANG JIE	312 382 4935		Unknown	HTI	Customer/Warranty
BIG CZECH MACHINE	13450 W. BRAZOS BEND DR.			NEEDVILLE, TX 77461	STEVE GRIEGER	713 817 0453		None	HTI	Prior Creditor w/o Claim
BILL WARD	c/o TEXEDO TECHNOLOGIES, INC.	P.O. BOX 2394		WEATHERFORD, TX 76086-239		817 992 9150		None	HTI	Prior Creditor w/o Claim
BLUECROSS BLUESHIELD OF TEXAS	ATTN: CASHIER	HEALTH CARE SERV. CORPORATIO	P.O. BOX 660049	DALLAS, TX 75266-004	ACCT#111970	800 445 2227		None	HTI	Prior Creditor w/o Claim
BOLDATA	48363 FREMONT BLVD			FREMONT, CA 94538	ANDREW KRETZER			1,011.00	HTI	Claimant
Brady Coats	189 Aledo Creek Rd.			Fort Worth, TX 76126				None	HTI	Prior Creditor w/o Claim
BRENDA QUADE	P.O. BOX 82			GORDON, TX 76453	254-693-5683	940 329 8464		None	HTI	Prior Creditor w/o Claim
BRENDA WOODLAND	7460 N. Hwy 281			MINERAL WELLS, TX 76067				None	HTI	Prior Creditor w/o Claim
CA DESIGN	7771 OAKMONT DRIVE			SANTA ROSA, CA 95409	ROBERT CHANDLER	707 843 4646		None	HTI	Prior Creditor w/o Claim
CHARLES RIVER ASSOCIATES	CRA INTERNATIONAL	PO BOX 845960		BOSTON, MA 02284-596				10,000.00	HTI	Claimant
CHARLES SNYDER	165 PACK SADDLE TRAIL			WEATHERFORD, TX 76088		817 326 4229		None	HTI	Employee
CHINA - ORES LTD	19F OF SYNTHETICAL BLDG IOCAS	NO. 7 NANHAI ROAD, QINGDAO		SHANDONG PROVINCE, P.R. CHINA 266071	TANG BAOJUE	532 850 2529		Unknown	HTI	Customer/Warranty
CHRIS ELLIS	238 Lasater Lane			Mineral Wells, TX 76067	CHRIS ELLIS	940 769 2999		121.36	HTI	Claimant
CHRISTI'S CLEANING, INC.	CHRISTI SNIDER	702 CARTER ROAD		MINERAL WELLS, TX 76067		940 325 3282		None	HTI	Prior Creditor w/o Claim
CHUBB & SON	P.O. BOX 382001			PITTSBURGH, PA 15250-800				371.72	HTI	Claimant
CIGNA GLOBAL HEALTH BENEFITS	300 BELLEVUE PARKWAY	OUTING 1280	590 NAAMANS ROAD	WILMINGTON, DE 19809	LAURIE SMITH	302 797 3791		3,424.66	HTI	Claimant
Cinday M. Rizzo	711 SW 12th Street			Mineral Wells, TX 76067				None	HTI	Employee
CINDY RIZZO	711 SW 12th STREET			MINERAL WELLS, TX 76067				None	HTI	Employee
City of Mineral Wells	Water Department	P.O. BOX 460		Mineral Wells, TX 76068		940 328 7720		622.80	HTI	Claimant
City of Mineral Wells	P.O. Box 459			Mineral Well, TX 76068		940 328 7700		None	HTI	Prior Creditor w/o Claim
CYTEC INDUSTRIES, INC.	1405 BUFFALO STREET			OLEAN, NY 14760-113	Mary Isaman	915 603 4651		None	HTI	Prior Creditor w/o Claim
DATA-MATIQUE	2110 SHERWIN STREET			GARLAND, TX 75041-121	CHRISTY CORONADO	972 272 3446		None	HTI	Prior Creditor w/o Claim
DAVID BELL	204 LIVE OAK DR.			AZLE, TX 76020	DAVID BELL	936 442 0220		None	HTI	Prior Creditor w/o Claim
DAVID BROCK	2902 MICHAEL LN.			MINERAL WELLS, TX 76067		940 745 0404		70,576.92	HTI	Claimant
DEARBORN NATIONAL INS COMPAN	36788 EAGLE WAY			CHICAGO, IL 60678-136		800 348 4512		None	HTI	Prior Creditor w/o Claim
Decker Jones, P.C.	801 Cherry Street, Unit #46	Burnett Plaza, Suite 2000		Fort Worth, TX 76102		817 336 2400		Unknown	HTI	Professional
Defence R & D Canada - DRDC	9 Grove Street	P.O. Box 1012		Dartmouth, NS B2Y 3Z7				Unknown	HTI	Customer/Warranty
DENITECH	P.O. BOX 844173			Dallas, TX 75284-417		972 831 2000		420.82	HTI	Claimant
DHL EXPRESS	P.O. BOX 844894			DALLAS, TX 75284-4894		281 875 1655		None	HTI	Prior Creditor w/o Claim
DHL EXPRESS-USA	16592 COLLECTIONS CENTER DR			CHICAGO, IL 60693-489		281 875 1655		None	HTI	Prior Creditor w/o Claim
DIGI-KEY CORPORATION 1074570	701 BROOKS AVE SOUTH			THIEF RIVER FALLS, MN 56701-	Sharon Weller	800 344 3459		7,151.71	HTI	Claimant
DIRECT ENERGY BUSINESS	P.O. BOX 660749			DALLAS, TX 75266		888 925 9115		4,343.40	HTI	Claimant
DOKUZ EYLUL UNIVERSITESI	DONER SERMAYE ISLETMESI	BALCOVA VERGI DAIRESI	BALCOVA VERGI, TURKEY	3090116555 TURKEY				Unknown	HTI	Customer/Warranty
DOSHIER APPLIANCE REPAIR	4108 MH 379			MINERAL WELLS, TX 76067	JEFF RUCKER	940 325 5555		3,090.66	HTI	Claimant
DRB ABOGADOS	Bosque de Alisos No. 45 A Piso 3			Bosques de las Lomas, 05120, Mexico City	Manuel Corona Urquiza	+52 55 5257 1888		Unknown	HTI	Attorney
DYNAGEO SYSTEMS LTD	38 SANDRINGHAM CLOSE	NW CALGARY		ALBERTA CANADA T3K 3X1, NW CALGARY	LI XIAODONG	374 025 0		Unknown	HTI	Customer/Warranty

Schedule 5-L
List of Indebtedness and Creditors

Name	Address 1	Address 2	Address 3	City, State, Zip	Attention	Phone	Email	Claim/Balance	Debtor	Type
DYNAMIC MEASUREMENT SYSTEMS,	16515 HEDGE CROFT, STE 320			HOUSTON, TX 77060	STEVE ELDRIDGE	281 405 0606		None	HTI	Prior Creditor w/o Claim
EAGE CONFERENCE & EXHIBITION	PO BOX 59	3900 DB HOUTEN		THE NETHERLANDS	KATI NARHI			None	HTI	Prior Creditor w/o Claim
EAGLE CONSTRUCTION &	ENVIRONMENTAL SERVICES, L.P.	P.O. BOX 872		EASTLAND, TX 76448--087		254 629 1718		None	HTI	Prior Creditor w/o Claim
EBERWEIN & ASSOCIATES, INC.	8102 BRAEBURN VALLEY DR.			HOUSTON, TX 77074	VAL EBERWEIN	713 995 5393		None	HTI	Prior Creditor w/o Claim
EEB ENTERPRISES	912 HOMESTEAD DRIVE			KELLER, TX 76248	ERIC BOYER	817 337 8007		179,012.09	HTI	Claimant
EMIL LYNARD OLSON	343 TROUT ST.			PALACIOS, TX 77465		281 734 0121		None	HTI	Prior Creditor w/o Claim
Emil Lynard Olson	343 Trout St.			Palacios, TX 77465		281 734 0121		None	HTI	Prior Creditor w/o Claim
ENTERPRISE RUBBER INC.	1070 EVANS AVE			AKRON, OH 44305	PATRICK MALONEY	330 633 7460		None	HTI	Prior Creditor w/o Claim
ESPEC NORTH AMERICA, INC.	4141 CENTRAL PARKWAY			HUDSONVILLE, MI 49426	Mark Pedley	616 896 6100		6,000.00	HTI	Claimant
EUGENE ARRIAGA	1201 S.E. 8 1/2 ST.			MINERAL WELLS, TX 76067	EUGENE ARRIAGA	214 704 7459		None	HTI	Employee
FALCK SAFETY SERVICES	209 Clendenning Road			Houma, LA 70363	Acct#374845	866 404 9564		None	HTI	Prior Creditor w/o Claim
FAMOUS MINERAL WATER CO.	209 N.W. 6TH ST.			MINERAL WELLS, TX 76067		940 325 8870		None	HTI	Prior Creditor w/o Claim
FD ASSOCIATES	7918 JONES BRANCH DR	SUITE 540		McLEAN, VA 22102--336	GINNY	703 847 5801		None	HTI	Prior Creditor w/o Claim
FedEx	P.O. Box 660481			Dallas, TX 75266--048	Acct#2568-5126-1			97.12	HTI	Claimant
FEDEX FREIGHT	4103 COLLECTION CENTER DRIVE			CHICAGO, IL 60693		800 814 9561		None	HTI	Prior Creditor w/o Claim
Felicia Pearce	128 Lakeview Terrace			Weatherford, TX 76087		817-374-2927				Contractor
FIBRA Prologis Mexico	1800 Wazzee Street	Suite 500		Denver, CO 80802	Jason Murphey	303-567-5000	jmurphy@prologis.com	702,000.00	HTI	Claimant
FIRETROL	PROTECTION SYSTEMS, INC	10320 MARKISON		DALLAS, TX 75238		214 343 9200		None	HTI	Prior Creditor w/o Claim
Firmex Corp.	110 Spadina Ave	Suite 700		Toronto				1,500.00	HTI	Claimant
FORSHEY PROSTOK, LLP	777 MAIN STREET	SUITE 1290		FORT WORTH, TX 76102		817 877 8855		Unknown	HTI	Professional
FORSVARETS MATERIELVERK	FE228, SE-838 73			FROSON, SWEDEN		468 667 5799		Unknown	HTI	Customer/Warranty
FRED G WOODLAND	521 KITE ROAD			MINERAL WELLS, TX 76067		940 367 8069		161,354.91	HTI	Claimant
FUGRO GOSERVICES, INC	PO BOX 52029			LAFAYETTE, LA 70505		337 268 3221		None	HTI	Customer/Warranty
FUGRO JACQUES GEOSURVEYS INC	25 PIPPY PLACE	ST. JOHN'S, NL A1B-3X2		CANADA, NL A1B-3X2, CANADA				Unknown	HTI	Customer/Warranty
FUGRO SURVEY LIMITED	DENMORE ROAD	DENMORE INDUSTRIAL ESTATE	BRIDGE OF DON	ABERDEEN, AB23 8JW, ABERDEEN, AB238JUW, ENGLAND	ROY FOWLER			Unknown	HTI	Customer/Warranty
FUGRO SURVEY PTE LTD	35 LOYANG CRESCENT	SINGAPORE 509012		SINGAPORE, 509012, SINGAPORE	MICHAEL KEOGH	686 163 37		Unknown	HTI	Customer/Warranty
GARDLINE GEOSURVEY	ENDEAVOUR HOUSE ADMIRALTY RD	GREAT YARMOUTH,NORFOLK	NR303NG ENGLAND	NORFOLK, NR303NG, ENGLAND	STACEY DEVINE	149 385 2106		Unknown	HTI	Customer/Warranty
GEOMETRICS, INC	2190 Fortune Drive			San Jose, CA 95131	Dr. Mark Prouty	408-954-0522		460,000.00	HTI	Claimant
George E. McNeill, Jr.	601 E. 4th Street			Weatherford, TX 76086				None	HTI	Employee
GEOSPACE TECHNOLOGIES, LP	7007 PINEMONT DRIVE	d/b/a		HOUSTON, TX 77040	Brad Whigham	713 986 8704		6,808.75	HTI	Claimant
GEOSPECTRUM TECHNOLOGIES, INC	10 AKERLEY BOULEVARD, UNIT 19			DARTMOUTH, NS, B3B 1J4 CANADA	BRUCE ARMSTRONG	902 435 8987		Unknown	HTI	Customer/Warranty
GLASSMAN HIGH VOLTAGE, INC.	124 WEST MAIN			HIGH BRIDGE, NJ 08829	SCOTT JARMICKI	908 638 3800		21,740.00	HTI	Claimant
GLOBAL SHOP SOLUTIONS	975 EVERGREEN CIRCLE			THE WOODLANDS, TX 77380	RYAN WALKER	281 681 1959		156.29	HTI	Claimant
GLOBAL TRAINING AND ENVIRO,IN	319 MECCA DRIVE			LAFAYETTE, LA 70508	LARRY SWINDLE/DEBRA	337 593 8693		None	HTI	Prior Creditor w/o Claim
GMGS	RM612, 6/F, INSTRIMPEX BLD #6	XIZHIMENWAI STREET		BEIJING 100044, CHINA		108 831 6611		Unknown	HTI	Customer/Warranty
GUS PIETSCH	11706 SANDSTONE			HOUSTON, TX 77072		281 450 2299		1,338.00	HTI	Claimant
HARRIS SUPPLY COMPANY	10661 HADDINGTON DRIVE	SUITE 100		HOUSTON, TX 77043	SEAN GANSHIRT	713 827 7914		None	HTI	Prior Creditor w/o Claim
HOLIDAY INN EXPRESS	HOTEL & SUITES	6801 HWY 180 E.		MINERAL WELLS, TX 76067		940 325 7829		None	HTI	Prior Creditor w/o Claim
HUGHES HUBBARD & REED LLP	1775 I STREET, N.W.			WASHINGTON, DC 20006--240		202 721 4600		17,101.34	HTI	Claimant
HYDROSCIENCIA DE MEXICO S DE R	CARRETERA GUADALAJARA-	CHAPALA KM 24.5 NAVE 2, INT B	PARQUE INDUSTRIAL ARRAYANES	TLAJOMULCO de ZUNIGA,JAL. C.P				None	HTI	Related Party
HYDROSCIENCE TECHNOLOGIES, IN	6100 Columbia Rd			Mineral Wells, TX 76067				None	HTI	Prior Creditor w/o Claim
INDIAN INDUSTRIES	432-A WEST FORK DR.			ARLINGTON, TX 76012	JD Byers	817 265 6731		None	HTI	Prior Creditor w/o Claim
INDUSTRIAL POLYMERS	P.O. BOX 201850			Dallas, TX 75320--185		713 943 8451		None	HTI	Prior Creditor w/o Claim
INDUSTRIAL POLYMERS	3250 S Sam Houston Pkwy E			Houston, TX 77047		800 766 3832		238,766.85	HTI	Claimant
ION GEOPHYSICAL	5000 RIVER ROAD			HARAHAN, LA 70123				Unknown	HTI	Customer/Warranty
IRS				AUSTIN, TX 78774				None	HTI	Prior Creditor w/o Claim
IST	805 HARVEY RD			MINERAL WELLS, TX 76067	FRED WOODLAND	940 325 8001		Unknown	HTI	Related Party
J & K SERVICES	1515 Shattles Rd.			Mineral Wells, TX 76067		940 325 1868		None	HTI	Prior Creditor w/o Claim
JAMES T. CAYWOOD	3150 FM 113 N			WEATHERFORD, TX 76088		940 859 3189		8,582.16	HTI	Claimant
JDL ADVISORY GROUP PLLC	14902 Preston Rd.	Suite 404-764		Dallas, TX 75254		972 754 2968		None	HTI	Prior Creditor w/o Claim
Jonathan Pearce	124 Vista Drive			Weatherford, TX 76087		817-374-2847				Contractor
JUP MACHINE WORKS	HOANGTRAN LLP	7200 ELDRIDGE PKWY	SUITE F	HOUSTON, TX 77083	JIMMY HOANG	832 977 4014		510.00	HTI	Claimant
JOAN PEREZ	901 S.E. 16TH ST			MINERAL WELLS, TX 76067	JUAN PEREZ	940 859 9167		1,346.00	HTI	Claimant
JUSTYNA PILKINGTON	521 Kite Rd			MINERAL WELLS, TX 76067	JUSTYNA PILKINGTON	940 325 4502		4,582.16	HTI	Claimant
KYOKUTO BOEKI KAISHA, LTD	NEW OTEMACHI BLDG 2-1	OTEMACHI 2-CHOME		CHIYODA-KU, TOKYO, 100-0004 JAPAN	OAIKI SUGAWARA	133 246 2076		Unknown	HTI	Customer/Warranty
L-3 COMMUNICATIONS	OCEAN SYSTEMS	15825 ROXFORD STREET		SYLMAR, CA 913423597		818 364 9896		Unknown	HTI	Customer/Warranty
LAKE WORTH HOTEL CORPORATION	4110 W. AIRPORT FREEWAY			IRVING, TX 75062	MARION	972 790 2262		None	HTI	Prior Creditor w/o Claim
Lance Bailey	1437 Hilltop Dr.			Mineral Wells, TX 76067--253		940 452 7754		120,645.86	HTI	Claimant
LINDA ARCHER	1801 S.E. 26TH AVE			MINERAL WELLS, TX 76067	LINDA ARCHER			None	HTI	Employee
LONE STAR CIRCUITS	901 Hensley Lane			Wylie, TX 75098		214 291 1427		1,615.00	HTI	Claimant
LONESTAR FORKLIFT	2700 COLD SPRINGS			FORT WORTH, TX 76164		817 378 9797		119.08	HTI	Claimant
LONGHORN GASKET & SUPPLY	2950 W. WINTERGREEN ROAD			LANCASTER, TX 75134	Linda Klager	972 228 7023		None	HTI	Prior Creditor w/o Claim
Mahakarya Geo Survey	J1. Tebet Raya No. 91A			Jakarta 12820, Indonesia, Jakarta	Erikson Franky Sormin	218 378 7136		Unknown	HTI	Customer/Warranty
Mary Smith	P.O. Box 310			Millsap, TX 76088				None	HTI	Employee
MATHESON TRI-GAS	6601 E. HWY. 180			MINERAL WELLS, TX 76067	KRIS HEARN	940 325 0381		1,076.52	HTI	Claimant
MAYFIELD ENGINEERING	316 FAIRWAY DRIVE			WILLOW PARK, TX 76087	GEORGE MAYFIELD	817 441 8079		None	HTI	Prior Creditor w/o Claim
MCMMASTER-CARR SUPPLY CO	6100 FULTON INDUSTRIAL BLVD.			ATLANTA, GA 30336	atl.sales@mcmaster.com	404 346 7000		None	HTI	Prior Creditor w/o Claim

Schedule 5-L
List of Indebtedness and Creditors

Name	Address 1	Address 2	Address 3	City, State, Zip	Attention	Phone	Email	Claim/Balance	Debtor	Type
MICHAEL E. EASLEY	610 JW Tipps Rd.			Perrin, TX 76486		940 859 4118		None	HTI	Employee
MICHELLE MCCARTY	1111 HOWARD RD.			WEATHERFORD, TX 76088	MICHELLE MCCARTY	940 682 7335		6,044.56	HTI	Claimant
MICRO PRECISION OF TEXAS INC	P.O. BOX 40146	4413 CAMPBELL ROAD		HOUSTON, TX 77240	GREGG HUMMEL	713 462 7599		900.00	HTI	Claimant
MINERAL WELLS AREA	CHAMBER OF COMMERCE	P.O. BOX 1408		MINERAL WELLS, TX 76067	SUSAN BOYD-OFFICE MGE	940 325 2557		None	HTI	Prior Creditor w/o Claim
MITCHAM MARINE LEASING PTE L	51 CHANGI NORTH CRESCENT			SINGAPORE 499626				None	HTI	Prior Creditor w/o Claim
MITSUBISHI HEAVY INDUSTRIES	SHIMONOSEKI SHIPYARD & MACHINERY WORK	16-1, 6-CHOME		HIKOSHIMA, ENOURA-CHO, SHIMONOSEKI 750-8505, JAPAN		832 671 219		7,330,342.14	HTI	Claimant
MITSUBISHI LOGISTICS	AMERICA CORPORATION	100 Hartsfield Center Pkwy.	Suite 320	ATLANTA, GA 30354		770 994 7022		None	HTI	Customer/Warranty
MODERN TEKTRONIX ASSEMBLY INC	1107 PAMELA DRIVE			EULESS, TX 76040	DON TRANG	817 868 7173		27,500.00	HTI	Claimant
Moses, Palmer & Howell, LLP	309 W 7th Street			Fort Worth, TX 76102				72.73	HTI	Claimant
MOUSER ELECTRONICS INC.	1000 N MAIN STREET			MANSFIELD, TX 76063	Chaelea Reed	800 333 9924		725.50	HTI	Claimant
MTA	General Directorate for Mineral Research			Cankaya, AN 06800 Turkey						
NAPPCO FASTENER COMPANY	11260 HEMPSTEAD RD			HOUSTON, TX 77092	JIM HUBBARD	800 580 9515		487.99	HTI	Claimant
NEWARK	4801 N. RAVENSWOOD AVE			CHICAGO, IL 60640	Lori Dwyer	800 463 9275		None	HTI	Prior Creditor w/o Claim
Nextlink Broadband	2132 Tin Top Rd.	Suite 200		Weatherford, TX 76086		817 594 5702		None	HTI	Prior Creditor w/o Claim
Norman's Plumbing	606 S.E. 27th Ave.			Mineral Wells, TX 76067	Steve Cell 940-452-5592	940 325 7968		None	HTI	Prior Creditor w/o Claim
OCR SERVICES ,INC.	15825 SHADY GROVE ROAD,	SUITE 90		ROCKVILLE, MD 20850		301 208 0700		3,000.00	HTI	Claimant
OMEGA ENGINEERING, INC.	149 STELZER COURT			SUNBURY, OH 43074	ROB CARNEY	740 965 9340		9,900.00	HTI	Claimant
OMEGADYNE	149 Stelzer Ct.			SUNBURY, OH 43074	Rob Carney	740-965-9340		10,668.75	HTI	Claimant
OMNIQUEST INTERNATIONAL	LANGELEMAATWEG 221	4553 JH HENGELO		THE NETHERLANDS		31742422791		Unknown	HTI	Customer/Warranty
PARALLEL GEOSCIENCE CORP.	43101 RITTER ROAD			LONG CREEK, OR 97856	DAN HEROLD			48,500.00	HTI	Claimant
PARKER CO. APPRAISAL DIST.	1108 SANTA FE DR.			WEATHERFORD, TX 76086	PAM	817 596 0077		6,573.27	HTI	Claimant
PCM SALES, INC.	1940 E. Mariposa Avenue			El Segundo, CA 90245		800 700 1000		None	HTI	Prior Creditor w/o Claim
PENTAGON FREIGHT SERVICES, IN	1061 TEXAS TRAIL #200			GRAPEVINE, TX 77073		817 328 1600		1,494.04	HTI	Claimant
PGS GEOPHYSICAL AS (EXANO)	LILLEAKERVEIEN 4C	PO BOX 251	LILLEAKER, 0216	OSLO, NORWAY, LYSAKER, N1326		675 264 64		Unknown	HTI	Customer/Warranty
PGS GEOSCIENCE AND ENG US DIV	15375 MEMORIAL DRIVE, STE 100	WEST MEMORIAL PLACE 1		HOUSTON, TX 77079				Unknown	HTI	Customer/Warranty
PHOENIX ENG. SYSTEMS Pty Ltd	PO BOX 234	NSW 2119		Australia	Don Wallace	+61 (0)2 9899		22,393.90	HTI	Claimant
Pierce Pest Control	109 Cool Lane			Weatherford, TX 76088		940 745 1236		None	HTI	Prior Creditor w/o Claim
PLANO MACHINE & INSTRUMENT,IN	2721 S. I-35	P.O. BOX 1338		GAINESVILLE, TX 76241-1338	Ervin Bean	940 665 2814		5,222.80	HTI	Claimant
PROGRESSIVE WASTE SOLUTIONS	of TX, Inc	317 LEE ROAD		Mineral Wells, TX 76067		940 328 1176		182.87	HTI	Claimant
PROVIDENCE BANK	PO BOX 419734			KANSAS CITY, MO 64141-673		800 821 5184		15,536.44	HTI	Claimant
PRUDENTIAL LIFE INSURANCE COM	500 WEST 13th STREET			FORT WORTH, TX 76102		817 347 6835		5,414.20	HTI	Claimant
Q C Graphics, Inc.	1501 N. Plano Rd., Suite 300			Richardson, TX 75081		972 931 4100		None	HTI	Prior Creditor w/o Claim
RACKMOUNT SOLUTIONS INC.	P.O. BOX 451537			GARLAND, TX 75045-153	LAURA VIARS	866 207 6631		914.99	HTI	Claimant
RELTEK	2345 CIRCADIAN WAY			SANTA ROSA, CA 95407	AMY LINDBERG	707 284 8808		None	HTI	Prior Creditor w/o Claim
RICHARD C ALLEN	13523 KNOTTINGHILL			SUGAR LAND, TX 77478		281 491 1645		12,620.95	HTI	Claimant
RICHARD PEARCE	98 Military Hwy			Gales Ferry, CT 06335				None	HTI	Related Party
ROBERT WAINSCOTT	3907 DIAMONDALE CT			KATY, TX 77450-800		469 569 7447		2,575.00	HTI	Claimant
ROBIN WINTERS	4406 MINERAL WELLS HWY.			WEATHERFORD, TX 76088	ROBIN WINTERS	817 594 9279		121.36	HTI	Claimant
RODOLFO LOPEZ ALVAREZ	Paseo Del Jazmin 111							None	HTI	Prior Creditor w/o Claim
RON ALLEN	21256 FM 2393			WICHITA FALLS, TX 76310		940 327 9224		3,198.16	HTI	Claimant
RONALD BELOW	13 POSSUM CREEK RD			COMFORT, TX 78013				18,582.16	HTI	Claimant
Royal West	PO Box 2028			Big Bear City, CA 92314	John "JD" Schletewitz	197 288 938 0		659.20	HTI	Claimant
SAAB DYNAMICS AB	SE-581 88 LINKOPING			SWEDEN	MATILDA JOHANSSON			Unknown	HTI	Customer/Warranty
SAMMY E. FOX	9139 PR 2433			TERRELL, TX 75160		972 636 0673		None	HTI	Employee
SAMTEC, INC.	3837 RELIABLE PARKWAY			Chicago, IL 60686-003				None	HTI	Prior Creditor w/o Claim
SAMTEC, INC.	520 PARK EAST BLVD			NEW ALBANY, IN 47150	AMY	800 726 8329		None	HTI	Prior Creditor w/o Claim
SCOTTY'S FIRE & EQUIPMENT	P.O. BOX 1241			WEATHERFORD, TX 76086	SCOTTY GALBREATH	817 599 5725		None	HTI	Prior Creditor w/o Claim
SEA AND LAND TECHNOLOGIES PTE	NO 65 TUAS AVENUE 1			SINGAPORE, 639508		656 3-0 366		Unknown	HTI	Customer/Warranty
SEAMAP PTE LTD	51 CHANGI NORTH CRESCENT			SINGAPORE 499626		65 6545 1054		3,981,846.35	HTI	Claimant
SEISGADGET LTD.	17-10, KITANODAI 5-CHOME			HACHIOJI TOKYO, 192-0913 JAPAN	YOSHIO NAITO	042 636 8559		Unknown	HTI	Customer/Warranty
SHANDONG FOREIGN TRADE	RUIFENG CO., Ltd	51, TAIPING ROAD		QINGDAO, CHINA, 86 532 8297 1223				Unknown	HTI	Customer/Warranty
SHERRY MILTON	P.O. BOX 483			MINERAL WELLS, TX 76068	SHERRY MILTON	940 325 2426		None	HTI	Prior Creditor w/o Claim
SINOPEC, USA	3050 Post Oak Blvd, Suite 800			Houston, TX 77056						
Smalley Steel Ring Company	555 Oakwood Road			Lake Zurich, IL 60047		847 719 5900		None	HTI	Prior Creditor w/o Claim
SOLID SEISMIC, LLC	P. O. Box 1649			Mineral Wells, TX 76068				None	HTI	Prior Creditor w/o Claim
SOUND OCEANICS, LLC	PO BOX 980986			HOUSTON, TX 77098-0986				Unknown	HTI	Customer/Warranty
SOUTHWEST IMPREGLO SALES	15014 LEE ROAD			HUMBLE, TX 77396	Dave Dennison	281 441 2000		None	HTI	Prior Creditor w/o Claim
SOUTHWESTERN BELL (AT&T)	175 East Houston St.			San Antonio, TX 78205-2255				1,464.49	HTI	Claimant
STAPLES BUSINESS ADVANTAGE	500 Staples Drive			Farmington, MA 01702-044	CHRISTINA WHITMAN	972 256 7611		155.98	HTI	Claimant
STATE COMPTROLLER	OF PUBLIC ACCOUNTS	111 E. 17TH STREET		AUSTIN, TX 78774-0100		800 252 5555		9,422.33	HTI	Claimant
STRAIN SERVICES CO.	1516 SHATTLES RD.	PO BOX 601		MINERAL WELLS, TX 76068				None	HTI	Prior Creditor w/o Claim
STRESS ENGINEERING SERVICES I	42403 OLD HOUSTON HWY.			WALLER, TX 77484		281 671 2550		5,700.00	HTI	Claimant
SUE MANLEY	1016 NW 5TH AVE			MINERAL WELLS, TX 76067		940 325 3111		96.00	HTI	Claimant
SUPERIOR VISION SERVICES, INC	P.O. BOX 201839			DALLAS, TX 75320-183		800 923 6766		None	HTI	Prior Creditor w/o Claim
SYRACUSE UNIVERSITY	SKYTOP ROAD			SYRACUSE, NY 132445300		315 443 4932		Unknown	HTI	Customer/Warranty
TASKILL TECHNOLOGIES, INC.	3225 FOWLERS LAKE ROAD			WILLIAMSBURG, VA 23185-7506	VIC CHATIGNY	757-277-5557	VIC.CHATIGNY@GMAIL.COM	290,834.00	HTI	Claimant
TELEDYNE LIMITED	EUROPEAN FACILITY	THE TELEDYNE BUILDING,	VANTAGE POINT BUSINESS VILLAGE	MITCHELDEAN., GLS GL17 0DD, UNITED KINGDOM		145 238 2500		Unknown	HTI	Customer/Warranty

Schedule 5-L

List of Indebtedness and Creditors

Name	Address 1	Address 2	Address 3	City, State, Zip	Attention	Phone	Email	Claim/Balance	Debtor	Type
TESLA OFFSHORE, LLC	36499 PERKINS ROAD			PRAIRIEVILLE, LA 70769		225 744 3116		Unknown	HTI	Customer/Warranty
TEXAS GAS SERVICE	PO BOX 31427			El Paso, TX 79931--142		800 700 2443		89.15	HTI	Claimant
TEXAS GEOPHYSICAL SUPPLY, INC	1644 ELMVIEW			HOUSTON, TX 77080	DAVID REED	713 973 7476		29,870.71	HTI	Claimant
TEXAS SEAL SUPPLY CO.	606 N. GREAT SOUTHWEST PKWY.			ARLINGTON, TX 76011		817 640 1193		1,003.00	HTI	Claimant
TEXAS STORAGE	6115 HWY 180 E.			MINERAL WELLS, TX 76067	JIMMYE QUINN - MANAGER	940 325 6100		None	HTI	Prior Creditor w/o Claim
Texas Workforce Commission	Labor Law Payment Division	P.O. Box 684483		Austin, TX 78768--448				None	HTI	Prior Creditor w/o Claim
TEXEDO TECHNOLOGIES, INC	111 W. CHURCH ST.			WEATHERFORD, TX 76086	BRAD MOORE	817 833 7827		None	HTI	Prior Creditor w/o Claim
Thomas Smith	651 Montgomery Rd.			Mineral Wells, TX 76067		682 429 5670		None	HTI	Prior Creditor w/o Claim
TIGER DIRECT INC.	P.O. BOX 935313			ATLANTA, GA 31193--531	Carrie	877 998 8507		5,683.71	HTI	Claimant
TITANIUM INDUSTRIES, INC.	113 INDUSTRIAL LOOP			HILLSBORO, TX 76645	SCOTT STEEL	254 580 2849		53,402.41	HTI	Claimant
TL GEOHYDROGRAPHICS PTE. LTD	BLOCK 603, UNIT 4, TOPS AVE 6	BOX 5141	LOYANG OFFSHORE, SUPPLY BASE	LOYANGE CRESCENT, SINGAPORE, 508988, SINGAPORE, 50898				Unknown	HTI	Customer/Warranty
U S POSTMASTER	UNITED STATES POSTAL SERVICE	U S P O		DALLAS, TX 75229	COLIN SLIDER	654 550 38		None	HTI	Prior Creditor w/o Claim
U.S. BANK EQUIPMENT FINANCE	1310 MADRID STREET	SUITE 101		MARSHALL, MN 56258--400		800 328 5371		20,398.44	HTI	Claimant
U.S. Healthworks	16630 Imperial Valley	Suite 115		Houston, TX 77060		281 260 0087		554.00	HTI	Claimant
U.S. Postmaster	200 SW 1st Ave			Mineral Wells, TX 76067--999		940 325 2404		None	HTI	Prior Creditor w/o Claim
ULINE	12575 ULINE DRIVE			PLEASANT PRAIRIE, WI 53158	Chad Collins	800 295 5510		1,071.70	HTI	Claimant
UMBILICALS INTERNATIONAL INC.	10711 CASH RD			STAFFORD, TX 77477	Jim Reavis	281 275 6631		62,794.50	HTI	Claimant
United States Dept. of Justice	U.S. Trustee Program	1100 Commerce Street	Room 976	Dallas, TX 75242--099	Acct#394-17-41442			None	HTI	Prior Creditor w/o Claim
UNIVAR USA, INC	17425 NE UNION HILL RD			REDMOND, WA 98052	Charles Wright	214 340 7300		None	HTI	Prior Creditor w/o Claim
UNIVERSITY OF BREMEN	DEPARTMENT OF GEOSCIENCES	KLAGENFURTER STR		28359 BREMEN, GERMANY				Unknown	HTI	Customer/Warranty
UNUM LIFE INSURANCE	COMPANY OF AMERICA	PO BOX 403748		ATLANTA, GA 30384--374		866 679 3054		250.51	HTI	Claimant
UPS	55 GLENLAKE PKY NE			ATLANTA, GA 30328		800 811 1648		203.03	HTI	Claimant
UPS FREIGHT	P.O. BOX 730900			DALLAS, TX 75373		800 333 7400		None	HTI	Prior Creditor w/o Claim
UPS SUPPLY CHAIN SOLUTIONS,IN	28013 NETWORK PLACE			Chicago, IL 60673--128				None	HTI	Prior Creditor w/o Claim
UPS SUPPLY CHAIN SOLUTIONS,IN	1930 BISHOOP LANE	SUITE 300		LOUISVILLE, KY 40218		502 485 2222		None	HTI	Prior Creditor w/o Claim
VERTEX PRECISION MACHINE WORK	2415 N.W. 3RD AVENUE			MINERAL WELLS, TX 76067	DAVID THOMPSON	940 325 5529		3,871.48	HTI	Claimant
VIP SERVICES	2012 LOUISIANA STREET			HOUSTON, TX 77002	Steve Lighton	800 856 8472		None	HTI	Prior Creditor w/o Claim
VYRIAN	9894 BISSONNET STREET	SUITE 918		HOUSTON, TX 77036		281 404 3429		None	HTI	Prior Creditor w/o Claim
WALKER MARINE GEO. CO., LLC	7061 NE 8th DRIVE	BOCA HARBOUR ISLAND		BOCA RATON, FL 33487		561 251 5352		None	HTI	Prior Creditor w/o Claim
Weatherford Security Serv, In	288 Sanders Road			Weatherford, TX 76087		817 613 9448		None	HTI	Prior Creditor w/o Claim
WELLS FARGO INS SERVICES USA	INC. (DAL)	PO BOX 203383		DALLAS, TX 75320--338	MATT SEIDLER	817 347 8812		7,000.00	HTI	Claimant
WILLIAM H. BEHRENS	1630 Ivy Switch Road			Luling, TX 78648--471		281 980 4428		35,821.01	HTI	Claimant
3M EAMD Customer Service	3M Center	Bldg. 504-1-01		St. Paul, MN 55144		763 315 9609		5,278.73	SS	Claimant
Accuracy Products	3800 North Hwy 281			Mineral Wells, TX 76067	Joe Hawkins	940 325 0714		38,944.64	SS	Claimant
Andy Montes	1606 SE 21st Street			Mineral Wells, TX 76067		817 597 7386		32,093.13	SS	Claimant
Bank of America Credit Card	P.O. Box 982238			El Paso, TX 79998--223		800 673 1044		5,245.62	SS	Claimant
BDO	6050 Southwest Blvd.			Fort Worth, TX 76109		817 738 2400		Unknown	SS	Claimant
Bell Nunnally & Martin LLP	3232 McKinney Ave	Suite 1400		Dallas, TX 75204		214 740 1400		Unknown	SS	Claimant
BlueCross BlueShield of Texas	P.O. Box 731428			Dallas, TX 75373--142				Unknown	SS	Claimant
Capitol Services	PO Box 1831			Austin, TX 78767		800 345 4647		None	SS	Prior Creditor w/o Claim
Dearborn National Life Ins. Co	36788 Eagle Way			Chicago, IL 60678--136				None	SS	Prior Creditor w/o Claim
DHL Express - USA	16592 Collections Center Dr			Chicago, IL 60693		866 864 2707		None	SS	Prior Creditor w/o Claim
Direct Energy	PO Box 660749			Dallas, TX 75266				None	SS	Prior Creditor w/o Claim
Ensinger Precision Components	11 Danco Road			Putnam, CT 06260		860 928 7911		107,526.00	SS	Claimant
Exactitude, LLC	755 N. Country Club Dr. Ste. 5			Mesa, AZ 85201	Joseph Koenig	602 316 6957		4,839.67	SS	Claimant
Famous Mineral Water Company	209 NW 6th St			Mineral Wells, TX 76067		940 325 8870		None	SS	Prior Creditor w/o Claim
FedEx	P.O. Box 660481			Dallas, TX 75266--048	Acct#4599-3687-4	800 622 1147		30.44	SS	Claimant
Fluid Research Corporation	Kathy Ball	15775 Gateway Circle		Tustin, CA 92780	Kathy Ball	714 258 2350		Unknown	SS	Claimant
Hydroscience Technologies, Inc	6100 Columbia Rd			Mineral Wells, TX 76067				10,859,678.00	SS	Claimant
Industrial Polymers	P.O. Box 201850			Dallas, TX 75320				Unknown	SS	Claimant
Industrial Polymers	3250 S Sam Houston Pkwy E			Houston, TX 77047	Robin	800 766 3832		Unknown	SS	Claimant
Int'l Seismic Technology, Inc	805 Harvey Rd			Mineral Wells, TX 76067				209,000.00	SS	Claimant
Jacob Walker	11025 Grandbury Hwy			Watherford, TX 76087		817-353-7278	montes@solidseismic.com	5,505.36	SS	Claimant
JP Machine	7200 Eldridge Pkwy.	Suite F		Houston, TX 77083		281 933 9066		37,247.00	SS	Claimant
McMaster-Carr	6100 FULTON INDUSTRIAL BLVD			ATLANTA, GA 30336		404 346 7000		937.09	SS	Claimant
Moses, Palmer & Howell, LLP	Oil & Gas Building	309 W 7th St., Suite 815		Fort Worth, TX 76102		817 255 9100		Unknown	SS	Claimant
Mouser Electronics	P.O. BOX 99319			FORT WORTH, TX 76199--031				None	SS	Prior Creditor w/o Claim
MW Industries - Capital Spring	1517 Momentum Place			Chicago, IL 60689--531		614 418 0250		1,980.08	SS	Claimant
National Wire & Cable	136 San Fernando Rd	PO Box 31307		Los Angeles, CA 90031		323 225 5611		18,184.11	SS	Claimant
Nextlink Broadband	2132 Tin Top Rd.	Suite 200		Weatherford, TX 76086		817 694 5702		None	SS	Prior Creditor w/o Claim
Nordson EFD LLC	40 Catamore Blvd.			East Provience, RI 02914		401 431 7000		None	SS	Prior Creditor w/o Claim
Plano Machine & Inst., Inc.	P.O. Box 1338 / 2721 S. I-35			Gainesville, TX 76241--133	Joe O'Dell cell 940-736-3118	940 665 2814		80,704.42	SS	Claimant
Plas-Plak Industries, Inc.	10 Connecticut Ave.			Norwich, CT 06360		860 889 3383		894.60	SS	Claimant
Progressive Waste Solutions	West Texas District	317 Lee Rd.		Mineral Wells, TX 76067		940 328 1176		None	SS	Prior Creditor w/o Claim
Richard Pearce	214 Valley Ranch Rd.			Weatherford, TX 76087		860 207 2245	rpearce@solidseismic.com	740,895.06	SS	Claimant
Scotty's Fire & Equipment	P.O. Box 1241			Weatherford, TX 76086		817 599 5725		None	SS	Prior Creditor w/o Claim
Southwest Ocean Services, Inc	5721 Harvey Wilson Rd.			Houston, TX 77020				1,000.00	SS	Claimant
Southwest Quality Molding	PO Box 439			Manville, TX 77578		281 643 4500		None	SS	Prior Creditor w/o Claim
State of Texas-Sales & Use Tax		111 E. 17TH STREET		AUSTIN, TX 78774-0100		800 252 5555		9,422.33	SS	Claimant
Taskill Technologies, LLC	3225 Fowlers Lake Rd.			Williamsburg, VA 23185		757 277 5557		Unknown	SS	Claimant
Teledyne Benthos	49 Edgerton Drive			North Falmouth, MA 02556		508 563 1000		3,815.62	SS	Claimant

List of Indebtedness and Creditors

Name	Address 1	Address 2	Address 3	City, State, Zip	Attention	Phone	Email	Claim/Balance	Debtor	Type
Texas Workforce Commission	Labor Law Payment Division	P.O. Box 684483		Austin, TX 78768-448					SS	Prior Creditor w/o Claim
Titanium Industries, Inc.	18 Green Pond Rd.			Rockway, NJ 07866		973 983 1185		15,938.11	SS	Claimant
TX Child Support SDU	P.O. Box 659791			San Antonio, TX 78265-979		800 252 8014			SS	Prior Creditor w/o Claim
U.S. Postmaster				Mineral Wells, TX 76067-999					SS	Prior Creditor w/o Claim
Uline	Attn: Accounts Receivable	2200 S Lakeside Dr		Waukegan, IL 60085		888 884 6910			SS	Prior Creditor w/o Claim
Umbilicals International Inc.	10711 Cash Rd.			Stafford, TX 77477		281 275 6600		983.00	SS	Claimant
United States Dept. of Justice	U.S. Trustee Program	1100 Commerce Street	Room 976	Dallas, TX 75242-099	Acct#394-17-41444				SS	Prior Creditor w/o Claim
UPS	Lockbox 577			Carol Stream, IL 60132-057					SS	Prior Creditor w/o Claim
West Coast Plastics	623 S. Hindry Ave.			Inglewood, CA 90301	Mike Barrett	310 215 3186		2,517.32	SS	Claimant
WireCo WorldGroup Inc.	dba Phillystran, Inc.	151 Commerce Dr		Montgomery, PA 18936-962		215 368 6611		1,390.34	SS	Claimant
Withers Steel	514 Young Bend Lane			Brock, TX 76087	Les Withers	817 596 9611		1,575.00	SS	Claimant
Total								26,434,096.04		

Schedule 5.5

Machinery and Equipment

Description	Debtor	Location	Asset Tag	Acquisition Date	Life	Type	Original Acquisition Cost
Western Gallery - Bar Table - RH	HTI	MW		4/18/2007	7	Furniture & Fixtures	375.00
Western Gallery - Bar Stools - RH	HTI	MW		4/18/2007	7	Furniture & Fixtures	400.00
Uline - Legal Size Filing Cabinet - Mikes Office	HTI	MW	85	3/19/2012	7	Furniture & Fixtures	535.00
Uline - Legal Size Filing Cabinet - Quality Room	HTI	MW	84	3/19/2012	7	Furniture & Fixtures	535.00
Uline - 4 Drawer Lateral File - Benny's Office	HTI	MW	83	8/21/2012	7	Furniture & Fixtures	550.00
Air Conditioner for Training Room - DB CC - SN 900068	HTI	MW	79	6/15/2009	7	Furniture & Fixtures	588.82
Staples - 4 Drawer Lateral File - Shipping Dept	HTI	MW	86	9/10/2008	7	Furniture & Fixtures	604.99
Western Gallery - 2 Benches - RH	HTI	MW		4/18/2007	7	Furniture & Fixtures	650.00
Lateral File - Staples - Quade Office #1	HTI	MW	92	10/3/2008	7	Furniture & Fixtures	659.99
Lateral File - Staples - Quade Office #2	HTI	MW	93	10/3/2008	7	Furniture & Fixtures	659.99
Western Gallery - Table - RH	HTI	MW		4/18/2007	7	Furniture & Fixtures	850.00
Rustic Furniture 2 mirrors & chest - RH	HTI	MW		5/9/2007	7	Furniture & Fixtures	1,210.50
Ricoh - HP DesignJet 111 Wide Format Printer w/ support	HTI	MW	17	4/30/2012	7	Furniture & Fixtures	1,504.68
Digi-Key - Steel Computer Rack - Field Service	HTI	MW	112	10/18/2012	7	Furniture & Fixtures	1,674.19
Blue Sky Safes - Fireproof Cabinets (2)	HTI	MW	22, 23	2/1/2008	5	Furniture & Fixtures	4,198.00
One Way Furniture - (Pool Table?) - RH	HTI	MW		4/27/2007	7	Furniture & Fixtures	4,598.99
Forklift	HTI	Mexico		5/19/2008	6	Machinery & Equipment	40,052.50
Tensioning Rack - Nathan Buschow	HTI	MW	32	10/20/2010	7	Machinery & Equipment	1,075.00
Wesley International - Single Fork Pallet Truck 6" X 38"	HTI	MW	6	4/30/2012	7	Machinery & Equipment	1,149.00
Mower from Lowe's	HTI	MW	35	4/1/2011	7	Machinery & Equipment	3,461.84
Compass Bird Model 5011 - FS Area SN 30954	HTI	MW	68	4/24/2007	7	Machinery & Equipment	8,695.00
2 Channel PCS Bird Controller - FS Rack	HTI	MW	67	4/24/2007	7	Machinery & Equipment	35,250.00
56 Contacts Pin Mold	HTI	Tx Geo	AT VENDOR	9/17/2007	7	Machinery & Equipment	3,300.00
56 Contacts Socket Mold	HTI	Tx Geo	AT VENDOR	9/17/2007	7	Machinery & Equipment	3,450.00
Caseman Aluminum Shock Mount Case #2 - in MW	HTI	Customer	At Customer	3/5/2010	7	Manufacturing Equipment	2,195.00
Ultrasonic Parts Cleaner	HTI	Mexico	47	7/8/2009	7	Manufacturing Equipment	1,539.72
Platinous Temperture Chamber - Espec North America	HTI	Mexico	25	8/29/2008	7	Manufacturing Equipment	19,797.00
GNG Work PlugL - PMC Mercury #331218-2MN	HTI	MW	134	9/19/2008	7	Manufacturing Equipment	514.00
Ring Gage 1.125" -28 2A Ring G-N-G - PMC Mercury #112528-1F	HTI	MW	122	9/9/2009	7	Manufacturing Equipment	534.00
Big Czech Machine - Weaving Fixture - Prod A	HTI	MW	114	6/12/2009	7	Manufacturing Equipment	540.00
OM2040-V15 Dual Power Boom Microscope - Microscope.com	HTI	MW	Not assigned	7/31/2014	7	Manufacturing Equipment	585.00
60MHZ O-Scope - Newark	HTI	MW	49	2/3/2009	7	Manufacturing Equipment	589.54
MSC Industrial - Caliper Gage - Internal Dial Gauge 2.4 to 3.2	HTI	MW	118	1/11/2001	7	Manufacturing Equipment	592.25
Height Gage24" max .1 Grad - MSC Industrial	HTI	MW	14	2/21/2011	7	Manufacturing Equipment	598.80
Reeves & Associates - Go/NoGo chrome plated #131216-1F	HTI	MW	124	9/12/2012	7	Manufacturing Equipment	611.00
Mouser Electronics - Micro Mate N Lok Hand Tool	HTI	MW	113	4/16/2012	7	Manufacturing Equipment	622.63
PMC Mercury - Go/NoGo Set - #281218-2F (Etched Tag)	HTI	MW	131	11/7/2007	7	Manufacturing Equipment	624.95
GNG Set Plug w/ 2 HandlesL - PMC Mercury #331218-2MG	HTI	MW	133	9/19/2008	7	Manufacturing Equipment	662.00
T Equipment.net - Megger Isolation Tester - MIT420-EN #1	HTI	MW	8	8/29/2012	7	Manufacturing Equipment	666.95
T Equipment.net - Megger Isolation Tester - MIT420-EN #2	HTI	MW	10	8/29/2012	7	Manufacturing Equipment	666.95

Schedule 5.5

Machinery and Equipment

Description	Debtor	Location	Asset Tag	Acquisition Date	Life	Type	Original Acquisition Cost
PMC Gage - Class 2 Ring Go/NoGo Set #218716-2F	HTI	MW	128	6/10/2010	7	Manufacturing Equipment	674.00
PMC Gage - Go/NoGo gage set # 218716-1F	HTI	MW	127	4/9/2012	7	Manufacturing Equipment	674.00
Digital Force Indicator - Cooper Instruments	HTI	MW	117	7/8/2009	7	Manufacturing Equipment	675.00
UN-2A Go/NG Thread Ring Cages - Gaging.com #262518-1F	HTI	MW	129	5/6/2009	7	Manufacturing Equipment	675.00
Filament case for Makerbot 3D printer	HTI	MW	Not assigned	8/25/2014	7	Manufacturing Equipment	750.00
Reeves & Associates - Go/NoGo chrome plated #112528-2F	HTI	MW	123	9/12/2012	7	Manufacturing Equipment	756.00
Production Automation - Weller WHA300 Hot Air Rework	HTI	MW	89	7/8/2008	7	Manufacturing Equipment	764.10
Bruel & Kjaer Calibration Exciter Model 4294 - Prod B	HTI	MW	81	2/23/2012	7	Manufacturing Equipment	765.00
1.875-18P 2A GO/NO GO Ring Set - Reeves and Associates	HTI	MW	125	12/31/2012	7	Manufacturing Equipment	822.00
1.875-18P 2A GO/NO GO Ring Set - Reeves and Associates	HTI	MW	126	12/31/2012	7	Manufacturing Equipment	822.00
UN GNG RingL - PMC Mercury #281218-1F	HTI	MW	130	9/19/2008	7	Manufacturing Equipment	832.00
Lever Chain Hoist - McMaster Carr	HTI	MW	33	5/21/2010	7	Manufacturing Equipment	855.96
Micro Drill Press Model 164B - Cameron Micro Drill Presses	HTI	MW	MX - HTI090 1/31/09	1/21/2009	7	Manufacturing Equipment	862.00
Topaz Ultra Isolation Transformer - Surplus Sales - FMV area	HTI	MW	99	2/18/2009	7	Manufacturing Equipment	925.00
Ultra Isolation Transformer - Surplus Sales.com #1	HTI	MW	16	4/13/2011	7	Manufacturing Equipment	925.00
Ultra Isolation Transformer - Surplus Sales.com #2	HTI	MW	9	4/15/2011	7	Manufacturing Equipment	925.00
Intel Pentium Replacement Computer 1	HTI	MW	See IT Dept	4/11/2008	5	Manufacturing Equipment	929.00
Intel Pentium Replacement Computer 10	HTI	MW	See IT Dept	4/11/2008	5	Manufacturing Equipment	929.00
Intel Pentium Replacement Computer 2	HTI	MW	See IT Dept	4/11/2008	5	Manufacturing Equipment	929.00
Intel Pentium Replacement Computer 3	HTI	MW	See IT Dept	4/11/2008	5	Manufacturing Equipment	929.00
Intel Pentium Replacement Computer 4	HTI	MW	See IT Dept	4/11/2008	5	Manufacturing Equipment	929.00
Intel Pentium Replacement Computer 5	HTI	MW	See IT Dept	4/11/2008	5	Manufacturing Equipment	929.00
Intel Pentium Replacement Computer 6	HTI	MW	See IT Dept	4/11/2008	5	Manufacturing Equipment	929.00
Intel Pentium Replacement Computer 7	HTI	MW	See IT Dept	4/11/2008	5	Manufacturing Equipment	929.00
Intel Pentium Replacement Computer 8	HTI	MW	See IT Dept	4/11/2008	5	Manufacturing Equipment	929.00
Intel Pentium Replacement Computer 9	HTI	MW	See IT Dept	4/11/2008	5	Manufacturing Equipment	929.00
Ballasting Tank - Company Built - IS - 12/31/13	HTI	MW	Not yet assigned	7/16/2013	7	Manufacturing Equipment	942.89
Motion Industries - Tension Table Rams - 60" #1	HTI	MW	110	4/14/2013	7	Manufacturing Equipment	952.98
Motion Industries - Tension Table Rams - 60" #2	HTI	MW	111	4/14/2013	7	Manufacturing Equipment	952.98
Reeves & Associates - 2 3/8-12 UN2A Go/NoGo Rings PO 5802	HTI	MW	AT VENDOR	7/13/2012	7	Manufacturing Equipment	956.00
Micro Drill Press Model 164A - Cameron Micro Drill Presses	HTI	MW	7	9/18/2012	7	Manufacturing Equipment	984.35
Ring Gage 3.312-18P Go/No Go - Reeves and Associates	HTI	MW	Not assigned	9/29/2014	7	Manufacturing Equipment	1,050.00
T Equipment.net - Digital Oscilloscope - TDS2002C	HTI	MW	27	8/29/2012	7	Manufacturing Equipment	1,080.00
Tension Load Cell 5000LB - Dillon Quality Plus	HTI	MW	41	7/21/2008	7	Manufacturing Equipment	1,105.00
Tensitron - Cable tension meter po 135 bldg C	HTI	MW	108	10/8/2007	7	Manufacturing Equipment	1,120.00
Surface Plate and Stand - MSC Industrial	HTI	MW	15	2/17/2011	7	Manufacturing Equipment	1,167.00
Tensitron - Cable Tension Meter	HTI	MW	109	8/27/2008	7	Manufacturing Equipment	1,168.00
MBT 350 System A05 - Production Automation Corp	HTI	MW	96	4/17/2007	7	Manufacturing Equipment	1,209.43
Molex Tool for 2.75 Board - TTI, Inc.	HTI	MW	51	4/15/2009	7	Manufacturing Equipment	1,285.75
Tension Load Cell 10000LB - Dillon Quality Plus	HTI	MW	40	7/21/2008	7	Manufacturing Equipment	1,290.00

Schedule 5.5

Machinery and Equipment

Description	Debtor	Location	Asset Tag	Acquisition Date	Life	Type	Original Acquisition Cost
Viking Pump Relief Valve - DXP Enterprises, Inc. - Prod C	HTI	MW	104	12/12/2008	7	Manufacturing Equipment	1,290.00
Dillion Force Indicator - Lasbasculas.com	HTI	MW	42	4/23/2008	7	Manufacturing Equipment	1,346.00
Dillion Force Indicator - Lasbasculas.com	HTI	MW	MX - HTI066 5/14/08	4/23/2008	7	Manufacturing Equipment	1,346.00
Pace Solder Sucker - Production Automation Co.	HTI	MW	43	6/5/2008	7	Manufacturing Equipment	1,400.40
Production Automation - Pace MBT350 Solder Sucker	HTI	MW	87	9/10/2008	7	Manufacturing Equipment	1,400.40
Motor for VC100 Vacuum Pump - Republic Sales	HTI	MW	52	11/9/2010	7	Manufacturing Equipment	1,472.88
Dillon 10,000# Tension Load Cell - Dynamic Measurement Systems	HTI	MW	Not assigned	4/20/2015	7	Manufacturing Equipment	1,525.00
QC Tool System 32 Series - Lillbacka PowerCo	HTI	MW	54	4/11/2008	7	Manufacturing Equipment	1,575.00
QC Tool System 32 Series - Lillbacka PowerCo	HTI	MW	MX - HTI049-50 5/14/2008	4/11/2008	7	Manufacturing Equipment	1,575.00
QC Tool System 32 Series - Lillbacka PowerCo	HTI	MW	MX - HTI049-50 5/14/2008	4/11/2008	7	Manufacturing Equipment	1,575.00
Air Compressor - Grainger.com	HTI	MW	31	10/12/2010	7	Manufacturing Equipment	1,576.12
Pancake Load Cell 30K LB & Assy - Cooper Inst	HTI	MW	48	7/8/2009	7	Manufacturing Equipment	1,620.00
PMC Mercury - Go/NoGo Third Ring - #281218-4F (Etched Tag)	HTI	MW	132	11/7/2007	7	Manufacturing Equipment	1,634.61
Electronic Pallet Truck Scale - Northern Tool and Equipment Co.	HTI	MW	46	3/31/2008	7	Manufacturing Equipment	1,799.99
Transformer Line Noise Isolation Unit - Surplus Sales (2) Prod A	HTI	MW	97, 98	1/12/2009	7	Manufacturing Equipment	1,850.00
100MHZ 4 CH Dig O-Scope - Newark	HTI	MW	Missing/Engineering??	5/26/2009	7	Manufacturing Equipment	1,976.00
Sensitivity Box - Company made	HTI	MW	107	8/13/2008	7	Manufacturing Equipment	2,059.79
Megommeter 1050 - Tequipment.net - Prod A Assembly	HTI	MW	82	3/27/2008	7	Manufacturing Equipment	2,500.00
ABMX Servers 2U Rack Mounted Low Profile CPU	HTI	MW	Not assigned	11/24/2014	7	Manufacturing Equipment	2,608.52
Horizon Expansion Box & Adapter - Quadtech (for cable tester Oct 08)	HTI	MW	50	4/21/2009	7	Manufacturing Equipment	2,655.00
Republic Sales - Welch Pump 1402B-01 #1	HTI	MW	105	4/4/2008	7	Manufacturing Equipment	2,699.49
Republic Sales - Welch Pump 1402B-01 #2	HTI	MW	106	4/4/2008	7	Manufacturing Equipment	2,699.49
Cage Fence with gates installed - Bldg B	HTI	MW	Not assigned	8/7/2014	7	Manufacturing Equipment	2,860.00
Ash Industries Pre Mold Connector PN 110.4314.NNJ Rev 2	HTI	MW	Not assigned	11/18/2014	7	Manufacturing Equipment	2,950.00
Global Equipment Company - Elec Hang Scale w/ Remote	HTI	MW	101	11/11/2010	7	Manufacturing Equipment	2,999.95
Meter-A-Register - Murray Equipment	HTI	MW	56	5/16/2008	7	Manufacturing Equipment	3,063.75
Meter-A-Register - Murray Equipment	HTI	MW	MX - HTI064 7/15/08	5/16/2008	7	Manufacturing Equipment	3,063.75
Meter-A-Register - Murray Equipment	HTI	MW	MX - HTI073 7/15/08	5/16/2008	7	Manufacturing Equipment	3,063.75
Humboldt Materials Testing Eq - Pentrometer - in repair room	HTI	MW	90	12/19/2007	7	Manufacturing Equipment	3,160.00
Vacuum Pump - Republic Sales	HTI	MW	53	8/26/2008	7	Manufacturing Equipment	3,465.00
Republic Sales - Fill Tanks w/ pumptms and motors #1	HTI	MW	102	5/12/2008	7	Manufacturing Equipment	3,610.56
Republic Sales - Fill Tanks w/ pumptms and motors #2	HTI	MW	103	5/12/2008	7	Manufacturing Equipment	3,610.56
Environmental Chamber Rack w/ Trays - Bittner Precision Fabrication	HTI	MW	94	8/15/2008	7	Manufacturing Equipment	3,800.00
Environmental Chamber Rack w/ Trays - Bittner Precision Fabrication	HTI	MW	95	8/15/2008	7	Manufacturing Equipment	3,800.00
Bird Coil Tester - ION	HTI	MW	Not assigned	9/23/2014	7	Manufacturing Equipment	3,840.00
JDR Cable System - Storage Reel po 43 outside bldg C	HTI	MW	100	10/2/2007	7	Manufacturing Equipment	4,117.23
Oil Flooded Rotary Vane VA PU - Republic Sales	HTI	MW	44	5/2/2008	7	Manufacturing Equipment	4,431.00
Oil Flooded Rotary Vane VA PU - Republic Sales	HTI	MW	45	5/2/2008	7	Manufacturing Equipment	4,431.00
Oil Flooded Rotary Vane Vac 1	HTI	MW	MX - HTI061-62 5/14/2008	4/11/2008	7	Manufacturing Equipment	4,431.00
Oil Flooded Rotary Vane Vac 2	HTI	MW	MX - HTI061-62 5/14/2008	4/11/2008	7	Manufacturing Equipment	4,431.00

Schedule 5.5

Machinery and Equipment

Description	Debtor	Location	Asset Tag	Acquisition Date	Life	Type	Original Acquisition Cost
Krohn-Hite 4402B Oscillator Ultra Low Distortion (3) Mod Rm, 2 @ FS	HTI	MW	70115116	4/7/2010	7	Manufacturing Equipment	4,935.00
Motion Industries - Hydro Power Unit	HTI	MW	69	4/14/2008	7	Manufacturing Equipment	5,009.59
Ash Industries Pre Mold Connector PN 110.4310.NNJ Rev 4	HTI	MW	Not assigned	11/18/2014	7	Manufacturing Equipment	5,900.00
Tension Module Test Frame - Mfg use from Inventory	HTI	MW	13	7/31/2011	7	Manufacturing Equipment	6,197.73
Instruquest Inc. - HUMIPYC Model 2 Pycnometer	HTI	MW	65	3/16/2012	7	Manufacturing Equipment	6,255.00
NTRS Beta Test Unit - Company made	HTI	MW	Not assigned	3/16/2014	7	Manufacturing Equipment	6,438.51
Reel-o-matic Take up Machine #4 - in MW	HTI	MW	34	3/5/2010	7	Manufacturing Equipment	6,850.00
Z18 3D Printer - Makerbot	HTI	MW	Not assigned	7/18/2014	7	Manufacturing Equipment	7,267.00
QuadTech Testing Eq - Horizon 1500 Cable Tester	HTI	MW	MX - HTI033 5/14/2008	8/31/2007	7	Manufacturing Equipment	7,758.00
MegaWavs - Bruel & Kjaer Vibration Exciter System Type 4802	HTI	MW	28	3/16/2012	7	Manufacturing Equipment	8,000.00
Crimping Machine - Lillbacka PowerCo #1	HTI	MW	57	1/15/2010	7	Manufacturing Equipment	9,275.00
Dodson Amplifier 6KVA, 120VAC, 55 AMPS RMS Output	HTI	MW	Not assigned	1/9/2015	7	Manufacturing Equipment	10,540.00
Low Production Crimping Machine - Lillbacka PowerCo	HTI	MW	55	4/11/2008	7	Manufacturing Equipment	10,805.00
Low Production Crimping Machine - Lillbacka PowerCo	HTI	MW	MX - HTI051-52 5/14/2008	4/11/2008	7	Manufacturing Equipment	10,805.00
Low Production Crimping Machine - Lillbacka PowerCo	HTI	MW	MX - HTI051-52 5/14/2008	4/11/2008	7	Manufacturing Equipment	10,805.00
Agilent Pulse Pattern Generator - Newark - FS Area	HTI	MW	91	6/12/2009	7	Manufacturing Equipment	18,432.00
Platinous Temperture Chamber - Espec North America	HTI	MW	26	4/21/2008	7	Manufacturing Equipment	19,825.00
Laser Etching Machine - Engravers Network	HTI	MW	135	6/13/2013	7	Manufacturing Equipment	22,390.00
Sealant Equipment - Gel Machine	HTI	MW	MX - HTI079 7/15/08	5/28/2008	7	Manufacturing Equipment	36,536.54
13/16-18 Ring Gage Go/No Go w/ Cert - Ledford Gage PO 4888	HTI	Vendor	AT VENDOR	9/9/2011	7	Manufacturing Equipment	1,059.25
Reeves & Associates - 2 3/16-18 UN2A Go/NoGo Rings PO 5802	HTI	Vendor	AT VENDOR	7/13/2012	7	Manufacturing Equipment	1,122.00
Nettur Precision - Isoplast 2 Stressmember 63MM Spacer Mold	HTI	Vendor	AT VENDOR	3/27/2012	7	Manufacturing Equipment	1,995.00
M2E Boot Tooling Mold - Geospectrum	HTI	Vendor	AT VENDOR	9/29/2009	7	Manufacturing Equipment	2,000.00
Seacon Global - 37 Pin Connector 28-21 Style Mold	HTI	Vendor	AT VENDOR	7/7/2008	7	Manufacturing Equipment	2,400.00
Seacon Global - 28-21 Style 37 Socket Connector Mold	HTI	Vendor	AT VENDOR	7/7/2008	7	Manufacturing Equipment	2,600.00
Pin & Socket Mold	HTI	Vendor	AT VENDOR	2/15/2005	7	Manufacturing Equipment	4,000.00
Pin & Socket Mold	HTI	Vendor	AT VENDOR	4/19/2005	7	Manufacturing Equipment	4,000.00
Injection Mold Modify Revision F - Nettur Precision	HTI	Vendor	AT VENDOR	11/30/2009	7	Manufacturing Equipment	4,300.00
Classic Tool & Mold - modify existing cavities	HTI	Vendor	AT VENDOR	3/1/1998	7	Manufacturing Equipment	6,131.00
Classic Tool & Mold	HTI	Vendor	AT VENDOR	3/1/1998	7	Manufacturing Equipment	10,165.00
Mfg Equip 2 mold sets 1825 each & Quadtech	HTI	Vendor	AT VENDOR	7/1/2006	7	Manufacturing Equipment	10,807.00
For 2 Stressmember Spacer Mold Modification- Nettur Precision Tech	HTI	Vendor	AT VENDOR	7/20/2009	7	Manufacturing Equipment	10,865.00
Dell 1800MP Projector for Training Room	HTI	MW	80	3/3/2008	5	Office Equipment	649.00
Ice Machine	HTI	MW	66	8/16/2005	5	Office Equipment	3,248.00
NEC DSX - 160 Phone System	HTI	MW	24	4/18/2008	5	Office Equipment	11,627.38
Toshiba Satellite Pro Laptop - SS#1071 - Trsf from Solid - Behrens	HTI	MW	143	9/6/2013	3.5833	Software & Computers	499.77
Battery Back up for server room	HTI	MW	Not assigned	5/7/2014	5	Software & Computers	517.60
Acer Veriton PC Office Depot for KB	HTI	MW	64	10/6/2010	5	Software & Computers	524.95
Rosetta Stone software - Learn Spanish	HTI	MW	78	9/30/2011	5	Software & Computers	540.17
Acer Laptop, CDW Direct, Glenn Tilley	HTI	MW	63	7/20/2011	5	Software & Computers	618.79

Schedule 5.5

Machinery and Equipment

Description	Debtor	Location	Asset Tag	Acquisition Date	Life	Type	Original Acquisition Cost
Toshiba Satellite Pro Laptop - SS3	HTI	MW	See IT Dept	3/14/2011	3.25	Software & Computers	628.75
HP 550 - Core 2 Duo T5670 Laptop - Texedo Technologies	HTI	MW	See IT Dept	4/2/2009	5	Software & Computers	686.33
Computer for Chuck Holt - Tiger Direct PO 7373	HTI	MW	Not assigned	6/10/2014	5	Software & Computers	709.98
Computer for NTRS2 testing - Tiger Direct Supermicro used w/ Bird	HTI	MW	76	2/17/2011	5	Software & Computers	718.09
HP Laptop for Tim - Tiger Direct Inc.	HTI	MW	See IT Dept	4/23/2009	5	Software & Computers	724.31
Apple Store - 32GB Ipad - Michelle	HTI	MW	19	1/31/2012	5	Software & Computers	789.14
Apple Store - 32GB Ipad - Ron	HTI	MW	11	1/31/2012	5	Software & Computers	789.14
Eric Boyer expense report - Ipad and cover	HTI	MW	See IT Dept	1/31/2012	5	Software & Computers	793.46
Seagate Black Armor NAS 440 Serial ATA-300 Network Storage Mod Rm	HTI	MW	77	11/16/2010	5	Software & Computers	854.09
Computers for OBR Creation - Interloper.com - Module Room	HTI	MW	71	9/22/2008	5	Software & Computers	895.60
Computers for OBR Creation - Interloper.com - Repair	HTI	MW	72	9/22/2008	5	Software & Computers	895.60
Computers for OBR Creation - Interloper.com - Repair	HTI	MW	73	9/22/2008	5	Software & Computers	895.60
Computers for OBR Creation - Interloper.com- Snack Closet Wht Box	HTI	MW	74	9/22/2008	5	Software & Computers	895.60
Computers for OBR Creation - Interloper.com- Snack Closet Wht Box	HTI	MW	75	9/22/2008	5	Software & Computers	895.60
Toshiba Direct Laptop - L750D-BT5N22 - Benny Cook	HTI	MW	58	6/8/2012	5	Software & Computers	907.00
UPS 3000VA / 2400W Pure Wave Battery Backup #1	HTI	MW	Not assigned	8/17/2014	5	Software & Computers	914.99
UPS 3000VA / 2400W Pure Wave Battery Backup #2	HTI	MW	Not assigned	8/17/2014	5	Software & Computers	914.99
Adobe software and license	HTI	MW	See IT Dept	9/30/2011	5	Software & Computers	931.00
NEC 1091028 - NEC DSX VoIP Starter Package - Texedo Tech	HTI	MW	120	9/26/2011	5	Software & Computers	979.24
Toshiba Laptop - ToshibaDirect.com for BQ	HTI	MW	60	10/18/2010	5	Software & Computers	993.74
Surface 3 Tablet - Tiger Direct - Michelle McCarty	HTI	MW	Not assigned	7/10/2014	5	Software & Computers	999.99
Toshiba Laptop - Toshiba Direct.com - Michelle	HTI	MW	20	9/9/2011	5	Software & Computers	1,007.75
Super Micro Server 2U Rack	HTI	MW	Not assigned	2/16/2014	5	Software & Computers	1,126.80
Texedo Tech Invoice 36732	HTI	MW	See IT Dept	9/29/2011	5	Software & Computers	1,204.13
Advantech Computer Components CO Built George ENG - IS 12/31/13	HTI	MW	145	8/14/2013	5	Software & Computers	1,209.97
Adobe CS6 Design Software - Adobe.com	HTI	MW	Not assigned	6/23/2014	5	Software & Computers	1,299.00
Toshiba Direct Laptop - Robert Adams	HTI	MW	1	3/31/2012	5	Software & Computers	1,317.39
Toshiba Direct Laptop - Mike Easley	HTI	MW	21	3/31/2012	5	Software & Computers	1,317.40
Advantech Computer Components CO Built George ENG #2 - NIS	HTI	MW	144	9/30/2013	5	Software & Computers	1,325.64
Dell PC for Chris Ellis	HTI	MW	See IT Dept	11/21/2007	5	Software & Computers	1,344.57
Lenovo B470 Laptop (Black) - Carlos and Hector	HTI	MW	121	8/26/2011	5	Software & Computers	1,448.41
Extreme Internet - Intel Business Tower - Desktop Computer - James	HTI	MW	61	1/20/2012	5	Software & Computers	1,499.95
Extreme Internet - Intel Business Tower - Desktop Computer - Sue	HTI	MW	62	1/20/2012	5	Software & Computers	1,499.95
Printer - HP Design Jet 110Plus NR - Tiger Direct Inc.	HTI	MW	See IT Dept	6/27/2008	5	Software & Computers	1,594.99
Super Micro Server 4U Rack for server room	HTI	MW	Not assigned	5/7/2014	5	Software & Computers	1,730.00
Video Studio Premium with MSDN - R Allen - Software	HTI	MW	SOFTWARE - NO TAG	8/23/2010	5	Software & Computers	2,299.00
Texedo Tech Computer inv# 2106	HTI	MW	See IT Dept	10/25/2007	5	Software & Computers	2,356.69
Vostro 1720 Laptop, Case, etc - Dell Small Business	HTI	MW	See IT Dept	5/29/2009	5	Software & Computers	2,395.00
Computer KB CC 8/09	HTI	MW	64	8/15/2009	5	Software & Computers	2,646.20
Firewall Appliance - Untangle.com	HTI	MW	161	9/24/2014	5	Software & Computers	3,395.00

Schedule 5.5

Machinery and Equipment

Description	Debtor	Location	Asset Tag	Acquisition Date	Life	Type	Original Acquisition Cost
Epson Plotter - Stylus Pro 7700 w/ Stand	HTI	MW	18	5/20/2010	5	Software & Computers	3,469.41
Win Driver PCI Software	HTI	MW	Not assigned	11/14/2014	5	Software & Computers	5,999.00
SolidWorks Simulation Premium Software - GoEngineer	HTI	MW	Not assigned	6/16/2014	5	Software & Computers	9,152.09
Global Shop Software	HTI	MW	SOFTWARE - NO TAG	10/1/2007	5	Software & Computers	85,750.00
Utility Trailer - The Trailer Man	HTI	MW	Titled	10/17/2008	5	Vehicles	1,065.00
Uline - yellow fire safe cabinet Yellow fire safe cabinet	SS	MW	1051	9/12/2011	7	Furniture & Fixtures	726.31
Berry's Office Furniture, Inc. U-Shaped receptionist desk with pedestals and desk top	SS	MW	1069	9/28/2011	7	Furniture & Fixtures	1,824.01
Global Industrial 216 X 30 Workmaster Bench	SS	Mexico	1048, 1114, 1115	7/14/2011	7	Manufacturing Equipment	885.53
Global Industrial 216 X 30 Workmaster Bench	SS	Mexico	1056, 1057, 1058	7/14/2011	7	Manufacturing Equipment	885.54
Global Industrial 216 X 30 Workmaster Bench	SS	Mexico	1059, 1060, 1061	7/14/2011	7	Manufacturing Equipment	885.54
Exactitude, LLC Bifurcating hydrophone fill molds	SS	Mexico	1116	11/30/2011	7	Manufacturing Equipment	1,654.00
Exactitude, LLC Bifurcating hydrophone fill molds	SS	Mexico	1117	11/30/2011	7	Manufacturing Equipment	1,654.00
Exactitude, LLC Bifurcating hydrophone fill molds	SS	Mexico	1118	11/30/2011	7	Manufacturing Equipment	1,654.00
Richard Pearce B&K Analyzer 2032	SS	Mexico	1001	5/1/2011	7	Manufacturing Equipment	4,000.00
Richard Pearce B&K 8105 Reference hydrophone	SS	Mexico	1002	5/1/2011	7	Manufacturing Equipment	2,000.00
Richard Pearce B&K 2635 Charge Amp	SS	Mexico	1003	5/1/2011	7	Manufacturing Equipment	500.00
Richard Pearce B&K 2635 Charge Amp	SS	Mexico	1004	5/1/2011	7	Manufacturing Equipment	500.00
Richard Pearce B&K 4708 Power Aplifier	SS	Mexico	1006	5/1/2011	7	Manufacturing Equipment	1,200.00
Richard Pearce B&K Plotter	SS	Mexico	1007	5/1/2011	7	Manufacturing Equipment	700.00
Hydrophone Molds (3 each, old)	SS	Mexico				Manufacturing Equipment	Unknown
Exactitude, LLC Teflon Coil Molds 7.51 x 3.26	SS	Mexico	1082	9/6/2012	7	Manufacturing Equipment	784.00
Exactitude, LLC Teflon Coil Molds 7.51 x 3.26	SS	Mexico	1083	9/6/2012	7	Manufacturing Equipment	784.00
Various Vendors Calibration Box - Company made	SS	Mexico	1010	4/15/2013	7	Manufacturing Equipment	700.00
T Equipment.com Reflectometer - TDR 500/3	SS	Mexico	1124	8/8/2013	7	Manufacturing Equipment	626.22
MHZ Electronics Reference Hydrophones - SN 1203576	SS	Mexico	1132	8/28/2013	7	Manufacturing Equipment	1,000.00
Michael Engineering Pumpkin Adhesive Dispenser PK-071	SS	Mexico	1155	7/22/2014	7	Manufacturing Equipment	2,135.00
Michael Engineering Pumpkin Adhesive Dispenser PK-072	SS	Mexico	1156	7/22/2014	7	Manufacturing Equipment	2,135.00
Fluid Research Corporation Tritin Floor Mount Dispensing System	SS	MW	1041	4/7/2011	7	Manufacturing Equipment	33,439.00
EBAY Pycnometer Test Equipment	SS	MW	1049	5/25/2011	7	Manufacturing Equipment	2,702.66
Global Industrial 216 X 30 Workmaster Bench	SS	MW	1042, 1043, 1044	7/14/2011	7	Manufacturing Equipment	885.53
Global Industrial 216 X 30 Workmaster Bench	SS	MW	1045, 1046, 1047	7/14/2011	7	Manufacturing Equipment	885.53
Tractor Supply 80 gal air compressor w/4 yr svc plan	SS	MW		7/18/2011	7	Manufacturing Equipment	1,209.98
Richard Pearce cement mixer	SS	MW	1034	7/18/2011	7	Manufacturing Equipment	552.04
Quantachrome Spheres for calibration of pycnometer	SS	MW	1120	8/19/2011	7	Manufacturing Equipment	729.43
Various Vendors Mold Fixture - Custom Built	SS	MW	1033	11/30/2011	7	Manufacturing Equipment	296,731.19
EBAY compressed air dryer part of molding equipment	SS	MW	1087	11/30/2011	7	Manufacturing Equipment	505.00
Hawkeye Precision 1.500 x 6.000 78.000 Mold Halves, Inner shot molds and frames	SS	MW	1101	11/30/2011	7	Manufacturing Equipment	1,730.96
Hawkeye Precision 1.500 x 6.000 78.000 Mold Halves, Inner shot molds and frames	SS	MW	1102	11/30/2011	7	Manufacturing Equipment	1,730.96
Hawkeye Precision 1.500 x 6.000 78.000 Mold Halves, Inner shot molds and frames	SS	MW	1103	11/30/2011	7	Manufacturing Equipment	1,730.96
Hawkeye Precision 1.500 x 6.000 78.000 Mold Halves, Inner shot molds and frames	SS	MW	1104	11/30/2011	7	Manufacturing Equipment	1,730.96

Schedule 5.5

Machinery and Equipment

Description	Debtor	Location	Asset Tag	Acquisition Date	Life	Type	Original Acquisition Cost
Hawkeye Precision 1.500 x 6.000 78.000 Mold Halves, Inner shot molds and frames	SS	MW	1105	11/30/2011	7	Manufacturing Equipment	1,730.96
Hawkeye Precision 1.500 x 6.000 78.000 Mold Halves, Inner shot molds and frames	SS	MW	1106	11/30/2011	7	Manufacturing Equipment	1,730.96
Hawkeye Precision 1.500 x 6.000 78.000 Mold Halves, Inner shot molds and frames	SS	MW	1107	11/30/2011	7	Manufacturing Equipment	1,730.96
Hawkeye Precision 1.500 x 6.000 78.000 Mold Halves, Inner shot molds and frames	SS	MW	1108	11/30/2011	7	Manufacturing Equipment	1,730.96
Hawkeye Precision 1.500 x 6.000 78.000 Mold Halves, Inner shot molds and frames	SS	MW	1109	11/30/2011	7	Manufacturing Equipment	1,730.96
Hawkeye Precision 1.500 x 6.000 78.000 Mold Halves, Inner shot molds and frames	SS	MW	1110	11/30/2011	7	Manufacturing Equipment	1,730.96
Hawkeye Precision 1.500 x 6.000 78.000 Mold Halves, Inner shot molds and frames	SS	MW	1111	11/30/2011	7	Manufacturing Equipment	1,730.96
Hawkeye Precision 1.500 x 6.000 78.000 Mold Halves, Inner shot molds and frames	SS	MW	1112	11/30/2011	7	Manufacturing Equipment	1,730.96
Hawkeye Precision Hi Res Mold 1.5, 3.42m long, note 1.5" diam molding area	SS	MW	1088	11/30/2011	7	Manufacturing Equipment	2,633.18
Exactitude, LLC PN SCM01-02 Rev0, Inner Connector Mold, Solid Cable - outer floatation	SS	MW	1015	11/30/2011	7	Manufacturing Equipment	342.00
Exactitude, LLC PN SCM01-02 Rev0, Inner Connector Mold, Solid Cable - outer floatation	SS	MW	1016	11/30/2011	7	Manufacturing Equipment	342.00
Exactitude, LLC PN SCM01-01 Rev0, Coil Mold, Solid Cable	SS	MW	1119	11/30/2011	7	Manufacturing Equipment	541.00
Richard Pearce 12x36 Horizontal Metal Lathe	SS	MW	1038	5/1/2011	7	Manufacturing Equipment	3,750.00
Richard Pearce Vertical Mill with Tooling	SS	MW	1039	5/1/2011	7	Manufacturing Equipment	2,000.00
Richard Pearce Large Rolling Tool Box	SS	MW	1032	5/1/2011	7	Manufacturing Equipment	1,000.00
Richard Pearce 48 ch DH mold	SS	MW	1064	5/1/2011	7	Manufacturing Equipment	1,625.00
Richard Pearce B&K Accelerometer	SS	MW	1067	5/1/2011	7	Manufacturing Equipment	500.00
Richard Pearce Endevco Tri axial accelerometer	SS	MW	1066	5/1/2011	7	Manufacturing Equipment	700.00
Richard Pearce B&K Miniature accelerometer	SS	MW	1067	5/1/2011	7	Manufacturing Equipment	400.00
Richard Pearce Flow noise test fixture	SS	MW	1086	5/1/2011	7	Manufacturing Equipment	500.00
Richard Pearce Connector Fixture	SS	MW	1065	5/1/2011	7	Manufacturing Equipment	625.00
Hydroscience Technologies, Inc. Quadtech Meridian Cable Tester	SS	MW	1008	10/11/2011	7	Manufacturing Equipment	6,075.25
MSC Industrial Supply Diaphragm Barrel Pumps	SS	MW	1052	10/24/2011	7	Manufacturing Equipment	599.54
MSC Industrial Supply Diaphragm Pumps	SS	MW	1053	10/24/2011	7	Manufacturing Equipment	599.54
Bid on Equipment.com 70 Gallon Stainless Steel Batch Tank	SS	MW	1036	10/27/2011	7	Manufacturing Equipment	1,236.15
Hydroscience Technologies, Inc. Horizon Test Cables	SS	MW	1009	11/28/2011	7	Manufacturing Equipment	4,008.54
Hydroscience Technologies, Inc. Horizon Test Cables	SS	MW	1050	11/28/2011	7	Manufacturing Equipment	4,008.54
Hawkeye Precision 3.047 Meter Mold	SS	MW	1089	12/5/2011	7	Manufacturing Equipment	3,494.35
Pittsburgh Spray Equipment Gear Drive Unit for the Improvement of the Batch Tank - 8/1/1	SS	MW	1037	12/8/2011	7	Manufacturing Equipment	1,304.34
Exactitude, LLC Centralizer Mold - Delrin Material - Centering Spacer	SS	MW	1019	12/12/2011	7	Manufacturing Equipment	1,001.25
Exactitude, LLC Centralizer Mold - Delrin Material - Centering Spacer	SS	MW	1020	12/12/2011	7	Manufacturing Equipment	1,001.25
Exactitude, LLC Centralizer Mold - HDPE Material - Centering Spacer	SS	MW	1021	12/12/2011	7	Manufacturing Equipment	860.63
Exactitude, LLC Centralizer Mold - HDPE Material - Centering Spacer	SS	MW	1022	12/12/2011	7	Manufacturing Equipment	860.63
Exactitude, LLC Centralizer Mold - HDPE Material - Centering Spacer	SS	MW	1023	12/12/2011	7	Manufacturing Equipment	860.63
Exactitude, LLC Centralizer Mold - HDPE Material - Centering Spacer	SS	MW	1024	12/12/2011	7	Manufacturing Equipment	860.63
Northern Tool Cement Mixer 6 cu ft.	SS	MW	1035	12/12/2011	7	Manufacturing Equipment	541.24
Exactitude, LLC Short Spline w/ modification	SS	MW		2/13/2012	7	Manufacturing Equipment	1,250.04
Fluid Research Corporation Z-2000G Zephyr Dispensing System	SS	MW	1031	3/14/2012	7	Manufacturing Equipment	10,350.00
Southwest Quality Molding Hydrophone Mold - SCHYD02-02 Body w/shoulder	SS	MW		6/27/2012	7	Manufacturing Equipment	2,500.00
Southwest Quality Molding Hydrophone Mold - SCHYD02-03 Shoulder, Diaphragm Securin	SS	MW		6/27/2012	7	Manufacturing Equipment	4,875.00

Schedule 5.5

Machinery and Equipment

Description	Debtor	Location	Asset Tag	Acquisition Date	Life	Type	Original Acquisition Cost
McMaster Carr Slimline Durometer 1388T213	SS	MW	1080	8/1/2012	7	Manufacturing Equipment	507.49
Exactitude, LLC HDPE Repair Molds w/ Alum base (2 halves) 5 phone repair	SS	MW	1027	9/26/2012	7	Manufacturing Equipment	596.00
Exactitude, LLC HDPE Repair Molds w/ Alum base (2 halves) 5 phone repair	SS	MW	1028	9/26/2012	7	Manufacturing Equipment	596.00
Exactitude, LLC HDPE Repair Molds w/ Alum base (2 halves) 5 phone repair	SS	MW	1029	9/26/2012	7	Manufacturing Equipment	596.00
Exactitude, LLC HDPE Repair Molds w/ Alum base (2 halves) 5 phone repair	SS	MW	1030	9/26/2012	7	Manufacturing Equipment	596.00
Fluid Research Corporation Control box unit for Triton machine w/ heated hoses	SS	MW	1054	9/6/2012	7	Manufacturing Equipment	9,240.74
Various Vendors Pressure Tester for Solid Cable - company built - In Svc - 5/1/13	SS	MW	1113	5/1/2013	7	Manufacturing Equipment	4,143.02
Modern Sales & Service 5 HP Air Compressor with Holding Tank	SS	MW	1055, 1062	12/11/2012	7	Manufacturing Equipment	3,295.00
Exactitude, LLC Mold Bend Limiter, Core & Cavity - SCM03-01 & SCM03-02 (Spring Molds)	SS	MW	1025	1/8/2013	7	Manufacturing Equipment	324.90
Exactitude, LLC Mold Bend Limiter, Core & Cavity - SCM03-01 & SCM03-02 (Spring Molds)	SS	MW	1026	1/8/2013	7	Manufacturing Equipment	324.90
Exactitude, LLC Mold Tri-Axial Protect PGS, Outer - 451-SCM04-01, 02	SS	MW	1068	1/9/2013	7	Manufacturing Equipment	858.00
Exactitude, LLC Mold Bend Limiter Encapsulating, Core & Cavity - 451-SCM06-01, 02	SS	MW	1100	1/11/2013	7	Manufacturing Equipment	638.00
Exactitude, LLC Mold Inner Connector, Cavity & Core - 451-SCM01-02, 03	SS	MW	1017	1/16/2013	7	Manufacturing Equipment	574.00
Exactitude, LLC Mold Inner Connector, Cavity & Core - 451-SCM01-02, 03	SS	MW	1018	1/16/2013	7	Manufacturing Equipment	574.00
Exactitude, LLC Mold Phone Group, Cavity & Core - 451-SCM10-01, 02 Centering	SS	MW	1063	1/17/2013	7	Manufacturing Equipment	620.00
Exactitude, LLC Mold Tri-Axial, Inner, 451-SCM04-03, 04	SS	MW	1085	1/17/2013	7	Manufacturing Equipment	1,080.00
Exactitude, LLC Mold Accelerometer Mount, Cavity & Core, 451-SCM04-05, 06	SS	MW	1081	1/28/2013	7	Manufacturing Equipment	956.00
Exactitude, LLC Mold Individual Phone, Cavity & Core, 451-SCM04-07, 08	SS	MW	1084	1/28/2013	7	Manufacturing Equipment	678.00
Exactitude, LLC Coil Mold, Cavity & Core, 451-SCM01-05, 06	SS	MW	1011	2/20/2013	7	Manufacturing Equipment	510.00
Exactitude, LLC Coil Mold, Cavity & Core, 451-SCM01-05, 06	SS	MW	1012	2/20/2013	7	Manufacturing Equipment	510.00
Exactitude, LLC Coil Mold, Cavity & Core, 451-SCM01-05, 06	SS	MW	1013	2/20/2013	7	Manufacturing Equipment	510.00
Exactitude, LLC Coil Mold, Cavity & Core, 451-SCM01-05, 06	SS	MW	1014	2/20/2013	7	Manufacturing Equipment	510.00
Band Saw	SS	MW	1121	4/15/2013	7	Manufacturing Equipment	545.00
Exactitude, LLC Mold, Cavity & Core, 451-SCM11-01, 02	SS	MW	1122	5/21/2013	7	Manufacturing Equipment	1,241.00
Exactitude, LLC Mold, Cavity & Core, 451-SCM11-01, 02	SS	MW	1123	5/21/2013	7	Manufacturing Equipment	1,241.00
Exactitude, LLC SCM14 Repair Mold	SS	MW	1125	8/13/2013	7	Manufacturing Equipment	625.00
Exactitude, LLC Centering Spacer Mold, Cavity and Core, 451-SCM02-01 Rev 4	SS	MW	4126 - 1140	8/27/2013	7	Manufacturing Equipment	1,144.35
Exactitude, LLC Centering Spacer Mold, Cavity and Core, 451-SCM02-01 Rev 4	SS	MW	4127 - 1141	8/27/2013	7	Manufacturing Equipment	1,144.35
Exactitude, LLC Centering Spacer Mold, Cavity and Core, 451-SCM02-01 Rev 4	SS	MW	4128 - 1142	8/27/2013	7	Manufacturing Equipment	1,144.35
Exactitude, LLC Centering Spacer Mold, Cavity and Core, 451-SCM02-01 Rev 4	SS	MW	4129 - 1143	8/27/2013	7	Manufacturing Equipment	1,144.35
Fluid Research Corporation Pump Assembly - 177-4060-7, M-4-6.0, Viton	SS	MW	1130	8/28/2013	7	Manufacturing Equipment	3,600.00
MHZ Electronics Reference Hydrophones - SN 1203578	SS	MW	1131	8/28/2013	7	Manufacturing Equipment	1,000.00
MHZ Electronics Piston Phone - SN 147533	SS	MW	1133	8/28/2013	7	Manufacturing Equipment	966.00
EBAY B&K Charge AMP - SN 921598	SS	MW	1134	9/6/2013	7	Manufacturing Equipment	499.00
EBAY B&K Charge AMP - SN 1278057	SS	MW	1135	9/6/2013	7	Manufacturing Equipment	499.00
EBAY B&K Power Amplifier - SN 1555603	SS	MW	1136	9/6/2013	7	Manufacturing Equipment	500.00
EBAY HP Dual Channel Analyzer - SN 2708A02652	SS	MW	1137	9/6/2013	7	Manufacturing Equipment	699.00
Various Vendors Slip Ring Tester - company made	SS	MW	IS 1/14 NO TAG	1/31/2014	7	Manufacturing Equipment	5,282.58
Burt Store.com Work Platform / Steps for Fixture	SS	MW	1138	10/1/2013	7	Manufacturing Equipment	585.00
Diaphragm Pump for Batch Tank	SS	MW	1139	10/11/2013	7	Manufacturing Equipment	765.90

Schedule 5.5

Machinery and Equipment

Description	Debtor	Location	Asset Tag	Acquisition Date	Life	Type	Original Acquisition Cost
Exactitude, LLC Runner Plate Mold, Cavity and Core, 451-SCM17-01, 02 NIS til 3/31/14	SS	MW	4444-1149	11/24/2013	7	Manufacturing Equipment	3,758.00
EBAY Diaphragm Pump	SS	MW		12/31/2013	7	Manufacturing Equipment	760.85
Exactitude, LLC Inner Connector Vertical Fill Mold, SCM19-01, 02 In Svc 3/14	SS	MW	4445-1153	12/5/2013	7	Manufacturing Equipment	991.00
Exactitude, LLC Inner Connector Vertical Fill Mold, SCM19-01, 02 In Svc 3/14	SS	MW	4446-1152	12/5/2013	7	Manufacturing Equipment	991.00
Hydroscience Technologies, Inc. Gel Machine to create the See Flow NIS	SS	MW		1/31/2014	7	Manufacturing Equipment	39,227.84
Tiger Direct Rack-Mountable APC Smart-UPS 3000VA	SS	MW	1147	1/21/2014	7	Manufacturing Equipment	1,437.21
EBAY Deairing Chamber Tank (includes Binks pressure pot)	SS	MW	1148	2/4/2014	7	Manufacturing Equipment	3,000.00
Exactitude, LLC Runner Plate Mold, Cavity and Core, 451-SCM17-01, 02 NIS til 7/14/14	SS	MW	1150	3/28/2014	7	Manufacturing Equipment	2,424.00
Exactitude, LLC Runner Plate Mold, Cavity and Core, 451-SCM17-01, 02 NIS til 7/14/14	SS	MW	1151	3/28/2014	7	Manufacturing Equipment	2,284.00
Exactitude, LLC Runner Plate Mold, Cavity and Core, 451-SCM17-01, 02 NIS	SS	MW	Untagged - 1154	3/28/2014	7	Manufacturing Equipment	3,024.00
Exactitude, LLC Down Hole Mold 451-SCM22-09, including Assembly 110-SCM22-01 4	SS	MW	Not assigned	9/14/2014	7	Manufacturing Equipment	3,041.87
Ensinger Putnam Mold for new hydrophone In Svc 1/1/15	SS	MW	Not assigned	9/8/2014	7	Manufacturing Equipment	41,500.00
Tornomecanica Industrial Bend Limiter Overmold, Cavity and Core, 451-SCM03-01, 02	SS	MW	Not assigned	9/2/2014	7	Manufacturing Equipment	901.00
Exactitude, LLC Bend Limiter Overmold, Cavity and Core, 451-SCM06-03, 04	SS	MW		2/28/2015	7	Manufacturing Equipment	9,798.00
Exactitude, LLC Bend Limiter Overmold, Cavity and Core, 991/992 SCM01-05, 06	SS	MW		4/30/2016	7	Manufacturing Equipment	16,552.96
Champion Rentals Scissor Lift	SS	MW		5/31/2016	7	Manufacturing Equipment	4,760.54
Withers Steel Mold Stand with Mounting Plates	SS	MW		6/30/2015	7	Manufacturing Equipment	1,575.00
MSC Industrial Supply Diaphragm Pump	SS	MW		6/30/2016	7	Manufacturing Equipment	970.11
Mineral Wells Rent-All Scissor Lift	SS	MW	1040	10/1/2011	7	Manufacturing Equipment	2,000.00
LCD Touch Monitors (2) - Elo Touch	SS	Mexico				Software & Computers	Unknown
Texedo Technologies, Inc Toshiba Satellite Pro Laptop - SS1 - Richard Pearce	SS	MW	1070	3/14/2011	5	Software & Computers	967.30
Texedo Technologies, Inc Toshiba Satellite Pro Laptop - SS4	SS	MW	1072	3/14/2011	5	Software & Computers	967.30
Texedo Technologies, Inc Toshiba Satellite Pro Laptop - SS5	SS	MW	1073	3/14/2011	5	Software & Computers	967.31
Texedo Technologies, Inc Cloud Server and Rack	SS	MW	1079	3/14/2011	5	Software & Computers	11,879.44
Texedo Technologies, Inc Allworx Phone System	SS	MW	1074	6/30/2011	5	Software & Computers	2,706.20
Comtech purchase of visioncore software	SS	MW		7/12/2011	5	Software & Computers	5,540.00
Texedo Technologies, Inc Dell Vostro Laptop - Fred/Andy	SS	MW	1075	8/23/2011	5	Software & Computers	737.49
Texedo Technologies, Inc Dell Optiplex 390 DT w/ 27" monitor & Microsoft Office - Jake	SS	MW	1076	10/25/2011	5	Software & Computers	1,155.02
Texedo Technologies, Inc HP Mini 1103 - Atom N44 Laptop/Netbook & Microsoft Office - Fe	SS	MW	1077	10/25/2011	5	Software & Computers	727.50
Texedo Technologies, Inc Power Edge R410 Chassis Server and licenses	SS	MW	1078	6/1/2012	5	Software & Computers	4,514.66
Tiger Direct 17.3" Notebook Computer - Rick Pearce	SS	MW	Not assigned	8/9/2014	5	Software & Computers	879.99
Totals							1,406,692.10

Totals by Class

Software & Computers	187,944.07
Manufacturing Equipment	1,083,579.84
Machinery & Equipment	96,433.34
Office Equipment	15,524.38
Furniture & Fixtures	22,145.47

Schedule 5.5

Machinery and Equipment

Description	Debtor	Location	Asset Tag	Acquisition Date	Life	Type	Original Acquisition Cost
Capital Lease Equipment							-
Vehicles							1,065.00
Total							1,406,692.10

Schedule 5.6

Absence of Certain Developments

Adverse Events Since Commencement of Bankruptcy Cases

1. An analysis of the Seller's physical inventory records indicated movement statistics that suggested significant and material obsolescence of inventories. Further, given the lack of administrative controls over several years and lack of conventional periodic physical counts, the movement statistics suggested many components may not have been properly relieved from inventory and charged to Cost of Goods Sold. Upon completion of an analysis, the Sellers were obliged to write down the value of its inventories to their best estimate of the lower of cost or market. This resulted in a book value reduction of inventories of approximately \$6 million, with resulting charges against income over several of the past fiscal years. Accordingly, the financial statements at the time the Sellers commenced the bankruptcy cases, and statements from prior years were required to be restated.

2. The Sellers's ceased solid cable manufacturing in Mexico and relocated much of the associated equipment to Mineral Wells, TX. That equipment has not yet been redeployed, and accordingly, the Sellers's do not currently have solid cable manufacturing capabilities immediately available.

Schedule 5.8
Title to Purchased Assets

None

Schedule 5.9(a)
Sellers' Intellectual Property not Included in Purchased
Intellectual Property

None

Schedule 5.9(b)

Intellectual Property Licenses

A001	ASIAN GEOS (S) PTE LTD	LOYANG OFFSHORE SUPPLY BASE, 25B LOYANG CRESCENT
A011	AUSTIN MFG. SERVICES	PO BOX 80249, AUSTIN, TX 78708-0249
B002	BGP INC	CHINA NATIONAL PETROLEUM CORP, NO 189 FANYANG ROAD, ZHUOZHOU, HE 072751 PR C
B003	UNIVERSITY OF BREMEN	DEPARTMENT OF GEOSCIENCES, KLAGENFURTER STR
B004	BGP GEOEXPLORER PTE LTD	10 ANSON ROAD #17-24, INTERNATIONAL PLAZA, SINGAPORE
B005	BNET TECHNOLOGIES	827 HOLLYWOOD WAY, #502, BURBANK, CA 91505
C001	CHINA - ORES LTD	19F OF SYNTHETICAL BLDG IOCAS, NO. 7 NANHAI ROAD, QINGDAO, P.R. CHINA 266071
C004	CSA INTERNATIONAL	8502 SW KANSAS AVE, STUART, FL 34997
C005	C & C TECHNOLOGIES, INC.	730 E. KALISTE SALOOM ROAD, LAFAYETTE, LA 70508
C006	CHINA OILFIELD SERVICES LTD	PO BOX 502,1156, JILIN ROAD, CHINA
C007	CELESTICA AEROSPACE	TECHNOLOGIES CORPORATION, BUILDING ONE, STE 100, AUSTIN, TX 78728
C008	COMPUDRAFT ENGINEERING	9207 DEERING AVE, SUITE B, CHATSWORTH, CA 91311
D008	DOKUZ EYLUL UNIVERSITESI	DONER SERMAYE ISLETMESI, (DENIZ BIL. VE TEK. ENST.), BALCOVA VERGI, TURKEY
D009	DYNAGEO SYSTEMS LTD	38 SANDRINGHAM CLOSE, NW CALBARY, CANADA
D010	Defence R & D Canada - DRDC	9 Grove Street, P.O. Box 1012
F005	FUGRO SURVEY LIMITED	DENMORE ROAD, DENMORE INDUSTRIAL ESTATE, ABERDEEN, AB238JUW ENGLAND
F010	FUGRO GOSERVICES, INC	PO BOX 52029, LAFAYETTE, LA 70505
F011	FUGRO NORWAY MARINE SVCS AS	HOFFVEIEN 1C, PO BOX 490
F012	FUGRO JACQUES GEOSURVEYS INC	25 PIPPY PLACE, ST. JOHN'S, NL, A1B-3X2 CANADA
F015	FORSVARETS MATERIELVERK	FE228, SE-838 73
F016	FRAUNHOFER-INSTITUT FUR	WINDENERGIE UND ENERGIESYSTEM, TECHNIK
G012	GARDLINE GEOSURVEY	ENDEAVOUR HOUSE ADMIRALTY RD, GREAT YARMOUTH, NORFOLK, NR303NG, ENGLAND
G012A	GARDLINE SHIPPING LIMITED	ENDEAVOUR HOUSE ADMIRALTY RD, GREAT YARMOUTH, NORFOLK, NR303NG, ENGLAND
G013	GENERAL DYNAMICS CANADA	3785 RICHMOND ROAD, OTTAWA, ON K2H5B7, CANADA
G015	GEOSPECTRUM TECHNOLOGIES, INC	10 AKERLEY BOULEVARD, UNIT 19, CANADA

Schedule 5.9(b)

Intellectual Property Licenses

G016	GMGS	RM612, 6/F, INSTRIMPEX BLD #6, XIZHIMENWAI STREET
G017	GEOSYS INC.	TSUCHIYA-BLDG., 1-5-18 OTSUKA, BUNKYO-KU
G018	GEOSPACE TECHNOLOGIES	7007 PINEMONT DRIVE, HOUSTON, TX 77040-6601
H002	HISANE (TIANJIN) GEOPHYSICAL	NO. 39, 5TH AVE TEDA, TIANJIN, 300457 CHINA
H007	HAMBURG UNIVERSITY	ABTEILUNG 7, FINANZBUCHHALTUNG
H044	HYDROSCIENCE MEXICO S DE RL DE	CARRETERA CHAPALA, KM24.5 NAVE 2 INT B, JALISCO, MEXICO
I001	ION GEOPHYSICAL	5000 RIVER ROAD, HARAHAH, LA 70123
K002	KONGSBERG SEATEX AS	PIRSENTERET, N-7462 TRONDHEIM, NORWAY
K003	KYOKUTO BOEKI KAISHA, LTD.	NEW OTEMACHI BLDG 2-1, OTEMACHI 2-CHOME, , DAIKI SUGAWARA
L006	L-3 CHESAPEAKE SCIENCES CORP	1127B BENFIELD BOULEVARD, MILLERSVILLE, MD 21108
L007	L-3 COMMUNICATIONS	OCEAN SYSTEMS, 15825 ROXFORD STREET, SYLMAR, CA 913423597
M001	MITCHAM INDUSTRIES INC	P.O. BOX 1175, HUNTSVILLE, TX 773421175
M003	JSC MARINE ARCTIC GEOLOGICAL	EXPEDITION 26, SOFIA PEROVSKAYA STR.
M005	MxP MARINE SEISMIC SERVICES	C/O KF CONSULTING, 4 PALM BLVD, MISSOURI CITY, TX 77459
M007	MXP MARINE SEISMIC SERVICES LT	17 GR XENOPOULOU ST, 3106 LIMASSOL
M008	MTA	GENERAL DIRECTORATE FOR MINERAL RESEARCH EXPLORATION, CANKAYA, AN 06800
M009	MIITSUBISHI HEAVY INDUSTRIES	SHIMONOSEKI SHIPYARD & MACHINERY WORKS 16-1, 6-CHOME
M010	MARINE SURVEYS, LLC	403 MECCA DRIVE, LAFAYETTE, LA 70508
M011	Mahakarya Geo Survey	J1. Tebet Raya No. 91A, Jakarta 12820, Indonesia
N008	NORWEGIAN GEOTECHICINAL INST.	PO BOX 3930, ULLEVAAL STADION, 0806, NORWAY
O003	ONGC	2-B, PRIYADARSHINI BUILDING, RCF OFFICE COMPLEX, SION, MUMBA, 400022 INDIA
O004	OMNIQUEST INTERNATIONAL BV	LANGELERMAATWEG 221, 7553 JH HENGEL0, NETHERLANDS
O006	OROGENIC GEOEXPRO SDN BHD	SUITE 7.01C & 7.01D, 7TH FLOOR, MENARA PROMET, KUALA LUMPUR, MALAYSIA
O006B	OROGENIC GEOEXPRO SDN BHD	SUITE 7.01C & 7.01D, 7TH FLOOR, MENARA PROMET, KUALA LUMPUR, MALAYSIA
O007	OGEOSEIS SDN BHD	SUITE 8.01, 8TH FLOOR, MENARA PROMET, MALYASIA ,ROHAIZAD ANWAR

Schedule 5.9(b)

Intellectual Property Licenses

P005	PGS GEOPHYSICAL AS (EXANO)	LILLEAKERVEIEN 4C, PO BOX 251 LILLEAKER, LYSAKER, N1326 NORWAY
P005H	PGS GEOSCIENCE AND ENG US DIV	15375 MEMORIAL DRIVE, STE 100, WEST MEMORIAL PLACE I, HOUSTON, TX 77079
P005HB	PGS RESEARCH US DIVISION	15150 MEMORIAL DRIVE, HOUSTON, TX 77079
P006	PGS GEOSCIENCE AND ENG NORW	LILLEAKERVEIEN 4C, PO BOX 251 LILLEAKER, OSLO, 0216 NORWAY
P007	PGS-MTEM LTD	4 THE HEIGHTS, WEYBRIDGE, KT13 OXP
Q001	QINGDAO RISENSE INTERNATIONAL	TRADING CO, LTD, 18, XIANGGANG ZHONG ROAD
S001	SOUTHERN CALIFORNIA BRAIDING	PO BOX 2068, BELL GARDENS, CA 90202-2068
S002	SEISMIC CABLE REPAIR Pte. Ltd	18K QUEEN ASTRID PARK, SINGAPORE 266821
S003	SOUND OCEANICS, LLC	PO BOX 980986, HOUSTON, TX 77098-0986
S004	SINOPEC USA	3050 POST OAK BLVD SUITE 800, HOUSTON, TX 77056
S006	SEISMIC ASIA PACIFIC PTY LTD	ABN 31 083 755 104, 556 TARRAGINDI ROAD, SALISBURY, 4076 AUSTRALIA
S009	SEAMAP PTE LTD	51 CHANGI NORTH CRESCENT, SINGAPORE 49962
S010	SHANDONG FOREIGN TRADE	RUIFENG CO., Ltd, 51, TAIPING ROAD
S013	SEISGADGET LTD.	17-10, KITANODAI 5-CHOME, HACHIOJI TOKYO
S017	SYRACUSE UNIVERSITY	SKYTOP ROAD, SYRACUSE, NY 132445300
S018	SEA AND LAND TECHNOLOGIES PTE	NO 65 TUAS AVENUE 1, SINGAPORE 639508
S033	SAAB DYNAMICS AB	SE-581 88 LINKOPING, SWEDEN
T001	TEZCUR INTERNATIONAL TRADING	LTD BVI, BILKENT PLAZA A3 BLOK NO: 32
T004	TELEDYNE LIMITED	EUROPEAN FACILITY, THE TELEDYNE BUILDING
T008	TL GEOHYDROGRAPHICS PTE. LTD	BLOCK 603, UNIT 4, TOPS AVE 6, BOX 5141, LOYANG OFFSHORE, SINGAPORE 508988
T009	TESLA OFFSHORE, LLC	36499 PERKINS ROAD, PRAIRIEVILLE, LA 70769
T015	TERRXPLORE	LANGELERMAATWEG 221, 7553 JH HENGEL0, NETHERLANDS
T016	TERRASOND LIMITED	6699 PORTWEST DR, HOUSTON, TX 77024
U003	UNIVERSITY OF BREMEN	DEPARTMENT OF GEOSCIENCES, KLAGENFURTER STR., GERMANY
V004	VERCET, LLC	1700 SURVEYOR BLVD., SUITE 100, CARROLLTON, TX 75006

Schedule 5.9(b) Intellectual Property Licenses

W003	WALKER MARINE GEOPHYSICAL CO.	7061 NE 8TH DR, BOCA RATON, FL 33487-2416
W007	WAVEFIELD INSEIS AS	DAMSGAARDSVEIEN 163B, LAKSEVAAG NO5162 NORWAY
W008	WESTLAND GEOPROJECTS HOLDING	BELLE VUE LANE, CORNWALL, EX23 8BR, UK
Z001	ZDATUM CORPORATION	9207 DEERING AVE, SUITE B, CHATSWORTH, CA 91311

Schedule 5.9(d)
Intellectual Property Legal Proceedings

None

**Schedule 5.11
Litigation**

None

Schedule 5.12(b) Permits

Hydroscience Technologies, Inc.

Right to Transact Business in Texas (Good standing)	Current
State Sales Tax Permit	Current
Texas State Unemployment Insurance Registration	Current
ITAR (DDTC) Registration (thru parent company)	Current
Certificate of Occupancy – Columbia Rd.	Current

Solid Seismic, LLC

Right to Transact Business in Texas (Good standing)	Current
State Sales Tax Permit	Current
Texas State Unemployment Insurance Registration	Current

Schedule 5.13

Related Party Transactions

1. Sellers individually or jointly occupy certain premises owned by International Seismic Technology, Inc., their parent company, and pay monthly rent for their use.
2. Seller Hydrosience Technologies, Inc. is owed an intercompany receivable from International Seismic Technology, Inc., which is being settled through the “Plan Settlement” in the Debtors’ Plan.
3. Fred G. Woodland, an officer and director of the Sellers, owns an equity interest in International Seismic Technology, Inc.

Schedule 5.14 Financial Advisors

CR3 Partners, LLC was retained by the Sellers as a financial advisor to assist with various financial matters and to solicit potential investors or buyers. CR3 is compensated for its services based on hourly fees. However, the Sellers' agreement with CR3 includes a Success Fee provision that upon the successful sale of substantially all of the assets of the Sellers, or reorganization, CR3 will receive a \$25,000.00 Success Fee.

Schedule 5.15 Contracts

Name	Contract Type	Description
A Lule	Compensation Agreement	HTI Compensation Agreement Post Petition
A Montes	Compensation Agreement	SS Compensation Agreement Post Petition
E Arriaga	Compensation Agreement	HTI Compensation Agreement Post Petition
J Perez	Compensation Agreement	HTI Compensation Agreement Post Petition
J Pikington	Compensation Agreement	HTI Compensation Agreement Post Petition
J Walker	Compensation Agreement	SS Compensation Agreement Post Petition
L Bailey	Compensation Agreement	HTI Compensation Agreement Post Petition
L Manley	Compensation Agreement	HTI Compensation Agreement Post Petition
R Allen	Compensation Agreement	HTI Compensation Agreement Post Petition
R Winters	Compensation Agreement	HTI Compensation Agreement Post Petition
Austin Manufacturing Systems	Customer	P.O. 592-AMS
BGP	Customer	Contract 494
Dynageo Systems	Customer	PO DGS2016020
FMV - Forsvarets materielverk	Customer	Current contract between FMV & HTI: 400151-LB908530 HTI ISSA
FMV - Forsvarets materielverk	Customer	Original contract No. 54107-LB84812 (FMV - GD Canada), CONTRACT A10105 (GD Canada - HTI). Intellectual property rights for FMV.
Fugro Geoservices	Customer	FP17-01075
Kyokuto Boeki Kaisa, LTD	Customer	Equipment on Loan
Mitsubishi Heavy Industries	Customer	Purchase Orders
Mitsubishi Heavy Industries	Customer	Contract of Purchase
MTA (Turkey)	Customer	Warranty Work - Equipment on Loan
Omniquest International bv	Customer	Equipment agreement; P.O. 20172020
PGS	Customer	SGN23006050A, PO HQ4889, Email confirmation of Agreement.
SAAB Dynamics	Customer	P.O. 100100501
Sea and Land Technologies	Customer	Purchase Order for Repairs (SO#3213 11/3/17)
Seisgadget, Ltd	Customer	Order
Walker Marine	Customer	Order
G Riley	Employee	HTI Confidentiality Agreement Pre Petition
M McCarty	Employee	HTI Confidentiality Agreement Pre Petition
A Arriaga	Employee	Confidentiality Agreement HTI Post Petition
A Arriaga	Employee	NDA HTI Post Petition
A Johnson	Employee	HTI Confidentiality Agreement Pre Petition
A Lule	Employee	Confidentiality Agreement HTI Post Petition
A Montes	Employee	Confidentiality Agreement HTI Post Petition
A Montes	Employee	NDA Solid Seismic Post Petition
Antonio Lule	Employee	Confidentiality & Non-Disclosure Agreements
B Behrens	Employee	Pre-Petition NDA
B Behrens	Employee	HTI Confidentiality Agreement Pre Petition
B Behrens	Employee	Employment and Non-Solicitation
B martin	Employee	HTI Confidentiality Agreement Pre Petition
B Quade	Employee	HTI Confidentiality Agreement Pre Petition
BW Cook	Employee	HTI Confidentiality Agreement Pre Petition
C Ellis	Employee	HTI Confidentiality Agreement Pre Petition
C Rizzo	Employee	HTI Confidentiality Agreement Pre Petition
CR Snyder	Employee	HTI Confidentiality Agreement Pre Petition
D Bell	Employee	HTI Confidentiality Agreement Pre Petition
DJ Craig	Employee	HTI Confidentiality Agreement Pre Petition
E Arriaga	Employee	HTI Confidentiality Agreement Pre Petition
E Boyer	Employee	HTI Confidentiality Agreement Pre Petition
Enfemio Arriaga	Employee	Confidentiality & Non-Disclosure Agreements
Eric Boyer	Employee	Compensation Agreement
G Hall	Employee	HTI Confidentiality Agreement Pre Petition
J Perez	Employee	HTI Confidentiality Agreement Pre Petition
J Perez	Employee	HTI Confidentiality Agreement Pre Petition
J Perez	Employee	Confidentiality Agreement HTI Post Petition
J Pikington	Employee	HTI Confidentiality Agreement Post Petition
J Pikington	Employee	HTI NDA Post Petition
J Thompson	Employee	HTI Confidentiality Agreement Pre Petition
J Thomson	Employee	HTI Confidentiality Agreement Pre Petition
Jacob Walker	Employee	SS Confidentiality Agreement Post Petition
Jacob Walker	Employee	SS NDA Post Petition
James Chris Ellis	Employee	Confidentiality & Non-Disclosure Agreements
Juan Perez	Employee	Confidentiality & Non-Disclosure Agreements
Justyna Pilkington	Employee	Confidentiality & Non-Disclosure Agreements
K Buschow	Employee	HTI Confidentiality Agreement Pre Petition
K Bushow	Employee	HTI Confidentiality Agreement Pre Petition
L Archer	Employee	HTI Confidentiality Agreement Pre Petition

Schedule 5.15 Contracts

Name	Contract Type	Description
L Bailey	Employee	HTI Confidentiality Agreement Pre Petition
L Bailey	Employee	HTI Confidentiality Agreement Post Petition
L Bailey	Employee	HTI NDA Post Petition
L Norgan	Employee	HTI Confidentiality Agreement Pre Petition
M Easley	Employee	HTI Confidentiality Agreement Pre Petition
M Gott	Employee	HTI Confidentiality Agreement Pre Petition
M McCarty	Employee	HTI Confidentiality Agreement Post Petition
M McCarty	Employee	HTI NDA Post Petition
P Martinez	Employee	HTI Confidentiality Agreement Pre Petition
R Schiffman	Employee	HTI Confidentiality Agreement Pre Petition
R Winters	Employee	HTI Confidentiality Agreement Pre Petition
Richard Allen	Employee	HTI Confidentiality Agreement Post Petition
Richard Allen	Employee	HTI NDA Post Petition
Richard Pearce	Employee	HTI Employment Agreement
Richard Pearce	Employee	HTI Non-compete, Non-solicitation, Non-disclosure
Richard Pearce	Employee	Solid Seismic, Non-compete Agreement
Robin Winters	Employee	HTI Confidentiality Agreement Post Petition
Robin Winters	Employee	HTI NDA Post Petition
RW Adams	Employee	HTI Confidentiality Agreement Pre Petition
RW Adams	Employee	HTI Confidentiality Agreement Pre Petition
S Frye	Employee	HTI Confidentiality Agreement Pre Petition
S Manley	Employee	HTI Confidentiality Agreement Pre Petition
S Manley	Employee	HTI NDA Post Petition
S Manley	Employee	SS Confidentiality Agreement Post Petition
S Manley	Employee	SS NDA Post Petition
S Manley	Employee	HTI NDA Post Petition
S Milton	Employee	HTI Confidentiality Agreement Pre Petition
T Knutson	Employee	HTI Confidentiality Agreement Pre Petition
T Lough	Employee	HTI Confidentiality Agreement Pre Petition
T Swan	Employee	HTI Confidentiality Agreement Pre Petition
US Bank	Equip Lease	Lease Agreement
David Bell	Independent Contractor - Engineer	Confidentiality & Non-Disclosure Agreements, Work for Hire Agreements
Emil Lynard Olson	Independent Contractor - Engineer	Confidentiality & Non-Disclosure Agreements, Work for Hire Agreements
Federal Insurance Company	Insurance	General Liability
Federal Insurance Company	Insurance	Business Auto
Federal Insurance Company	Insurance	BPP - HTI & Solid Seismic
Federal Insurance Company	Insurance	Umbrella
National American Insurance Company (OK).	Insurance	Workers Compensation
Various Customers	License Agrmts	Software Licenses (to be detailed separately)
Dynatech 360	Maintenance	Copier Maintenance Agreement
Waste Management	Maintenance	Trash Services
BDO	Professional	Tax Services
CR3 Partners, LLC	Professional	Financial Advisory
Decker Jones	Professional	Legal Services re: Patents and Trademarks
Forshey Prostok	Professional	Legal Services - Bankruptcy Counsel
JDL Advisory Group, PLLC	Professional	Financial Advisory
Moses, Palmer, Howell, LLP	Professional	Legal Services - litigation
City of Mineral Wells	RE Lease	6100 Columbia Rd. Bldgns A,B,C
Fred Woodland	RE Lease	Premis 1205 SE 22nd St., Mineral Wells, TX
International Seismic Technology, Inc.	RE Lease	Single Family Residence, shop, barn, 68 Acres, 521 Kite Rd., Mineral Wells, TX
International Seismic Technology, Inc.	RE Lease	Ranch House Offices and Adjacent Mfg. Facility
RoblesTostado Corona & Sanchez	Retainer	Retainer; Legal Services
Seamap PTE Ltd.	Sales	Purchase Orders 80780, 78998,
Firetrol	Services	Fire Alarm Monitor
Texedo Technologies, Inc.	Services	Managed Services Agreement re: IT and Computer Network
Wells Fargo Business Payroll Services	Services	Payroll Preparation
FIBRA Prologis Mexico	Settlement	Settlement of Lease Guarantee
Global Shop Solutions, Inc.	Software	Software License for Global Shop software
AT & T	Utility	Telephone and Long Distance
City of Mineral Wells	Utility	Water Supply
Direct Energy	Utility	HTI Power Supply Coordination Service Agreement
Direct Energy	Utility	Solid Seismic Power Supply Coordination Service Agreement
Nextlink	Utility	Internet
Texas Gas Services	Utility	Natural Gas
Accuracy Products	Vendor	PO#8571 Broken Pins.
East Texas Seals, LLC	Vendor	PO#8572 O-Rings.

Schedule 5.15
Contracts

Name	Contract Type	Description
Matheson Trigas	Vendor	Tank Rental and Nitrogen Gas Supply
Texas Geophysical Suppy	Vendor	PO#8143 Molding for 56 contact socket connectors.
Texas Geophysical Suppy	Vendor	PO#8253 Molding for 56 contact pin connectors.

Exhibit A – Bill of Sale

BILL OF SALE

THIS BILL OF SALE ("Bill of Sale"), is made and entered into as of this ____ day of _____, 2017 (the "Closing Date"), by and among Seamap USA, LLC, a Texas limited liability company ("Buyer"), Hydrosience Technologies, Inc., a Texas corporation ("HTI"), and Solid Seismic, LLC, a Texas limited liability company that is an Affiliate of HTI ("SSC" and, together with HTI, each a "Seller" and collectively the "Sellers"), pursuant and subject to all of the representations, warranties, terms, covenants and conditions of that certain Asset Purchase Agreement by and among Buyer, Sellers and the other signatories thereto, dated as of the date hereof (the "Purchase Agreement"). All capitalized terms used but not defined herein shall have the same meanings assigned to them in the Purchase Agreement.

WHEREAS, Sellers, in consideration of the Purchase Price paid to Sellers under the Purchase Agreement, the receipt and sufficiency of which is hereby acknowledged, have sold, transferred, conveyed and assigned and by these presents do sell, transfer, convey and assign unto Buyer, its successors and assigns, all of their rights, title and interests in and to the Purchased Assets effective as of the Closing Date.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

1. Sale and Transfer of Assets. Effective as of the Closing Date, Sellers hereby sell, transfer, assign, convey, grant and deliver to Buyer, its successors and assigns, all of Sellers' right, title and interest in and to all of the Purchased Assets of Sellers, to have and to hold, free and clear of any and all security interests, liens, claims or other encumbrances of any nature whatsoever, and Buyer hereby buys, acquires and accepts the Purchased Assets effective as of the Closing Date. Sellers acknowledge receipt of the Purchase Price for the Purchased Assets as provided in the Purchase Agreement. For the avoidance of doubt, the Buyer will in no way be construed to have purchased or acquired (or be obligated to purchase or acquire) any Excluded Assets or Excluded Liabilities.

2. Further Actions. Sellers hereby covenant and agree that, from time to time after the delivery of this Bill of Sale, at the Buyer's request and without further consideration, the Sellers will execute and deliver such instruments of conveyance and transfer and take such other actions as Buyer may reasonably request in order to more effectively sell, transfer, assign, deliver and vest in Buyer title to and possession of the Purchased Assets, and any and all other rights and interests pertaining thereto.

3. Modification. This Bill of Sale may not be modified or amended except by a written agreement executed by all parties hereto.

4. Governing Law. THIS BILL OF SALE SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW RULES OR CHOICE OF LAWS RULES THEREOF.

5. Counterparts; Facsimiles. This Bill of Sale may be executed in one or more counterparts, each of which shall constitute an original agreement but all of which together shall constitute one and the same instrument. The exchange of copies of this Bill of Sale and of signature pages by electronic mail or facsimile transmission shall constitute effective execution and delivery of this Bill of Sale as to the parties and may be used in lieu of the original Bill of Sale for all purposes.

6. Successors and Assigns. This Bill of Sale will be binding upon Buyer and Sellers, and their respective successors and assigns and inure to the benefit of Buyer and Sellers, and their respective successors and assigns.

7. No Third Party Beneficiaries. This Bill of Sale is intended for the benefit of the Buyer and Sellers and their respective successors and permitted assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other person.

8. Severability. In case any one or more of the provisions of this Bill of Sale shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Bill of Sale shall not in any way be affected or impaired thereby and the parties will attempt to agree upon a valid and enforceable provision which shall be a reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Bill of Sale.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed and delivered this Bill of Sale effective as of the day and year first above written.

BUYER:

SEAMAP USA, LLC

By: _____

Name: _____

Title: _____

SELLERS:

HYDROSCIENCE TECHNOLOGIES, INC.

By: _____

Name: _____

Title: _____

SOLID SEISMIC, LLC

By: _____

Name: _____

Title: _____

Exhibit B – Buyer Intellectual Property Assignment

INTELLECTUAL PROPERTY ASSIGNMENT AND ASSUMPTION

This Intellectual Property Assignment (this “*Assignment*”), dated as of [____], 2017, is being entered into by and among Hydrosience Technologies, Inc., a Texas corporation (“*HTI*”), and Solid Seismic, LLC, a Texas limited liability company that is an Affiliate of HTI (“*SSC*” and, together with HTI, each an “*Assignor*” and collectively the “*Assignors*”) and Seemap USA, LLC, a Texas limited liability company (“*Assignee*”). Each of the parties to this Assignment is sometimes referred to individually in this Assignment as a “*Party*,” and all of the parties to this Assignment are sometimes collectively referred to in this Assignment as the “*Parties*.”

The Assignors and Assignee have entered into that certain Asset Purchase Agreement, dated as of [____], 2017, by and among (i) Assignors; (ii) Assignee; (iii) Mitcham Industries, Inc., a Texas corporation; (iv) Seemap Pte, Ltd., a corporation organized under the laws of Singapore; and (v) Mitsubishi Heavy Industries, Ltd., a Japanese company (the “*Purchase Agreement*”).

Pursuant to the Purchase Agreement, the Assignors have agreed to assign to the Assignee all of their right, title and interest in and to the Purchased Intellectual Property, and the Assignee has agreed to acquire all right, title and interest in and to the Purchased Intellectual Property.

In consideration of the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Definitions. Capitalized terms used in this Assignment but not defined in this Assignment have the meaning ascribed to them in the Purchase Agreement.

2. Construction. Unless otherwise expressly provided, for purposes of this Assignment, the following rules of interpretation shall apply: (a) any reference in this Agreement to gender shall include all genders, and words imparting the singular number only shall include the plural and vice versa; (b) the division of this Assignment into Sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in construing or interpreting this Assignment; (c) all references in this Assignment to any “Section” are to the corresponding Section of this Assignment unless otherwise specified; (d) the words such as “herein,” “hereinafter,” “hereof,” and “hereunder” refer to this Assignment as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires; and (e) the word “including” or any variation thereof means “including, without limitation” and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

3. Assignment. The Assignors hereby, absolutely and unconditionally, convey, sell, assign, transfer, grant and set over unto the Assignee, all of the Assignors’ worldwide rights, title and interest and benefit in and to the Purchased Intellectual Property, together the right to all past, present and future income, royalties, damages and payments due with respect to the foregoing (except for Assignors’ Accounts Receivable or any payments due to Assignors pursuant to section 2.2 of the Purchase Agreement) and all rights of action, both at law and in equity with respect thereto, including all causes and rights of action and remedies for past, present and future

infringement or violation of any of the Purchased Intellectual Property, including but not limited to all rights under the agreements listed on Schedule A, the same to be held and enjoyed by the Assignee, its successors and assigns forever, as fully and entirely as the same could have been held and enjoyed by the Assignors if this sale had not been made and the Assignee does hereby accept such sale, assignment, transfer, grant, conveyance and set over.

4. Recordation. The Assignors authorize and request the U.S. Patent and Trademark Office, or any foreign equivalent thereto, and any other Governmental Body to record the Assignee as owner of the patents and patent applications set forth on Schedule 2.1(a)(i) of the Purchase Agreement (collectively, the “*Patents*”) and of the entire title and interest in, to and under the same, for the use and enjoyment of the Assignee, its successors, assigns and other legal representatives. The Assignors shall take such steps and actions following the date hereof, including the execution of any documents or other similar items (including the form attached hereto in Schedule B) to ensure that the Purchased Intellectual Property is properly assigned to the Assignee, or any assignee or successor thereto.

5. Cooperation. The Assignors hereby covenant and agree that they will communicate to the Assignee, its successors, legal representatives and assigns, any material facts (including information relating to use or non-use, enforceability, or infringement of the Purchased Intellectual Property) known to the Assignors with respect to the Purchased Intellectual Property and testify in any legal proceeding, sign all lawful papers, execute all applications (including, but not limited to, powers of attorney, specific assignments, transfers and assurances), make all rightful oaths and use reasonable best efforts at the request of the Assignee to aid the Assignee, its successors, legal representatives and assigns in obtaining and enforcing protection for the Purchased Intellectual Property and in enjoying the full benefits thereof. The Assignors hereby constitute and appoint the Assignee the true and lawful attorney of the Assignors to act as the Assignors’ attorney-in-fact solely for the purpose of executing any documents and taking all necessary steps to cause the Assignors to perform any of the Assignors’ obligations set forth in this Assignment.

6. Governing Law. This Assignment shall be governed by and construed in accordance with the internal laws of the State of Texas without giving effect to any choice or conflict of law provision or rule (whether of Texas or any other jurisdiction).

7. Dispute Resolution. In the event any dispute between the Parties involving the Purchased Intellectual Property cannot be solved by good faith discussions between the Parties, such dispute arising out of or relating to a party’s performance or non-performance under this Assignment, or the interpretations, validity or effectiveness of this Assignment, and any other provision of this Assignment, shall be resolved in accordance with Sections 12.3 and 12.4 of the Purchase Agreement.

8. Binding Effect Assignment. This Assignment shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

9. Counterparts. This Assignment may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Assignment and all of which, when taken together, will be deemed to constitute one and the same agreement.

[Signature page follows.]

IN WITNESS WHEREOF, the Assignors and the Assignee have executed this Assignment as of the day and year first above written.¹

ASSIGNEE:

SEAMAP USA, LLC

By: _____
Its: _____

ASSIGNORS:

HYDROSCIENCE TECHNOLOGIES, INC.

By: _____
Its: _____

SOLID SEISMIC, LLC

By: _____
Its: _____

¹ NTD: Notarization will be added to execution version of document.

**SCHEDULE A
AGREEMENTS**

1. Contribution Agreement, dated December 20, 2011, by and between Richard Pearce and Solid Seismic, LLC.
2. Executive Employment Agreement, dated June 6, 2012, by and between Solid Seismic, LLC and Richard Pearce.
3. Noncompete, Nonsolicitation, and Nondisclosure Agreement, dated June 6, 2012, by and between Solid Seismic, LLC and Richard Pearce.
4. Employment and Non-Solicitation Agreement, dated June 20, 2012, by and between Hydrosience Technologies, Inc. and William Behrens.
5. Sales Representative Agreement, dated July 1, 2012, by and between Hydrosience Technologies Inc. and Li Xiadong (dba) Dynageo Systems Ltd.
6. Finder Agreement, dated February 25, 2015, by and between Hydrosience Technologies Inc. and Seemap Pte Ltd.

**SCHEDULE B
FORM OF ASSIGNMENT**

This PATENT ASSIGNMENT (“*Assignment*”) is entered into as of [_____] , 2017 by and between Hydrosience Technologies, Inc., a Texas corporation (“*HTI*”), and Solid Seismic, LLC, a Texas limited liability company that is an Affiliate of HTI (“*SSC*” and, together with HTI, each an “*Assignor*” and collectively the “*Assignors*”) for the benefit of Seamap USA, LLC, a Texas limited liability company (“*Assignee*”).

WHEREAS, Assignor is the owner of the patents and patent applications specified on Exhibit A hereto (the “*Patents*”).

NOW, THEREFORE, Assignor does hereby assign, sell and transfer unto Assignee, its successors and assigns, for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the entire and exclusive right, title and interest in and to all inventions in the United States and throughout the world (with priority rights) in and to the Patents, and in and to any continuations, continuations-in-part, divisions, reissues, extensions and foreign counterparts of the Patents, together with the right to sue for past, present or future infringements thereof and to recover damages and obtain all other remedies in respect to any such infringements thereof. This Assignment may be recorded with any governmental body in order to perfect or effect the full ownership interest of Assignee in and to the Patents.

Assignor agrees, without further consideration, to execute all oaths, assignments, powers of attorney, applications, and other papers reasonably necessary to secure to Assignee the right, title and interest conveyed herein, and to take such further actions as may be reasonably requested by Assignee in order to carry out the provisions and purposes of this Assignment including, without limitation, to execute one or more further assignments covering the Patents in a form acceptable for recordation in both the USPTO and in foreign patent offices.

IN WITNESS WHEREOF, the Assignors have executed this Assignment, for the benefit of Assignee as of the date first written above.

HYDROSCIENCE TECHNOLOGIES, INC.

SOLID SEISMIC, LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT A
PATENTS

<i>Patent/Appl. No.</i>	<i>Title</i>
US 9,507,041	Solid streamer connector apparatus and method of use thereof
US 9,256,001	Bandwidth enhancing liquid coupled piezoelectric sensor apparatus and method of use thereof
US 9,207,341	Combination motion and acoustic piezoelectric sensor apparatus and method of use therefor
US 8,695,431	Flexible microsphere coated piezoelectric acoustic sensor apparatus and method of use therefor
US 14/961,045	Combination motion and acoustic piezoelectric sensor apparatus and method of use therefor
US 13/337,091	Passive noise cancelling piezoelectric sensor apparatus and method of use thereof
US 14/066,422	Solid streamer longitudinal body apparatus and method of use thereof
US 13/915,440	Towed sensor array surface structure apparatus and method of use thereof
PCT/US2011/067577 (WO 2012/092368)	Method and apparatus for a flexible syntactic elastomer based solid seismic streamer to use in marine seismic surveys
PCT/US2011/067587 (WO 2012/092372)	Passive noise cancelling piezoelectric sensor apparatus and method of use thereof
MX 333778	Method and apparatus for a flexible syntactic elastomer based solid seismic streamer to use in marine seismic surveys
MX/a/2013/007629	Passive noise cancelling piezoelectric sensor apparatus and method of use thereof
NO 20131048	Method and apparatus for a flexible syntactic elastomer based solid seismic streamer to use in marine seismic surveys
NO 20131049	Passive noise cancelling piezoelectric sensor apparatus and method of use thereof

Exhibit C – Woodland Employment Agreement

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "**Agreement**") is made as of this _____ day of _____, 2017 between Mitcham Industries, Inc., a Texas corporation (the "**Company**"), and Fred Woodland, an individual resident of the State of Texas ("**Executive**").

1. **Employment; Duties; Full Time Employment.** The Company hereby employs Executive, and Executive hereby accepts employment, as [Senior Design Engineer] of the Company. In such capacity, Executive shall perform such duties and exercise such powers for the Company and its subsidiaries as the Chief Executive Officers of the Company may assign to or vest in Executive from time to time and, as such, from and after the date hereof shall report directly to and shall be subject to the direction of the Company's Chief Executive Officers or their designees. Such duties shall include assistance and cooperation in the transfer and assimilation of technology acquired by the Company from Hydrosience Technologies, Inc. and its affiliates. Executive covenants and agrees that, at all times during Executive's employment, Executive shall devote Executive's full business time and efforts to Executive's duties as an employee of the Company and that Executive will not, directly or indirectly, engage or participate in any other business or professional activities during Executive's employment, other than activities for non-profit organizations that do not interfere or conflict with Executive's obligations hereunder and such other activities approved by the Board of Directors of the Company from time to time. The Executive further agrees that, during his employment with the Company, he shall fully abide by the Company's corporate governance and ethics guidelines, conflict of interest policies, and codes of conduct, if any (collectively, the "**Company Policies**").

2. **Term.** Subject to earlier termination as set forth in this Agreement, the terms of this Agreement shall be for four (4) years, beginning on _____ (the "**Start Date**") and ending on _____. Commencing on the Start Date, this Agreement will supersede and replace in its entirety any existing employment agreements for the services to be provided between Executive and the Company or any of its affiliates.

3. **Compensation.** During Executive's employment, the Company shall pay to Executive the following compensation:

(a) **Base Salary.** The Company shall pay Executive a base salary ("**Base Salary**") at the rate of \$14,166.67 per month (annualized to \$170,000.00), less applicable withholding taxes, payable in accordance with the Company's normal payroll practices. The Base Salary may be increased by the Company, in its sole discretion.

(b) **Stock Options.** The Executive shall be granted the options to acquire 30,000 shares of Common Stock of the Company (the "**Options**"). The Options shall have an exercise price equal to the closing price of the Company's Common Stock on the date of grant. The Options shall be issued pursuant to the Mitcham Industries, Inc. Amended and Restated Stock Awards Plan (the "Stock Awards Plan") and subject to the terms and conditions of the Stock Awards Plan and the option award agreement evidencing such Options. The Options shall vest and become according to the following schedule: one-third on the first anniversary of this Agreement; one-third on the second anniversary of this Agreement and one-third on the third anniversary of this Agreement.

(c) **Annual Bonus.** For each year of completed employment with the Company, Executive shall receive an annual cash bonus ("**Annual Bonus**"), to be paid to the Executive no

later than May 31st of each calendar year. The Annual Bonus shall be calculated as three percent (3.0%) of the yearly Net Revenue from Sales of legacy Hydrosience/Solid Seismic products and services, including any derivatives, extensions, or enhancements thereof (the “**Legacy Sales Revenue**”). For purposes of this Section, “**Net Revenue from Sales**” shall be computed on the basis of the Company’s fiscal year and shall be computed by, or pursuant to the direction of, the Chief Executive Officers in good faith and consisted with the amounts reported in the Company’s audited annual financial statements.

(i) In furtherance ensuring the accuracy of Executive’s Annual Bonus, the Company agrees that, no less than once per-quarter during each fiscal year, it shall provide Executive written, itemized and detailed statements sufficient to document all year-to-date Legacy Sales Gross Profit. The Company also agrees that, not more than once per year, the Executive may—at his sole option—engage an independent auditor to audit those books and records of the Company that are reasonably necessary to verify the amount of the Annual Bonus due. Any such audit will be conducted only upon reasonable advance written notice to the Company, with at least 60 (60) business days advance notice. Such audits will be conducted at the Company’s headquarters or the place where such books and records are kept in the normal course of business, during normal business hours, and shall not be disruptive of the Company’s work. The Executive will pay for such audits and related activities, provided however that in the event such audit reveals underpayment by the Company in excess of five percent (5%) of the total Annual Bonus for the period of the audit, the Company shall reimburse the Executive its reasonable out-of-pocket audit costs, and shall promptly pay such underpayment to the Executive.

4. Other Compensation and Benefits. In addition to the compensation specified in Section 3, the Company shall provide the following to Executive:

(a) **Benefits.** During Executive's employment, Executive shall be entitled to (i) vacation in accordance with the Company's vacation policy, to be taken in accordance with such policy, (ii) holidays and sick leave as made generally available to employees of the Company, and (iii) subject to eligibility therefor, the right to participate in any profit sharing plan, retirement plan, 401(k) plan, group life insurance plan and/or other insurance plan or medical expense plan or dental expense plan maintained by the Company for its senior executives generally and, if applicable, their family members.

(b) **Directors and Officers Insurance.** Executive shall be covered by the Company's Directors and Officers Insurance to the extent that the Company currently has or in the future obtains such insurance, and to the extent Executive is eligible for coverage under any such policies.

5. Business Expenses. The Company shall reimburse Executive for all reasonable and necessary business and travel expenses incurred by Executive in the performance of Executive's duties under this Agreement. Such expenses shall be reimbursed in accordance with the Company's business expense guidelines, limits and procedures and upon presentation of proper expense vouchers or receipts; *provided however*, in no event shall reimbursement of an eligible expense hereunder be made later than the last day of Executive's taxable year following the taxable year in which the expense was incurred and the right to reimbursement hereunder may not be exchanged for any other benefit.

6. **Termination on Death or Disability.** Executive's employment will terminate automatically upon Executive's death or, upon thirty (30) days prior written notice from the Company, in the event of Disability. For purposes of this Section 6, "***Disability***" means that Executive, at the time notice is given, has been unable to substantially perform Executive's duties under this Agreement for not less than sixty (60) work days within a six (6) consecutive month period as a result of Executive's incapacity due to a physical or mental condition and, if reasonable accommodation is required by law, after reasonable accommodation. Upon any termination for death or Disability, Executive shall be entitled to receive (i) Executive's Base Salary through the effective date of termination, (ii) the right to continue health care benefits under COBRA, at Executive's cost, to the extent required and available by law, (iii) the right to exercise stock options, if any, subject to and in accordance with the terms of the respective options, (iv) reimbursement of all expenses for which Executive is entitled to be reimbursed pursuant to Section 5 above, but for which Executive has not yet been reimbursed, and (v) no other severance or benefits of any kind.

7. **Involuntary Termination Without Cause; Resignation for Good Reason.**

(a) **Effect of Termination.** The Company shall be entitled to terminate Executive with or without notice and with or without Cause (as defined below) and Executive shall be entitled to resign with or without Good Reason (as defined below), in each case at any time; *provided however*, that if Executive is terminated by the Company **involuntarily without Cause or Executive resigns with Good Reason**, then Executive shall be entitled to receive:

(i) the Base Salary through the date of termination and any Annual Bonus earned and unpaid under through the date of termination;

(ii) continuing severance pay at a rate equal to 100% of Executive's Base Salary, as then in effect (less applicable taxes and withholding), for the full remaining term of this Agreement from the date of such termination, to be paid periodically in accordance with the Company's normal payroll practices (subject to Sections 7(b) and 7(c));

(iii) reimbursement (less applicable taxes and withholding) of the health and dental care continuation premiums for Executive and Executive's dependents incurred by Executive to effect continuation of health and dental insurance coverage for Executive and Executive's dependents on the same basis as active employees, for the lessor of (a) the full remaining term of this Agreement from the date of such termination and (b) the COBRA continuation period, to the extent that Executive is eligible for and elects continuation coverage under COBRA; *provided however*, in no event shall reimbursement of an eligible expense hereunder be made later than the last day of Executive's taxable year following the taxable year in which the expense was incurred and the right to reimbursement hereunder may not be exchanged for any other benefit;

(iv) reimbursement of all expenses for which Executive is entitled to be reimbursed pursuant to Section 5 above, but for which Executive has not yet been reimbursed; *provided however*, in no event shall reimbursement of an eligible expense hereunder be made later than the last day of Executive's taxable year following the taxable year in which the expense was incurred and the right to reimbursement hereunder may not be exchanged for any other benefit;

(v) the full payment of the Annual Bonus for the applicable year in which the termination is effective, as well as each subsequent year which remains under the term of this

Agreement, with such Annual Bonus to be paid in accordance with the Company's normal payroll practices (subject to Sections 7(b) and 7(c)); and

(vi) no other severance or benefits of any kind.

(b) Section 409A. Notwithstanding anything to the contrary in this Agreement, no severance pay or benefits to be paid or provided to Executive, if any, pursuant to this Agreement that, when considered together with any other severance payments or separation benefits, are considered deferred compensation under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and the final regulations and any guidance promulgated thereunder ("Section 409A") (together, the "Deferred Payments") will be paid or otherwise provided until Executive has a "separation from service" within the meaning of Section 409A. Similarly, no severance payable to Executive, if any, pursuant to this Agreement that otherwise would be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9) will be payable until Executive has a "separation from service" within the meaning of Section 409A. If Executive is a "specified employee" within the meaning of Section 409A at the time of Executive's termination (other than due to death), then the Deferred Payments that are payable within the first six (6) months following Executive's separation from service will become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Executive's separation from service. All subsequent Deferred Payments, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Executive dies following Executive's separation from service but prior to the six (6) month anniversary of the separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Executive's death and all other Deferred Payments will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations. The foregoing provisions are intended to comply with the requirements of Section 409A so that none of the severance payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to so comply. The Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Executive under Section 409A. References in this Agreement to termination of Executive's employment shall mean termination of Executive's employment with the Company and all entities required to be aggregated with the Company and treated as one employer under Section 414(b) or (c) of the Code under circumstances that give rise to a "separation from service" within the meaning given to that term under Section 409A.

(c) Conditions Precedent. Any severance payments (other than payment of Base Salary pursuant to Section 7) and/or benefits contemplated by Section 7 above are conditional on Executive (i) continuing to comply with all of the provisions of Section 9 below, and (ii) signing and not revoking a separation agreement and release of claims providing for a release of all claims relating to Executive's employment and/or this Agreement against the Company or its successor, its subsidiaries and parent company and their respective directors, officers and stockholders, excluding claims for payments and/or benefits the Company is required to pay to Executive that have not been made or delivered in accordance with terms of a written agreement between the Company and Executive or as required by law, in a form satisfactory to the Company, its parent

company or its successor (the "**Release**"); *provided* that such Release becomes effective and irrevocable no later than sixty (60) days following the termination date or such earlier date required by the Release (such deadline, the "**Release Deadline**"). If the Release does not become effective by the Release Deadline, Executive will forfeit any rights to severance or benefits under this Section 7 or elsewhere in this Agreement. Any severance payments or other benefits under this Agreement that would be considered Deferred Payments (as defined in Section 7(b)) will be paid on, or, in the case of installments, will not commence until, the sixtieth (60th) day following Executive's separation from service, or, if later, such time as required by Section 7(b). Except as required by Section 7(b), any installment payments that would have been made to Executive during the sixty (60) day period immediately following Executive's separation from service but for the preceding sentence will be paid to Executive on the sixtieth (60th) day following Executive's separation from service and the remaining payments will be made as provided in this Agreement, unless subject to the 6-month payment delay described herein. Any severance payments under this Agreement that would not be considered Deferred Payments will be paid on, or, in the case of installments, will not commence until, the first payroll date that occurs on or after the date the Release becomes effective and any installment payments that would have been made to Executive during the period prior to the date the Release becomes effective following Executive's separation from service but for the preceding sentence will be paid to Executive on the first payroll date that occurs on or after the date the Release becomes effective.

(e) Definitions.

(i) Cause. For purposes of this Agreement, "*Cause*" shall mean:

(a) Executive's continued failure to substantially perform the principal duties and obligations of Executive's position with the Company (other than any such failure resulting from incapacity due to physical or mental illness), which failure is not remedied within ten (10) business days after receipt of written notice from the Company; (b) any willful act of personal dishonesty, fraud or misrepresentation taken by Executive which was intended to result in substantial gain or personal enrichment of Executive at the expense of the Company; (c) Executive's willful violation of a federal or state law or regulation applicable to the Company's business which violation was or is reasonably likely to be materially and demonstrably injurious to the Company; (d) Executive's conviction of a felony or a plea of *nolo contendere* to a felony charge under the laws of the United States or any State; or (e) Executive's breach of the terms of Section 9 of this Agreement. For the purposes of this subsection 7(e)(i), **no act or failure to act shall be considered "willful" unless done or omitted to be done in bad faith and without reasonable belief that the act or omission was in or not opposed to the best interests of the Company.** The Board of Directors (excluding Executive if Executive is at such time a member of the Board) shall make all determinations relating to termination, including without limitation any determination regarding Cause, pursuant to this Section 7(e)(i) and (i i i).

(iii) Good Reason. For purposes of this Agreement, "*Good Reason*" shall include the occurrence of any of the following without Executive's consent: (a) a material reduction of Executive's duties or responsibilities, relative to Executive's duties or responsibilities as in effect immediately prior to such reduction; *provided, however*, that any reduction in Executive's duties or responsibilities resulting solely from and occurring concurrently with the Company being acquired by and made a part of a larger entity (as, for example, when a chief financial officer becomes an employee of the acquiring corporation following an acquisition but is not the chief financial officer of the acquiring corporation) shall not constitute Good Reason; (b) a material reduction in the Executive's Base Salary as in effect immediately prior to such

reduction; (c) a material reduction by the Company in the kind or level of employee benefits, including bonuses, to which the Executive was entitled immediately prior to such reduction, with the result that Executive's overall benefits package is materially reduced; or (d) the relocation of Executive to a facility or a location more than twenty-five (25) miles from Executive's then present location.

8. Involuntary Termination for Cause; Resignation.

(a) Effectiveness. Notwithstanding any other provision of this Agreement, the Company may terminate Executive's employment at any time for Cause, and Executive may at any time voluntarily resign without Good Reason. Termination for Cause shall be effective on the date the Company gives notice to Executive of such termination in accordance with this Agreement unless otherwise agreed by the parties. Resignation by Executive without Good Reason shall be effective on the date Executive gives notice to the Company of such resignation in accordance with this Agreement unless otherwise agreed by the parties.

(b) Effect of Termination. In the case of the Company's termination of Executive's employment **for Cause or Executive's resignation from Executive's employment without Good Reason**, Executive shall be entitled to receive:

(i) the Base Salary through the date of termination and any compensation earned and unpaid under a Performance Incentive Plan through the date of termination, except and only to the extent that any such Performance Incentive Plan specifically provides otherwise;

(iii) the right to continue health care benefits under COBRA, at Executive's cost, to the extent required and available by law;

(iv) the right to exercise any stock options subject to and in accordance with the terms of the respective options;

(v) reimbursement of all expenses for which Executive is entitled to be reimbursed pursuant to Section 5 above, but for which Executive has not yet been reimbursed; and

(vi) no other severance or benefits of any kind.

(c) After Acquired Evidence. Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines that the Executive is eligible to receive any severance consideration pursuant to Section 7 but, after such determination, the Company subsequently acquires evidence or determines that: (i) Executive has failed to abide by Executive's continuing obligations under Section 9; or (ii) a Cause condition existed prior to the date of termination that, had the Company been fully aware of such condition, would have resulted in the termination of Executive's employment for Cause, then the Company shall have the right to cease the payment of any future installments of cash severance payments (other than the first installments) or other severance consideration and Executive shall promptly return to the Company all installments of cash installment payments (other than the first installment) or other severance consideration (to the extent possible) received by Executive prior to the date that the Company determines that the conditions of this Section 8(c) have been satisfied. In the event that the Company determines that the conditions of this Section 8(c) have been satisfied, Executive

acknowledges and agrees that the first installment of the cash severance payment constitutes adequate consideration for the Release.

9. Company Matters; Restrictive Covenants.

(a) Assignment of Inventions. The Company shall own all right, title and interest in and to any and all inventions, ideas, trade secrets, technology, devices, discoveries, improvements, processes, developments, designs, know how, show-how, data, computer programs, algorithms, formulae, works of authorship, works modifications, trademarks, trade names, documentation, techniques, designs, methods, trade secrets, technical specifications, technical data, concepts, expressions, patents, patent rights, copyrights, moral rights, and all other intellectual property rights or other developments whatsoever (collectively, "**Developments**"), whether or not patentable, reduced to practice or registrable under patent, copyright, trademark or other intellectual property law anywhere in the world, made, authored, discovered, reduced to practice, conceived, created, developed or otherwise obtained by the Executive (alone or jointly with others) during the Executive's employment with the Company, and arising from or relating to such employment or the business of the Company (whether during business hours or otherwise, and whether on the premises of using the facilities or materials of the Company or otherwise). The Executive shall promptly and fully disclose to the Company and to no one else all Developments, and hereby assigns to the Company without further compensation all right, title and interest the Executive has or may have in any Developments, and all patents, copyrights, or other intellectual property rights relating thereto, and agrees that the Executive has not acquired and shall not acquire any rights during the course of his employment with the Company or thereafter with respect to any Developments.

(b) Confidential Information.

(i) Company Information. Executive agrees at all times during Executive's employment and thereafter to hold in strictest confidence, and not to use, except for the benefit of the Company, any of the Company's Confidential Information; or disclose to any person, firm or corporation any of the Company's Confidential Information except as authorized in writing by the Company's Board of Directors or, if expressly authorized by the Company's management, pursuant to a written non-disclosure agreement that sufficiently protects the Confidential Information. Executive understands that "**Confidential Information**" means any information that relates to the Company's actual or anticipated business or research and development, technical data, trade secrets or know-how, including, but not limited to, research, product plans or other information regarding the Company's products or services and markets therefor, customer lists and customers (including, but not limited to, the Company's customers on whom Executive called or with whom Executive became acquainted during the term of Executive's employment), software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, finances or other business information. Executive further understands that Confidential Information does not include any of the foregoing items that is or becomes publicly known through no wrongful act or omission of Executive or of others who were under confidentiality obligations as to the item or items involved or improvements or new versions thereof.

(ii) Provision of Confidential Information Prior to the execution of this Agreement the Company has provided, and following the execution of this Agreement, the Company agrees to continue to provide, Executive with Confidential Information regarding the Company that enabled and will continue to enable Executive to optimize the performance of Executive's duties to the Company.

(c) Ventures. If, during Executive's employment, Executive is engaged in or associated with the planning or implementing of any project, program or venture involving the Company and any third parties, all rights in such project, program or venture shall belong to the Company (or the third party, to the extent provided in any agreement between the Company and the third party). Except as formally approved by the Company, Executive shall not be entitled to any interest in such project, program or venture or to any commission, finder's fee or other compensation in connection therewith other than the salary or other compensation to be paid to Executive as provided in this Agreement.

(d) Non-Solicitation.

(i) Non-Solicitation of Employees. During employment and for a period of six (6) months following the end of employment, Executive will not (directly or indirectly, on behalf of Executive or any third party) hire any employee of the Company or solicit, induce, recruit or encourage any of the Company's employees to leave their employment or terminate their relationship with the Company.

(ii) Non-Solicitation of Clients and Prospective Clients. During employment and for a period of six (6) months following the end of employment for any reason, Executive agrees to abide by the following restrictions:

(A) Executive shall not interfere with existing client relationships of the Company (i.e., clients for which at least one project has been conducted in the last one year), and shall not solicit or attempt to take away any business of the Company that is either under way or about to begin at the termination of Executive's employment.

(B) Executive shall not interfere or compete in any way with any proposal efforts of the Company already in progress (that is, a proposal sent to or being then currently developed for a specific client or clients, or contemplated to be submitted to a specific client or clients by the Company within twelve (12) months) at the end of employment.

(C) Executive shall not make use of any of Executive's personal relationships or business contacts developed during the course of employment with the Company and utilized for business purposes within the last one (1) year prior to termination, for the benefit of Executive or another, in a competitive manner with respect to the business of the Company.

(e) Acknowledgements. Executive acknowledges that the non-solicitation covenants Executive is providing in this Agreement are reasonable and necessary to protect the legitimate interests of the Company. Executive further acknowledges that Executive's non-disclosure promises contained in this Agreement are in exchange for the Company's promises contained in this Agreement to provide Executive with confidential information and trade secrets of the Company.

(f) Other Obligations Upon Termination. On termination of Executive's employment, Executive shall: (i) immediately (and with contemporaneous effect) resign any directorships, offices or other positions that Executive may hold in the Company or any of its

affiliates; (ii) immediately deliver to the Company all documents, books, materials, records, correspondence, papers and information (on whatever media and wherever located) relating to the business or affairs of the Company or its business contacts, any keys and any other property of the Company, which is in Executive's possession or under Executive's control; (iii) irretrievably delete any information relating to the business of the Company stored on any magnetic or optical disk or memory and all matter derived from such sources which is in Executive's possession or under Executive's control outside the premises of the Company; and (iv) provide the Company with a signed statement that Executive has complied fully with Executive's obligations under this Section 9.

(h) Notification of New Employer. In the event that Executive leaves the employ of the Company, Executive grants consent to notification by the Company to Executive's new employer about Executive's rights and obligations under this Agreement and the Confidentiality Agreement.

10. Tax. If any portion of the severance benefits, or any other payment under this Agreement, or under any other agreement with, or plan of the Company, including but not limited to restricted stock, stock options, warrants and other long-term incentives (in the aggregate, "**Total Payments**") would be subject to the excise tax imposed by Section 4999 of the Code, as amended, or any similar tax that may hereafter be imposed (such excise tax together with any similar tax are hereinafter collectively referred to as the "**Excise Tax**"), then prior to making the Total Payments, a calculation shall be made comparing (i) the Net Benefit (as defined below) to Executive of the Totals Payments after payment of the Excise Tax to (ii) the Net Benefit to Executive if the Totals Payments are limited to the extent necessary to avoid being subject to the Excise Tax. If the amount calculated under (i) above is less than the amount under (ii) above, then the Total. Payments will be reduced to the minimum extent necessary to ensure that no portion of the Total Payments is subject to the Excise Tax. "**Net Benefit**" shall mean the present value of the Total Payments net of all federal, state, local, foreign income, employment and excise taxes. Any such reduction shall be made with the intention of complying with Section 409A of the Code and the following: (i) the Total Payments which do not constitute nonqualified deferred compensation subject to Section 409A of the Code shall be reduced first; and (ii) all other Total Payments shall then be reduced as follows: (A) cash payments shall be reduced before non-cash payments; and (B) payments to be made on a later payment date shall be reduced before payments to be made on an earlier payment date. Any determination required under this Section 10, including whether any payments or benefits are parachute payments, shall be made by the Company in its sole discretion. Executive shall provide the Company with such information and documents as the Company may reasonably request in order to make a determination under this Section 10. For purposes of making the calculations required by this Section, the Company (or its accountants or auditors) may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company's determination shall be final and binding on Executive.

11. Clawback of Incentive Compensation. Executive acknowledges that to the extent required by applicable law or any written Company policy that may, in the discretion of the Board of Directors or a duly authorized committee thereof, be adopted to implement the requirements of such law (including without limitation Section 304 of the Sarbanes Oxley Act of 2002 and Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010), compensation paid to Executive shall be subject to any required clawback, forfeiture, recoupment or similar requirement. Executive agrees that the terms and conditions of this Agreement shall be deemed

automatically amended as may be necessary from time to time to ensure compliance by Executive, the Company and this Agreement with such policies or applicable law. No clawback of compensation under any policy adopted as contemplated in this Section shall give rise to Executive's right to resign for Good Reason.

12. FCPA Compliance. In conformity with the United States Foreign Corrupt Practices Act as well as any Company guidelines related thereto, the Executive represents and warrants that he shall not directly or indirectly make an offer, payment, promise to pay, or authorize payment, or offer a gift, promise to give, or authorize the giving of anything of value for the purpose of influencing an act or decision of an official of any government or the United States government (including a decision not to act) or inducing such a person to use her influence to affect any such governmental act or decision in order to assist the Company, or any subsidiary or affiliate thereof, in obtaining, retaining or directing any such business.

13. Duty of Loyalty. Executive acknowledges and agrees that, during the term of this Agreement, Executive owes a fiduciary duty of loyalty to act at all times in the best interests of Company. In keeping with such duty, Executive shall make full disclosure to Company of all business opportunities pertaining to Company's business and shall not appropriate for Executive's own benefit business opportunities concerning Company's business.

14. Miscellaneous

(a) Withholding Taxes. The Company may withhold from all salary, bonus or other benefits payable under this Agreement all federal, state, city or other taxes as shall be required pursuant to any law or governmental regulation or ruling.

(b) Entire Agreement; Binding Effect. This Agreement (together with the Stock Awards Plan and/or any award agreement thereunder that may be issued as contemplated by Section 3 above) set forth the entire understanding between the parties as to the subject matter of this Agreement and supersede all prior agreements, commitments, representations, writings and discussions between them; and neither of the parties shall be bound by any obligations, conditions, warranties or representations with respect to the subject matter of this Agreement, the Confidentiality Agreement, the Stock Awards Plan or any award agreement except as expressly provided herein or therein or as duly set forth on or subsequent to the date hereof in a written instrument signed by the proper and fully authorized representative of the party to be bound hereby. This Agreement is binding on Executive and on the Company and Executive's and the Company's successors and assigns (whether by assignment, by operation of law or otherwise); provided that neither this Agreement nor any rights or obligations hereunder may be assigned by Executive or the Company without the prior written consent of the other party (except that the Company shall be entitled to assign this Agreement in connection with a change of control).

(c) Absence of Conflict. Executive represents and warrants that Executive's employment by the Company as described herein will not conflict with and will not be constrained by any prior employment or consulting agreement or relationship. Executive further agrees that during Executive's employment with the Company, Executive will not improperly use or disclose any proprietary information or trade secrets of any former or concurrent employer or other person or entity and that Executive will not bring onto the premises of the Company any unpublished document or proprietary information belonging to any such employer, person or entity unless consented to in writing by such employer, person or entity.

(d) Availability of Injunctive Relief. Any party may petition a court of appropriate jurisdiction for injunctive relief where either party alleges or claims a violation of this Agreement, including but not limited to a breach of the restrictive covenants in Section 9 above. In the event that either party seeks injunctive relief, no bond shall be required and the prevailing party shall be entitled to recover reasonable costs and attorneys' fees.

(e) Voluntary Nature of Agreement; Legal Rights. Executive is executing this Agreement voluntarily and without any duress or undue influence by the Company or anyone else. Executive acknowledges that Executive has had the opportunity to consult with an attorney regarding the provisions of this Agreement and has either obtained such advice of counsel or knowingly waived the opportunity to seek such advice. Executive has carefully read this Agreement and has asked any questions needed for Executive to understand the terms, consequences and binding effect of this Agreement and fully understand it, including that Executive is waiving Executive's right to a jury trial.

(f) Waivers. No party shall be deemed to have waived any right, power or privilege under this Agreement or any provisions hereof unless such waiver shall have been duly executed in writing and acknowledged by the party to be charged with such waiver. The failure of any party at any time to insist on performance of any of the provisions of this Agreement shall in no way be construed to be a waiver of such provisions, nor in any way to affect the validity of this Agreement or any part hereof. No waiver of any breach of this Agreement shall be held to be a waiver of any other subsequent breach.

(g) Reformation. If any sentence, paragraph or clause of this Agreement, or combination of the same, is in violation of any applicable law or regulation, or is unenforceable or void for any reason, such sentence, paragraph, clause or combinations of same shall be modified to the extent necessary to accomplish the intention on such provision without violating applicable law or regulation. Notwithstanding, the remainder of the Agreement shall remain binding upon the parties.

(h) Notices. All notices, approvals, consents, requests or demands required or permitted to be given under this Agreement shall be in writing and shall be deemed sufficiently given on the earlier of (i) actual receipt, (ii) three business days after being deposited in U.S. mail, registered or certified, postage prepaid, (iii) upon delivery, if delivered by hand (iv) one business day after transmission, if sent by facsimile (confirmation received) or (v) one business day after the business day of deposit with a reputable overnight courier for next business day delivery, freight prepaid. Notice in each case shall be addressed to the party entitled to receive such notice at the following address (or other such addresses as the parties may subsequently designate):

The Company:

Robert P. Capps
Co-Chief Executive Officer
8141 Highway 75 South
Huntsville, TX 77340

Executive:

Fred Woodland
521 Kite Road
Mineral Wells, Texas 76067

With a copy to:
Robin Phelan
Phelanlaw
4214 Woodfin Drive
Dallas, Texas 75220
robin@phelanlaw.org

(i) Governing Law; Jurisdiction. This Agreement shall be governed by, and construed and enforced in accordance with, the employment laws and other laws of the State of Texas as they apply to contracts entered into and wholly to be performed therein by residents thereof. In addition, each party hereto irrevocably and unconditionally agrees that any suit, action or other legal proceeding arising out of this Agreement may be brought only in a state or federal court within Texas.

(j) Severability. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision.

(k) Effect of Headings. The Section and subsection headings contained herein are for convenience only and shall not affect the construction hereof.

(l) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, and all such counterparts shall constitute but one instrument.

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IN WITNESS WHEREOF the parties have set their hands and seals as of the year and date first written above.

Mitcham Industries, Inc.

Robert P. Capps
Co-Chief Executive Officer

Executive:

Fred Woodland

EXHIBIT “B”
to
**Joint Chapter 11 Plan for Hydroscience Technologies,
Inc. and Solid Seismic, LLC**

EXHIBIT “B”

to

Joint Chapter 11 Plan of Hydrosience Technologies, Inc. and Solid Seismic, LLC

LIQUIDATING TRUST AGREEMENT

This Liquidating Trust Agreement (the “**Liquidating Trust Agreement**”) is made this ____ day of _____, 2018, by and among Hydrosience Technologies, Inc. (“**HTI**”), Solid Seismic, LLC (“**SSC**,” and together with HTI, the “**Debtors**”), and William Roberts, a Director of CR3 Partners, LLC, as trustee for the FPMC Fort Worth Liquidating Trust (the “**Liquidating Trustee**”).

RECITALS

WHEREAS, on April 3, 2017, the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Northern District of Texas (the “**Bankruptcy Court**”); and

WHEREAS, the Debtors filed their *Joint Chapter 11 Plan for Hydrosience Technologies, Inc. and Solid Seismic, LLC* dated November 20, 2017 on November 20, 2017 (as the same may be further modified, amended, and/or supplemented from time to time, the “**Plan**”);¹ and

WHEREAS, on _____, 2018, the Bankruptcy Court entered an order confirming the Plan (the “**Plan Confirmation Order**”); and

WHEREAS, the Plan’s Effective Date occurred on _____, 2018; and

WHEREAS, the Plan contemplates, on the Effective Date, (a) the creation of a liquidating trust (the “**Liquidating Trust**”) and the creation of the beneficial interests in the Liquidating Trust of holders of Allowed Claims entitled to Distributions as described in the Plan (collectively, the “**Beneficiaries**” and each, individually, a “**Beneficiary**”), and (b) the Liquidating Trust will be vested with the Cash Proceeds from the sale of substantially all the Debtors’ Assets to the Purchaser and all Remaining Assets held by the Estate as of the Effective Date, and shall specifically include without limitation: (i) all Estate Cash, including the Cash Proceeds (ii) all Estate Accounts Receivable, (iii) all Estate Claims, (iv) all Estate Defenses, (v) all rights under Estate Insurance, (vi) any Executory Contracts assumed by the Estate, and (vii) all of the Estate’s rights under any Estate Contract (all such Assets vesting in the Liquidating Trust are collectively referred to as the “**Liquidating Trust Assets**”), to be liquidated and distributed to the Beneficiaries, as set forth in the Plan; and

WHEREAS, the Plan contemplates that, pursuant to Treasury Regulation Section 301.7701-4, the Liquidating Trust shall be created for the primary purpose of liquidating the Liquidating Trust Assets and for making Distributions in accordance with the Plan and this Liquidating Trust Agreement, with no objective to continue or engage in the conduct of a trade

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan.

or business, except only in the event and to the extent necessary to, and consistent with, the liquidating purpose of the Liquidating Trust; and

WHEREAS, the Liquidating Trust is intended to qualify as a grantor trust for U.S. federal income tax purposes under the Internal Revenue Code of 1986, as amended (the “**IRC**”), with the Beneficiaries to be treated as if they had received a distribution from the Estate of an undivided interest in each of the Liquidating Trust Assets (to the extent of the value of their respective share in the applicable assets) and then contributed such interests to the Liquidating Trust, and the Beneficiaries will be treated as the grantors and owners thereof; and

WHEREAS, the Liquidating Trustee has agreed to serve as such upon the terms and subject to the conditions set forth in this Liquidating Trust Agreement.

NOW, THEREFOR, in accordance with the Plan, in consideration of the premises, the mutual agreements of the parties contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and affirmed, the parties hereby agree as follows:

ARTICLE I DECLARATION OF TRUST

1.1 Creation and Purpose of the Liquidating Trust. The Debtors and the Liquidating Trustee hereby create the Liquidating Trust for the primary purpose of liquidating the Liquidating Trust Assets and making Distributions in accordance with the Plan and this Liquidating Trust Agreement, with no objective to continue or engage in the conduct of a trade or business, except only in the event and to the extent necessary to, and consistent with, the liquidating purpose of the Liquidating Trust. The Liquidating Trust will not be deemed a successor-in-interest of the Estate for any purpose other than as specifically set forth in the Plan and this Liquidating Trust Agreement.

1.2 Declaration of Trust. In order to declare the terms and conditions hereof, and in consideration of the confirmation of the Plan, the Debtors and the Liquidating Trustee have executed this Liquidating Trust Agreement and, effective on the Effective Date, hereby irrevocably transfer to the Liquidating Trust all of the right, title, and interests of the Debtors in and to the Liquidating Trust Assets, to have and to hold unto the Liquidating Trust and its successors and assigns forever, under and subject to the terms of the Plan and the Plan Confirmation Order, for the benefit of the Beneficiaries (to the extent of their respective legal entitlements) and their successors and assigns as provided for in this Liquidating Trust Agreement and in the Plan and Plan Confirmation Order.

1.3 Vesting of Estate Assets. On the Effective Date, pursuant to the terms of the Plan and Sections 1123, 1141 and 1146(a) of the Bankruptcy Code, all Liquidating Trust Assets shall be vested in the Liquidating Trust, which also shall be authorized to obtain, liquidate, and collect all of the Liquidating Trust Assets not in its possession and pursue all of the Estate Claims that constitute Liquidating Trust Assets under the Plan; provided, however, that the Liquidating Trustee may abandon or otherwise not accept any Liquidating Trust Assets that the Liquidating Trustee believes, in good faith, to have no value to, or will be unduly burdensome to, the

Liquidating Trust. Any Liquidating Trust Assets that the Liquidating Trustee so abandons or otherwise does not accept shall not be property of the Liquidating Trust. In addition, on the Effective Date, the Liquidating Trust shall (a) take possession of all books, records, and files of the Debtors and the Estate and (b) provide for the retention and storage of such books, records, and files until such time as the Liquidating Trust determines, in accordance with this Liquidating Trust Agreement, that retention of same is no longer necessary or beneficial. Subject to the provisions of the Plan, all Liquidating Trust Assets shall be delivered to the Liquidating Trust free and clear of all Liens, Claims, and Interests except as otherwise specifically provided in the Plan or in the Plan Confirmation Order.

1.4 Acceptance by Liquidating Trustee. The Liquidating Trustee hereby accepts the trust imposed under this Liquidating Trust Agreement and agrees to observe and perform that trust on and subject to the terms and conditions set forth in this Liquidating Trust Agreement, the Plan, and the Plan Confirmation Order. In connection with and in furtherance of the purposes of the Liquidating Trust, the Liquidating Trustee hereby accepts the transfer of the Liquidating Trust Assets.

1.5 Name of the Liquidating Trust. The Liquidating Trust established hereby shall be known as the “**HTI-SSC Liquidating Trust**” (the “**Liquidating Trust**”).

ARTICLE II THE LIQUIDATING TRUSTEE

2.1 Appointment. In accordance with the Plan, William L. Roberts, a Director at CR3 Partners, LLC, has been selected as the Liquidating Trustee for the Liquidating Trust. The Liquidating Trustee’s appointment shall be effective as of the Effective Date and continue until the earlier of (a) the termination of the Liquidating Trust or (b) the Liquidating Trustee’s resignation, death, or removal.

2.2 General Powers. The Liquidating Trustee shall be the exclusive trustee of the Liquidating Trust and the Liquidating Trust Assets for purposes of 31 U.S.C. § 3713(b) and 26 U.S.C. § 6012(b)(3). The Liquidating Trustee shall have all duties, obligations, rights, and benefits assumed by, assigned to, or vested in the Liquidating Trust under the Plan, the Plan Confirmation Order, this Liquidating Trust Agreement, and any other agreement entered into pursuant to or in connection with the Plan. Except as otherwise provided in this Liquidating Trust Agreement, the Plan, or the Plan Confirmation Order, the Liquidating Trustee may control and exercise authority over the Liquidating Trust Assets, over the acquisition, management, and disposition thereof, and over the management and conduct of the business of the Liquidating Trust. No person dealing with the Liquidating Trust shall be obligated to inquire into the Liquidating Trustee’s authority in connection with the acquisition, management, or disposition of Liquidating Trust Assets. Without limiting the foregoing, but subject to the Plan, the Plan Confirmation Order, and other provisions of this Liquidating Trust Agreement, the Liquidating Trustee shall be expressly authorized to, with respect to the Liquidating Trust and the Liquidating Trust Assets:

(a) Exercise all power and authority that may be or could have been exercised, commence all proceedings that may be or could have been commenced, and take all

actions that may be or could have been taken with respect to the Liquidating Trust Assets by any officer, partner, agent, representative, or other party acting in the name of the Debtors or the Estate with like effect as if duly authorized, exercised, and taken by action of such officer, partner, agent, representative, or other party under Sections 704 and 1106 of the Bankruptcy Code as the Debtors' representative appointed for such purpose pursuant to Section 1123(b)(3) of the Bankruptcy Code.

(b) Open and maintain bank accounts on behalf of or in the name of the Liquidating Trust, take and exercise ownership and control over any existing Debtors in possession bank accounts, calculate and make Distributions and take other actions consistent with the Plan and the implementation thereof, including the establishment, re-evaluation, adjustment, and maintenance of appropriate reserves, in the name of the Liquidating Trust.

(c) Receive, manage, invest, supervise, and protect the Liquidating Trust Assets, subject to the limitations provided herein.

(d) Hold legal title to any and all Liquidating Trust Assets.

(e) Subject to the applicable provisions of the Plan, collect and liquidate all Liquidating Trust Assets pursuant to the Plan.

(f) Review and, where appropriate, object to Claims and supervise and administer the resolution, settlement, and payment of all Claims and Distributions to the Beneficiaries in accordance with this Liquidating Trust Agreement, the Plan, and the Plan Confirmation Order.

(g) Subject to Section 3.2 of this Liquidating Trust Agreement and the applicable provisions of the Plan, investigate, prosecute, compromise, and settle all Estate Claims vested in the Liquidating Trust.

(h) (i) Seek a determination of tax liability under section 505 of the Bankruptcy Code, (ii) file any and all tax and information returns required with respect to the Debtors and the Liquidating Trust, (iii) make tax elections for and on behalf of the Debtors and the Liquidating Trust, and (iv) pay taxes or other obligations incurred by the Liquidating Trust.

(i) Calculate and implement Distributions to applicable Beneficiaries as provided for, or contemplated by, the Plan, the Plan Confirmation Order, and this Liquidating Trust Agreement.

(j) Withhold from the amount distributable to any person such amount as may be sufficient to pay any tax or other charge which the Liquidating Trustee has determined, in its sole discretion, may be required to be withheld therefrom under the income tax laws of the United States, any foreign country, or of any state, local, or political subdivision of either.

(k) Enter into any agreement or execute any document required by or consistent with the Plan, the Plan Confirmation Order, or this Liquidating Trust Agreement and perform all obligations thereunder.

(l) Purchase and carry any insurance policies and pay any insurance premiums and costs that the Liquidating Trustee deems reasonably necessary or advisable.

(m) Retain and compensate, without further order of the Bankruptcy Court, the services of employees, professionals, and consultants to advise and assist in the administration, prosecution, and distribution of the Liquidating Trust Assets.

(n) Implement, enforce, or discharge all of the terms, conditions, and all other provisions of, and all duties and obligations under, the Plan, the Confirmation Order, and this Liquidating Trust Agreement.

(o) Resolve issues involving Claims and Interests in accordance with the Plan, including the power to file, prosecute, settle or otherwise resolve objections Claims, and to subordinate and recharacterize Claims by objection, motion, or adversary proceeding.

(p) Undertake all administrative functions of the Bankruptcy Case, including the payment of fees payable to the Office of the United States Trustee and the ultimate closing of the Bankruptcy Case.

(q) Appear and participate in any proceeding before the Bankruptcy Court or any other court with proper jurisdiction with respect to any matter regarding or relating to this Liquidating Trust Agreement, the Plan, the Confirmation Order, Liquidating Trust, or the Liquidating Trust Assets; and

(r) Take all other actions consistent with the provisions of the Plan that the Liquidating Trustee deems reasonably necessary or desirable to administer the Plan.

2.3 Limitations on the Liquidating Trustee. Notwithstanding anything under applicable law, this Liquidating Trust Agreement, or the Plan to the contrary, the Liquidating Trustee shall not do or undertake any of the following:

(a) Take any action that would jeopardize treatment of the Liquidating Trust as a “liquidating trust” for federal income tax purposes.

(b) Exercise any investment power other than the power to invest in demand and time deposits in banks or savings institutions, or other temporary liquid investments, such as short term certificates of deposit or Treasury bills or other investments that a “liquidating trust” within the meaning of Treasury Regulation Section 301.7701-4(d) may be permitted to hold, pursuant to the Treasury Regulations or any Internal Revenue Service (“**IRS**”) guidelines, whether set forth in IRS rulings, revenue procedures, other IRS pronouncements, or otherwise.

(c) Receive or retain any operating assets of a going concern business, a partnership interest in a partnership that holds operating assets, or fifty percent (50%) or more of the stock of a corporation with operating assets, except as is absolutely necessary or required under the Plan and the Plan Confirmation Order; provided, however, that in no event shall the Liquidating Trustee receive or retain any such asset or interest that would jeopardize treatment of the Liquidating Trust as a “liquidating trust” for federal income tax purposes.

2.4 Compensation of the Liquidating Trustee. The Liquidating Trustee shall be entitled to receive reimbursement of reasonable, actual and necessary costs, fees (including attorneys' fees) and expenses incurred by the Liquidating Trustee in connection with the performance of his duties hereunder, and compensation in accordance with the market rates generally charged by the Trustee for his services. The Liquidating Trustee's current billing rate for the services to be rendered is \$450 per hour.

2.5 Reimbursements. The Liquidating Trustee, any agents or consultants employed pursuant to this Liquidating Trust Agreement, and any professionals or representatives retained by the Liquidating Trust shall be reimbursed from the Liquidating Trust Assets for all reasonable out-of-pocket expenses incurred in the performance of their duties hereunder in addition to any compensation received.

2.6 Liquidating Trust Operating Expenses. The Liquidating Trust Assets will be used to pay all liabilities, costs and expenses of the Liquidating Trust, including compensation then due and payable to the Liquidating Trustee, his agents, representatives, professionals and employees and all costs, expenses, and liabilities incurred by the Liquidating Trustee in connection with the performance of his duties. The reasonable fees and expenses of the Liquidating Trustee and his counsel and agents will be paid out of the Liquidating Trust Assets, without need of Bankruptcy Court approval.

2.7 Investments. The Liquidating Trust may invest Cash (including any earnings thereon or proceeds therefrom) as permitted by Section 345 of the Bankruptcy Code or in other prudent investments, provided, however, that such investments are permitted to be made by a liquidating trust within the meaning of Treasury Regulation Section 301.7701-4(d), as reflected therein, or under applicable IRS guidelines, rulings, or other controlling authorities.

2.8 Replacement of the Liquidating Trustee. The Liquidating Trustee shall be subject to removal only by the Bankruptcy Court upon application or motion by a Beneficiary of the Liquidating Trust, after notice and a hearing, and for cause shown, including (a) the willful and continued refusal by the Liquidating Trustee to perform its duties under the Plan and this Liquidating Trust Agreement, and (b) gross negligence, willful misconduct, fraud, embezzlement, or theft. The Liquidating Trustee may resign at any time upon thirty (30) days' written notice delivered to the Bankruptcy Court, provided that such resignation shall become effective only upon the appointment of a permanent or interim successor Liquidating Trustee. In the event of the resignation or removal of the Liquidating Trustee, the successor Liquidating Trustee shall be appointed by the Bankruptcy Court, after notice and a hearing, upon request and based upon submissions from interested parties (including any Beneficiary). Upon its appointment, the successor Liquidating Trustee, without any further act, shall become fully vested with all of the rights, powers, duties, and obligations of its predecessor and all responsibilities of the predecessor Liquidating Trustee relating to the Liquidating Trust shall be terminated; provided, however, that the original Liquidating Trustee's right to indemnification shall survive termination and is subject to the provisions of Article IV hereof.

2.9 Liquidating Trust Continuance. The death, resignation, or removal of the Liquidating Trustee shall not terminate the Liquidating Trust or revoke any existing agency created by the Liquidating Trustee pursuant to this Liquidating Trust Agreement or invalidate

any action theretofore taken by the Liquidating Trustee, and the successor Liquidating Trustee agrees that the provisions of this Liquidating Trust Agreement shall be binding upon and inure to the benefit of the successor Liquidating Trustee and all its successors or assigns.

ARTICLE III PROSECUTION AND RESOLUTION OF ESTATE CLAIMS

3.1 The Liquidating Trust's Exclusive Authority to Pursue, Settle, or Abandon Estate Claims. In accordance with Sections 7.09 and 9.03 of the Plan, from and after the Effective Date, prosecution and settlement of all Estate Claims transferred to the Liquidating Trust shall be the sole responsibility of the Liquidating Trust. From and after the Effective Date, the Liquidating Trust shall have exclusive rights, powers, and interests of the Estate to pursue, settle, or abandon such Estate Claims as the sole representative of the Estate pursuant to section 1123(b)(3) of the Bankruptcy Code. All Estate Claims that are not expressly released or waived under the Plan are reserved and preserved and vest in the Liquidating Trust in accordance with the Plan. No Person may rely on the absence of a specific reference in the Plan to a cause of action against it as any indication that the Debtors or Liquidating Trustee will not pursue any and all available Estate Claims against such Person. The Liquidating Trustee expressly reserves all Estate Claims, except for any Estate Claims against any Person that are expressly released or waived under the Plan, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Estate Claims upon, after, or as a consequence of confirmation or consummation of the Plan.

3.2 Settlement of Estate Claims. The Liquidating Trustee, and in accordance with the provisions of the Plan, shall have standing, authority, power, and right to assert, prosecute, and/or settle the Estate Claims, including making a claim under the Estate Insurance, based upon its powers as a bankruptcy-appointed representative of the Debtors' Estate with the same or similar abilities possessed by insolvency trustees, receivers, examiners, conservators, liquidators, rehabilitators, or similar officials. Without limiting the generality of any of the foregoing, and to avoid any doubt, the Liquidating Trustee shall have standing of an examiner, trustee, receiver, liquidator or rehabilitator of the Debtors and shall have exclusive standing and authority to prosecute, settle or compromise any Claims made under any Estate Insurance.

3.3 Preservation of Right to Conduct Investigations. Any and all rights to conduct investigations pursuant to Bankruptcy Rule 2004 held by the Debtors prior to the Effective Date shall vest with the Liquidating Trust and shall continue until dissolution of the Liquidating Trust.

3.4 Privilege. Solely with respect to carrying out the Liquidating Trust's functions, the attorney-client privilege, work product doctrine or other privileges or immunities inuring to the benefit of the Debtors or the Committee, as applicable, or attaching to documents or communications of the Debtors or the Committee, as applicable, shall be transferred to the Liquidating Trust. The Liquidating Trustee is authorized to assert or waive any such privilege or doctrine, as necessary or appropriate for the administration of the Liquidating Trust.

ARTICLE IV LIABILITY OF LIQUIDATING TRUSTEE

4.1 Standard of Care; Exculpation. Neither the Liquidating Trustee nor any affiliate, employee, employer, professional, agent, or representative of the Liquidating Trustee shall be liable for losses, claims, damages, liabilities, or expenses in connection with the affairs or property of the Liquidating Trust to any Beneficiary of the Liquidating Trust, or any other person, for the acts or omissions of the Liquidating Trustee; provided, however, that the foregoing limitation shall not apply as to any particular person or entity as to any losses, claims, damages, liabilities, or expenses suffered or incurred by any Beneficiary that are found by a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted primarily and directly from the fraud, gross negligence, or willful misconduct of such person or entity. Every act done, power exercised, or obligation assumed by the Liquidating Trust, the Liquidating Trustee, or any affiliate, employee, employer, professional, agent, or representative of the Liquidating Trust pursuant to the provisions of this Liquidating Trust Agreement or the Plan shall be held to be done, exercised, or assumed, as the case may be, by the Liquidating Trust, the Liquidating Trustee, or any affiliate, employee, employer, professional, agent, or representative of the Liquidating Trust acting for and on behalf of the Liquidating Trust and not otherwise; provided however, that none of the foregoing entities or persons are deemed to be responsible for any other such entities' or persons' actions or inactions outside of the scope of the authority provided by the Liquidating Trust. Except as provided in the proviso of the first sentence of this Section 4.1 with respect to any Beneficiary, every person, firm, corporation, or other entity contracting or otherwise dealing with or having any relationship with the Liquidating Trust, the Liquidating Trustee, or any affiliate, employee, employer, professional, agent, or representative of the Liquidating Trust shall have recourse only to the Liquidating Trust Assets for payment of any liabilities or other obligations arising in connection with such contracts, dealings, or relationships and the Liquidating Trust, the Liquidating Trustee, any director, officer, affiliate, employee, employer, professional, agent, or representative of the Liquidating Trustee shall not be individually liable therefor.

4.2 Indemnification.

(a) Except as otherwise set forth in the Plan or Plan Confirmation Order, the Liquidating Trustee, and any affiliate, employee, employer, professional, agent, or representative of the Liquidating Trustee (each, an "**Indemnified Party**" and collectively, the "**Indemnified Parties**"), shall be defended, held harmless, and indemnified from time to time by the Liquidating Trust against any and all losses, liabilities, expenses (including attorneys' fees and disbursements), damages, taxes, suits, or claims that the Liquidating Trustee or his or her professionals may incur or sustain by reason of being or having been a Liquidating Trustee or professionals of the Liquidating Trustee for performing any functions incidental to such service; provided, however, such indemnity shall not apply to any such loss, liability, expense, damages, tax, suit, or claim to the extent it is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted primarily and directly from the bad faith, willful misconduct, reckless disregard of duty, criminal conduct, gross negligence, fraud, or self-dealing of such person or entity. Satisfaction of any obligation of the Liquidating Trust arising pursuant to the terms of this Section shall be payable only from the Liquidating Trust Assets, may be

advanced prior to the conclusion of such matter, and such right to payment shall be prior and superior to any other rights to receive a Distribution of the Liquidating Trust Assets.

(b) The Liquidating Trust shall promptly pay expenses reasonably incurred by any Indemnified Party in defending, participating in, or settling any action, proceeding, or investigation in which such Indemnified Party is a party or is threatened to be made a party or otherwise is participating in connection with the Liquidating Trust Agreement or the duties, acts, or omissions of the Liquidating Trustee, upon submission of invoices therefor, whether in advance of the final disposition of such action, proceeding, or investigation or otherwise. Each Indemnified Party hereby undertakes, and the Liquidating Trust hereby accepts its undertaking, to repay any and all such amounts so advanced if it shall ultimately be determined that such Indemnified Party is not entitled to be indemnified therefor under this Liquidating Trust Agreement.

4.3 No Liability for Acts of Successor/Predecessor Liquidating Trustees. Upon the appointment of a successor Liquidating Trustee and the delivery of the Liquidating Trust Assets to the successor Liquidating Trustee, the predecessor Liquidating Trustee and any director, officer, affiliate, employee, employer, professional, agent, or representative of the predecessor Liquidating Trustee shall have no further liability or responsibility with respect thereto. A successor Liquidating Trustee shall have no duty to examine or inquire into the acts or omissions of its immediate or remote predecessor and no successor Liquidating Trustee shall be in any way liable for the acts or omissions of any predecessor Liquidating Trustee unless a successor Liquidating Trustee expressly assumes such responsibility. A predecessor Liquidating Trustee shall have no liability for the acts or omissions of any immediate or subsequent successor Liquidating Trustee for any events or occurrences subsequent to the cessation of its role as Liquidating Trustee.

4.4 Reliance by Liquidating Trustee on Documents or Advice of Counsel. Except as otherwise provided in this Liquidating Trust Agreement, the Liquidating Trustee and any affiliate, employee, employer, professional, agent, or representative of the Liquidating Trustee may rely, and shall be protected from liability for acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, or other paper or document reasonably believed by the Liquidating Trustee to be genuine and to have been presented by an authorized party. The Liquidating Trustee shall not be liable for any action taken or suffered by the Liquidating Trustee in reasonable reliance upon the advice of counsel or other professionals engaged by the Liquidating Trustee in accordance with this Liquidating Trust Agreement.

4.5 Insurance. All of the Debtors' rights and their Estate's rights under any Insurance Policy to which the Debtors and/or the Debtors' Estate may be beneficiaries shall vest with the Liquidating Trust for the benefit of the Beneficiaries of the Liquidating Trust and all of the beneficiaries of such policies. The Liquidating Trust may purchase, using Liquidating Trust Assets, and carry all insurance policies and pay all insurance premiums and costs the Liquidating Trustee deems reasonably necessary or advisable, including, without limitation, purchasing any errors and omissions insurance with regard to any liabilities, losses, damages, claims, costs, and expenses it may incur, including but not limited to attorneys' fees, arising out of or due to its actions or omissions, or consequences of such actions or omissions, other than as a result of its

fraud or willful misconduct, with respect to the implementation and administration of the Plan or this Liquidating Trust Agreement.

**ARTICLE V
GENERAL PROVISIONS CONCERNING
ADMINISTRATION OF THE LIQUIDATING TRUST**

5.1 Register of Beneficiaries. The Liquidating Trust shall maintain at all times a register of the names, Distribution addresses, amounts of Allowed Claims and the ratable interests in the Liquidating Trust of the Beneficiaries (the “**Register**”). The Liquidating Trustee shall cause the Register to be kept at its office or at such other place or places as may be designated by the Liquidating Trustee from time to time.

5.2 Books and Records. On the Effective Date, the Liquidating Trust shall: (a) take possession of all books, records, and files of the Debtors and the Estate; and (b) provide for the retention and storage of such books, records, and files until such time as the Liquidating Trust determines, in accordance with the Liquidating Trust Agreement, that retention of same is no longer necessary or beneficial. The Liquidating Trust shall maintain in respect of the Liquidating Trust and the Beneficiaries books and records relating to the Liquidating Trust Assets and income realized therefrom and the payment of expenses of and claims against or assumed by the Liquidating Trust in such detail and for such period of time as may be necessary to enable it to make full and proper reports in respect thereof.

5.3 Quarterly Reporting Obligations to Bankruptcy Court and Payment of Statutory Fees. In no event later than thirty (30) Business Days after the end of the first full quarter following the Effective Date and on a quarterly basis thereafter until all Cash in the Liquidating Trust has been released or paid out in accordance with the Plan and this Liquidating Trust Agreement, the Liquidating Trustee shall file with the Bankruptcy Court a report setting forth the amounts, recipients, and dates of all Distributions made by the Liquidating Trustee under the Plan and hereunder through each applicable reporting period.

5.4 Filing of Monthly and Quarterly Reports and Payment of Statutory Fees. The filing of the final monthly operating report (for the month in which the Effective Date occurs) and all subsequent quarterly Liquidating Trust reports shall be the responsibility of the Liquidating Trustee. Statutory Fees shall be paid as such fees may thereafter accrue and be due and payable in accordance with the applicable schedule for payment of such fees. Any Statutory Fees relating to the period of time prior to the Effective Date shall be paid by the Debtors or Liquidating Trustee, as applicable. Statutory Fees relating to any period of time after the Effective Date shall be paid by the Liquidating Trustee from funds in the Liquidating Trust Assets. Such obligation to pay Statutory Fees shall continue until such time as the Bankruptcy Case is closed, dismissed, or converted.

5.5 Filing of Tax Returns. After the Effective Date, the Liquidating Trust shall be responsible for filing all federal, state, local, and foreign tax returns for the Debtors and the Liquidating Trust.

ARTICLE VI
BENEFICIAL INTERESTS AND BENEFICIARIES

6.1 Interest Beneficial Only. The ownership of a beneficial interest in the Liquidating Trust shall not entitle any Beneficiary to any title in or to the Liquidating Trust Assets or to any right to call for a partition or division of the Liquidating Trust Assets or to require an accounting.

6.2 Evidence of Beneficial Interest. Ownership of a beneficial interest in the Liquidating Trust shall not be evidenced by any certificate, security, or receipt or in any other form or manner whatsoever, except as maintained on the books and records of the Liquidating Trust by the Liquidating Trustee.

6.3 Transfers of Beneficial Interests. Beneficial interests in the Liquidating Trust shall be nontransferable except upon death of the interest holder or by operation of law. The Liquidating Trust shall not have any obligation to recognize any transfer of Claims or Interests occurring after the Effective Date. Only those holders of Claims and Interests of record stated on the transfer ledgers as of the close of business on the Effective Date, to the extent applicable, shall be entitled to be recognized for all purposes hereunder.

6.4 Absolute Owners. The Liquidating Trustee may deem and treat the Beneficiary reflected as the owner of a beneficial interest on the Register as the absolute owner thereof for the purposes of receiving Distributions and payments on account thereof for federal and state income tax purposes and for all other purposes whatsoever.

6.5 Change of Address. A Beneficiary may, after the Effective Date, select an alternative Distribution address by notifying the Liquidating Trustee in writing of such alternative Distribution address. Absent such notice, the Liquidating Trustee shall not recognize any such change of Distribution address. Such notification shall be effective only upon receipt by the Liquidating Trustee.

6.6 Effect of Death, Dissolution, Incapacity, or Bankruptcy of Beneficiary. The death, dissolution, incapacity, or bankruptcy of a Beneficiary during the term of the Liquidating Trust shall not operate to terminate the Liquidating Trust during the term of the Liquidating Trust nor shall it entitle the representative or creditors of the deceased, incapacitated, or bankrupt Beneficiary to an accounting or to take any action in any court or elsewhere for the Distribution of the Liquidating Trust Assets or for a partition thereof nor shall it otherwise affect the rights and obligations of the Beneficiary under this Liquidating Trust Agreement or in the Liquidating Trust.

6.7 Standing. Except as expressly provided in this Liquidating Trust Agreement, the Plan, or the Plan Confirmation Order, a Beneficiary does not have standing to direct the Liquidating Trustee to do or not to do any act or to institute any action or proceeding at law or in equity against any party (other than against the Liquidating Trustee to the extent provided in this Liquidating Trust Agreement) upon or with respect to the Liquidating Trust Assets.

ARTICLE VII PROCEDURES FOR RESOLVING AND TREATING DISPUTED CLAIMS

7.1 Incorporation of Plan Provisions. As of the Effective Date, the Liquidating Trust shall assume responsibility for all Claims matters established by the Plan and shall be vested with any and all rights and defenses the Debtors had with respect to any Claim or Interest immediately prior to the Effective Date.

7.2 Objections to Claims. The Liquidating Trustee shall be entitled to file objections to all Claims that are otherwise not deemed Allowed Claims under the Plan and Plan Confirmation Order. Any objections to Claims shall be served and filed on or before the later of (i) ninety (90) days after the Effective Date or (ii) such later date as may be fixed by the Bankruptcy Court after reasonable notice and opportunity to object. If an objection has not been filed to a Claim or the Schedules have not been amended with respect to a Claim that (a) was scheduled by the Debtors but (b) was not scheduled as contingent, unliquidated, and/or disputed, by the Claims Objection Deadline, as the same may be extended by order of the Bankruptcy Court, the Claim to which the Proof of Claim or scheduled Claim relates will be treated as an Allowed Claim if such Claim has not been Allowed earlier by a Final Order of the Bankruptcy Court.

7.3 Estimation of Claims. The Liquidating Trustee may (but is not required to) at any time request that the Bankruptcy Court estimate any Contingent Claim or Disputed Claim pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether an objection was previously filed with the Bankruptcy Court with respect to such Claim, or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including, without limitation, during the pendency of any appeal relating to such objection. In the event that the Bankruptcy Court estimates any Contingent Claim or Disputed Claim, the amount so estimated shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the amount of such Claim, the Liquidating Trustee may pursue supplementary proceedings to object to the allowance of such Claim; provided, however, the Liquidating Trustee may elect not to pursue such supplementary proceedings, instead electing to treat such maximum amount as the Allowed amount of such Claim.

ARTICLE VIII DISTRIBUTIONS

8.1 Distributions to Beneficiaries from Liquidating Trust Assets. All payments to be made by the Liquidating Trust to any Beneficiary shall be made only in accordance with the Plan, the Plan Confirmation Order, and this Liquidating Trust Agreement and from the Liquidating Trust Assets (or from the income and proceeds realized from the Liquidating Trust Assets), and only to the extent that the Liquidating Trust has sufficient Liquidating Trust Assets (or income and proceeds realized from the Liquidating Trust Assets) to make such payments in accordance with and to the extent provided for in the Plan, the Plan Confirmation Order, and this Liquidating Trust Agreement. Any Distributions to be made by or on behalf of the Debtors or the Liquidating Trustee, as applicable, pursuant to the Plan shall be made by checks drawn on

accounts maintained by the Liquidating Trustee or an electronic wire transfer, at the option of the Liquidating Trustee.

8.2 Timing and Amount of Distributions. No Distribution shall be made on account of any Claim until such Claim is Allowed, except as otherwise set forth in this Plan or otherwise ordered by the Bankruptcy Court. No Distribution shall be made on account of any Contested Claim until such Claim is Allowed. Except as expressly set forth in the Plan or in the Confirmation Order, the Liquidating Trustee shall, in the exercise of his or her good faith business judgment, determine the timing and amount of all Distributions which are required to be made under the Plan, consistent with the goal of making such Distributions as expeditiously as reasonably possible. The Liquidating Trustee may, but shall not be required to, seek approval of, or any other appropriate relief from, the Bankruptcy Court with respect to any of such Distributions. Any Unclaimed Property may be paid into the registry of the Bankruptcy Court or otherwise distributed in accordance with the orders of the Bankruptcy Court.

8.3 Means of Cash Payment. Cash payments pursuant to this Plan shall be made by check drawn on, or by wire transfer from, a domestic bank, or by other means agreed to by the payor and payee.

8.4 Record Date for Distributions. As of the close of business on the Effective Date (the "Distribution Record Date"), the register for Class 1, 3, 4, and 5 Claims will be closed, and there shall be no further changes in the holder of record of any Claim. Although there is no prohibition against the transfer of any Claim by any Creditor, the Liquidating Trustee shall have no obligation to recognize any transfer of any Class 1, 3, 4, and 5 Claims occurring after the Distribution Record Date, and the Liquidating Trustee shall instead be authorized and entitled to recognize and deal for all purposes under this Plan, including for the purpose of making all Distributions, with only those holders of Claims so reflected as of the Distribution Record Date. However, the Liquidating Trustee may, in the exercise of its good faith business judgment, agree to recognize transfers of Claims after the Distribution Record Date, but shall have no obligation to do so.

8.5 Delivery of Distributions. All Distributions, deliveries and payments to the holders of any Allowed Class 1, 3, 4 or 5 Claims shall be made to the addresses set forth on the respective proofs of Claim filed in this Bankruptcy Case by such Claimants or, if the Distribution is to be made based on a Claim reflected as Allowed in the Schedules, at the address reflected in the Schedules. Any such Distribution, delivery or payment shall be deemed as made for all purposes relating to this Plan when deposited in the United States Mail, postage prepaid, addressed as required in the preceding sentence. If any Distribution is returned as undeliverable, no further Distribution shall be made on account of such Allowed Claim unless and until the Liquidating Trustee is notified of such holder's then current address, at which time all missed Distributions shall be made to the holder of such Allowed Claim. However, all notices to the Liquidating Trustee reflecting new or updated addresses for undeliverable Distributions shall be made on or before one hundred twenty (120) days after the date of the attempted Distribution or such longer period as the Liquidating Trustee may fix in the exercise of its sole discretion. After such date, all Unclaimed Property shall revert to the Liquidating Trustee and the Claim of any holder with respect to such property shall be discharged and forever barred.

8.6 W-9 Forms. Each holder of an Allowed Claim must provide a W-9 form or other such necessary information to comply with any withholding requirements of any governmental unit (collectively the “W-9 Form”) to the Liquidating Trustee prior to receiving any Distribution from the Liquidating Trust. In the event a holder of an Allowed Claim does not provide a W-9 Form to the Liquidating Trustee within thirty (30) days of the Effective Date, the Liquidating Trustee shall, at an appropriate time, issue a written request to each holder of an Allowed Claim that has not previously provided a W-9 Form to the Liquidating Trustee. The request shall be in writing and shall be delivered to the last address known to the Debtors or Liquidating Trustee, as appropriate. The request shall conspicuously advise and disclose that failure to provide a W-9 Form to the Liquidating Trustee within thirty (30) shall result in a waiver of any right or rights to a Distribution from the Liquidating Trust. In the event any holder of an Allowed Claim fails to provide the Liquidating Trustee with a W-9 Form within thirty (30) days after the date of written request described herein, then the holder of such Allowed Claim shall be deemed to have waived the right to receive any distribution whatsoever from the Liquidating Trust.

8.7 Time Bar to Cash Payments. Checks issued in respect of Allowed Claims shall be null and void if not cashed within ninety (90) days of the date of issuance thereof. Requests for reissuance of any check shall be made directly to the Liquidating Trustee by the holder of the Allowed Claim with respect to which such check originally was issued. Any Claim in respect of such a voided check shall be made on or before one hundred twenty (120) days after the date of issuance of such check or such longer period as the Liquidating Trustee may fix. After such date, all Claims in respect of void checks shall be discharged and forever barred.

8.8 Cure Period. Except as otherwise set forth herein, the failure by the Liquidating Trustee to timely perform any term, provision or covenant contained in this Plan, or to make any payment or Distribution required by this Plan to any Creditor, or the failure to make any payment or perform any covenant on any note, instrument or document issued pursuant to this Plan, shall not constitute an event of default unless and until the Liquidating Trustee has been given thirty (30) days written notice of such alleged default in the manner provided in this Plan, and provided an opportunity to cure such alleged default. Until the expiration of such thirty (30) day cure period, the Liquidating Trustee shall not be in default, and performance during such thirty (30) day cure period shall be deemed as timely for all purposes. Such written notice and passage of the thirty (30) day cure period shall constitute conditions precedent to declaring or claiming any default under this Plan or bringing any action or legal proceeding by any Person to enforce any right granted under this Plan.

8.9 Distributions after Substantial Consummation. All Distributions of any kind made to any Creditor after Substantial Consummation and any and all other actions taken under this Plan after Substantial Consummation shall not be subject to relief, reversal or modification by any court unless the implementation of the Confirmation Order is stayed by an order granted under Bankruptcy Rule 8005.

ARTICLE IX TAXES

9.1 Income Tax Status. Consistent with Revenue Procedure 94-45, 1994-2 C. B. 684, the Liquidating Trust shall be treated as a liquidating trust pursuant to Treasury Regulation

Section 301.7701-4(d) and as a grantor trust pursuant to IRC Sections 671-677. Accordingly, for federal income tax purposes, it is intended that the Beneficiaries be treated as if they had received a distribution from the Estate of an undivided interest in each of the Liquidating Trust Assets (to the extent of the value of their respective share in the applicable assets) and then contributed such interests to the Liquidating Trust, and the Beneficiaries will be treated as the grantors and owners thereof.

9.2 Tax Returns. The Liquidating Trustee shall file tax returns for the Liquidating Trust as a grantor trust pursuant to Treasury Regulation Section 1.671-4(a) and in accordance with the Plan. The Liquidating Trust also shall annually (for tax years in which Distributions from the Liquidating Trust are made) send to each holder of a beneficial interest a separate statement setting forth the holder's share of items of income, gain, loss, deduction, or credit and all such holders shall report such items on their federal income tax returns; provided, however, that no such statement need be sent to any Class that is not expected to receive any Distribution from the Liquidating Trust. The Liquidating Trust's taxable income, gain, loss, deduction, or credit will be allocated to the Beneficiaries in accordance with their relative beneficial interests in the Liquidating Trust.

9.3 Withholding of Taxes and Reporting Related to Liquidating Trust Operations. The Liquidating Trust shall be responsible for filing all federal, state, and local tax returns for the Debtors and the Liquidating Trust. The Liquidating Trust shall comply with all withholding and reporting requirements imposed by any federal, state, or local taxing authority, and all distributions made by the Liquidating Trust shall be subject to any such withholding and reporting requirements. The Liquidating Trustee shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements including, without limitation, requiring that, as a condition to the receipt of a Distribution, the holder of an Allowed Claim complete the appropriate IRS Form W-8 or IRS Form W-9, as applicable to each holder. Notwithstanding any other provision of the Plan, (a) each holder of an Allowed Claim that is to receive a Distribution from the Liquidating Trust shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed on such holder by any Governmental Unit, including income and other tax obligations, on account of such Distribution, and (b) no Distribution shall be made to or on behalf of such holder pursuant to the Plan unless and until such holder has made arrangements satisfactory to the Liquidating Trustee to allow it to comply with its tax withholding and reporting requirements. Any property to be distributed by the Liquidating Trust shall, pending the implementation of such arrangements, be treated as an undeliverable Distribution to be held by the Liquidating Trustee, as the case may be, until such time as the Liquidating Trustee is satisfied with the holder's arrangements for any withholding tax obligations.

9.4 Valuations. As soon as possible after the Effective Date, the Liquidating Trust shall make a good faith valuation of the Liquidating Trust Assets, and such valuation shall be used consistently by all parties for all federal income tax purposes. The Liquidating Trust also shall file (or cause to be filed) any other statements, returns, or disclosures relating to the Liquidating Trust that are required by any Governmental Unit for taxing purposes. The Liquidating Trust may request an expedited determination of taxes of the Debtors or of the Liquidating Trust under Section 505(b) of the Bankruptcy Code for all tax returns filed for, or on

behalf of, the Debtors and the Liquidating Trust for all taxable periods through the dissolution of the Liquidating Trust.

9.5 Payment of Taxes. The Liquidating Trust shall be responsible for payments of any taxes imposed on the Liquidating Trust or the Liquidating Trust Assets.

ARTICLE X TERMINATION OF LIQUIDATING TRUST

10.1 Termination of Liquidating Trust. The Liquidating Trustee shall be discharged and the Liquidating Trust shall be terminated, at such time as (i) all Disputed Claims have been resolved, (ii) all of the Liquidating Trust Assets have been liquidated, (iii) all duties and obligations of the Liquidating Trustee under the Liquidating Trust Agreement have been fulfilled, (iv) all Distributions required to be made by the Liquidating Trust under the Plan and this Liquidating Trust Agreement have been made, and (v) the Bankruptcy Case has been closed; provided, however, that in no event shall the Liquidating Trust be dissolved later than five (5) years from the Effective Date unless the Bankruptcy Court, upon motion within the six-month period prior to the fifth anniversary (or the end of any extension period approved by the Bankruptcy Court), determines that a fixed period extension (not to exceed one (1) year, together with any prior extensions, without a favorable letter ruling from the Internal Revenue Service that any further extension would not adversely affect the status of the Liquidating Trust as a liquidating trust for federal income tax purposes) is necessary to facilitate or complete the recovery and liquidation of the Liquidating Trust Assets.

10.2 Events Upon End of Term Termination. At the conclusion of the term of the Liquidating Trust, the Liquidating Trust shall distribute the remaining Liquidating Trust Assets, if any, to the Beneficiaries, in accordance with the Plan, the Plan Confirmation Order, and this Liquidating Trust Agreement, provided, however, that the Liquidating Trust shall not be obligated to make Distributions to a Class of Claims if the amount of the available cash is *de minimis* and is not sufficient to warrant the incurrence of costs in making the Distribution.

10.3 Winding Up and Discharge of the Liquidating Trustee. For the purposes of winding up the affairs of the Liquidating Trust at the conclusion of its term, the Liquidating Trustee shall continue to act as Liquidating Trustee until its duties under this Liquidating Trust Agreement have been fully discharged or its role as Liquidating Trustee is otherwise terminated under this Liquidating Trust Agreement and the Plan. Upon a motion by the Liquidating Trustee, the Bankruptcy Court may enter an order relieving the Liquidating Trustee, its agents, and employees of any further duties and discharging the Liquidating Trustee.

ARTICLE XI MISCELLANEOUS PROVISIONS

11.1 Amendments. The Liquidating Trustee may modify, supplement, or amend this Liquidating Trust Agreement without Bankruptcy Court approval (a) to clarify any ambiguity or inconsistency, or render this Liquidating Trust Agreement in compliance with its stated tax purposes, or (b) in any other way that is not inconsistent with the Plan or the Plan Confirmation Order, only if such modification, supplement, or amendment does not materially and adversely

affect the interests, rights, treatment, or Distributions of or to any Beneficiaries. All other modifications, supplements, and amendments shall require prior approval of the Bankruptcy Court.

11.2 Waiver. No failure by the Liquidating Trust or the Liquidating Trustee to exercise or delay in exercising any right, power, or privilege hereunder shall operate as a waiver, nor shall any single or partial exercise of any right, power, or privilege hereunder preclude any further exercise thereof, or of any other right, power, or privilege.

11.3 Cumulative Rights and Remedies. The rights and remedies provided in this Liquidating Trust Agreement are cumulative and are not exclusive of any rights under law or in equity.

11.4 No Bond Required. Notwithstanding any state law to the contrary, the Liquidating Trustee (including any successor Liquidating Trustee) shall be exempt from giving any bond, surety, or other security in any jurisdiction.

11.5 Irrevocability. This Liquidating Trust Agreement and the Liquidating Trust created hereunder shall be irrevocable, except as otherwise expressly provided in this Liquidating Trust Agreement.

11.6 Relationship to the Plan. The principal purpose of this Liquidating Trust Agreement is to aid in the implementation of the Plan and, therefore, this Liquidating Trust Agreement incorporates and is subject to the provisions of the Plan and the Plan Confirmation Order. In the event that any provision of this Liquidating Trust Agreement is found to be inconsistent with a provision of the Plan or the Plan Confirmation Order, the provisions of the Plan or the Plan Confirmation Order, as applicable, shall control.

11.7 Division of Liquidating Trust. Under no circumstances shall the Liquidating Trustee have the right or power to divide the Liquidating Trust unless authorized to do so by the Bankruptcy Court.

11.8 Applicable Law. The Liquidating Trust is made in the State of Texas, and the Liquidating Trust and this Liquidating Trust Agreement, and the rights and obligations of the Liquidating Trustee, are to be governed by and construed and administered according to the laws of the State of Texas; provided, however, that, except as expressly provided in this Liquidating Trust Agreement, there shall not be applicable to the Liquidating Trust, the Liquidating Trustee, or this Liquidating Trust Agreement any provisions of the laws (statutory or common) of the State of Texas pertaining to trusts that relate to or regulate (a) the filing with any court or governmental body or agency of trustee accounts or schedules of trustee fees and charges, (b) affirmative requirements to post bonds for trustees, officers, agents, or employees of a trust, (c) the necessity for obtaining court or other governmental approval concerning the acquisition, holding, or disposition of real or personal property, (d) fees or other sums payable to trustees, officers, agents, or employees of a trust, (e) the allocation of receipts and expenditures to income or principal, (f) restrictions or limitations on the permissible nature, amount or concentration of trust investments or requirements relating to the titling, storage or other manner of holding of trust assets, or (g) the establishment of fiduciary or other standards or responsibilities or

limitations on the acts or powers of trustees that are inconsistent with the limitations or liabilities or authorities and powers of the Liquidating Trustee set forth or referenced in this Liquidating Trust Agreement.

11.9 Retention of Jurisdiction. Notwithstanding the Effective Date, and to the fullest extent permitted by law, the Bankruptcy Court shall retain exclusive jurisdiction over the Liquidating Trust after the Effective Date, including, without limitation, jurisdiction to resolve any and all controversies, suits, and issues that may arise in connection therewith, including, without limitation, this Liquidating Trust Agreement, or any entity's obligations incurred in connection herewith, including without limitation, any action against the Liquidating Trustee or any professional retained by the Liquidating Trustee, in its capacity as such. Each party to this Liquidating Trust Agreement and each Beneficiary of the Liquidating Trust hereby irrevocably consents to the exclusive jurisdiction of the Bankruptcy Court in any action to enforce, interpret, or construe any provision of this Liquidating Trust Agreement or of any other agreement or document delivered in connection with this Liquidating Trust Agreement, and also hereby irrevocably waives any defense of improper venue, forum non conveniens, or lack of personal jurisdiction to any such action brought in the Bankruptcy Court. Each party further irrevocably agrees that any action to enforce, interpret, or construe any provision of this Liquidating Trust Agreement will be brought only in the Bankruptcy Court. Each party hereby irrevocably consents to the service by certified or registered mail, return receipt requested, of any process in any action to enforce, interpret, or construe any provision of this Liquidating Trust Agreement. Notwithstanding the preceding, nothing herein shall be interpreted as requiring the commencement or prosecution of any Estate Claims in the Bankruptcy Court, and all determinations regarding the proper forum for initiating any Estate Claim shall be at the discretion of the Liquidating Trust, consistent with applicable law.

11.10 Severability. In the event that any provision of this Liquidating Trust Agreement or the application thereof to any person or circumstance shall be determined by the Bankruptcy Court to be invalid or unenforceable to any extent, the remainder of this Liquidating Trust Agreement, or the application of such provision to persons or circumstance, other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and such provision of this Liquidating Trust Agreement shall be valid and enforced to the fullest extent permitted by law.

11.11 Limitation of Benefits. Except as otherwise specifically provided in this Liquidating Trust Agreement, the Plan, or the Plan Confirmation Order, nothing herein is intended or shall be construed to confer upon or to give any person other than the parties hereto and the Beneficiaries any rights or remedies under or by reason of this Liquidating Trust Agreement.

11.12 Notices. All notices, requests, demands, consents, and other communication hereunder shall be in writing and shall be deemed to have been duly given to a person, if delivered in person or by facsimile or if sent by overnight mail, registered mail, certified mail or regular mail, with postage prepaid, to the following addresses:

If to the Liquidating Trustee:

CR3 Partners, LLC
Attn: William L. Roberts, Liquidating Trustee of the
HTI-SSC Liquidating Trust
13355 Noel Road, Suite 310
Dallas, Texas 75240

If to a Beneficiary:

To the name and Distribution address set forth in
the Register with respect to such Beneficiary.

The parties may designate in writing from time to time other and additional places to which notices may be sent.

11.13 Further Assurances. From and after the Effective Date, the parties hereto covenant and agree to execute and deliver all such documents and notices and to take all such further actions as may reasonably be required from time to time to carry out the intent and purposes of this Liquidating Trust Agreement, and to consummate the transactions contemplated hereby.

11.14 Integration. This Liquidating Trust Agreement, the Plan, and the Plan Confirmation Order constitute the entire agreement with, by, and among the parties hereto and thereto, and there are no representations, warranties, covenants, or obligations except as set forth herein, in the Plan, and in the Plan Confirmation Order. This Liquidating Trust Agreement, together with the Plan and the Plan Confirmation Order, supersede all prior and contemporaneous agreements, understandings, negotiations, and discussions, written or oral, of the parties hereto, relating to any transaction contemplated hereunder. Except as otherwise provided in this Liquidating Trust Agreement, the Plan, or Plan Confirmation Order, nothing herein is intended or shall be construed to confer upon or give any person other than the parties hereto and the Beneficiaries any rights or remedies under or by reason of this Liquidating Trust Agreement.

11.15 Interpretation. The enumeration and Section headings contained in this Liquidating Trust Agreement are solely for convenience of reference and shall not affect the meaning or interpretation of this Liquidating Trust Agreement or of any term or provision hereof. Unless context otherwise requires, whenever used in this Liquidating Trust Agreement the singular shall include the plural and the plural shall include the singular, and words importing the masculine gender shall include the feminine and the neuter, if appropriate, and vice versa, and words importing persons shall include partnerships, associations, and corporations. The words herein, hereby, and hereunder and words with similar import, refer to this Liquidating Trust Agreement as a whole and not to any particular Section or subsection hereof unless the context requires otherwise. Any reference to the "Liquidating Trustee" shall be deemed to include a reference to the Liquidating Trust" and any reference to the Liquidating Trust shall be deemed to include a reference to the "**Liquidating Trustee**" except for the references in which the context otherwise requires.

11.16 Counterparts. This Liquidating Trust Agreement may be signed by the parties hereto in counterparts, which, when taken together, shall constitute one and the same document.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have either executed and acknowledged this Liquidating Trust Agreement, or caused it to be executed and acknowledged on their behalf by their duly authorized representatives, all as of the date first above written.

HYDROSCIENCE TECHNOLOGIES, INC.

By: _____
Name: Fred Woodland
Title: President

SOLID SEISMIC, LLC

By: _____
Name: Fred Woodland
Title: Manager

**WILLIAM ROBERTS, as Liquidating
Trustee**

By: _____
Name: Wiliam Roberts, Director, CR3
Partners, LLC (and not in his personal
capacity) in his capacity as Liquidating Trustee
of the Liquidating Trust

EXHIBIT “C”
to
**Joint Chapter 11 Plan for Hydroscience Technologies,
Inc. and Solid Seismic, LLC**

EXHIBIT “C”
to
Joint Plan of Liquidation for Hydrosience Technologies, Inc. and Solid Seismic, LLC

1. **Defined Terms.** This Exhibit “C” constitutes an integral part of the Plan of which it is a part. Defined terms in the Plan are to be given the same meaning in this Exhibit “C”. The rules of construction set forth in Article I, above, shall likewise apply to this Exhibit “C”.

2. **Estate Claims Reserved.** All Estate Claims are hereby retained and reserved by the Debtors and Estate, and shall all be transferred to, and vested in, the Liquidating Trustee pursuant to this Plan, and shall include without limitation the Estate Claims described below. In reserving and preserving Estate Claims against any named Person or category of Persons, it is the intent of this Plan to so reserve and preserve any and all Estate Claim against each such Person or category of Persons, including all such Estate Claims pursuant to any applicable common law, based on any contract or agreement or based upon any law, statute or regulation of any political entity, including the United States and any state or political subdivision thereof, as well as all applicable remedies, whether legal or equitable. Without limiting the generality of the foregoing, the reservation of Estate Claims against any Person, and the term “Estate Claims,” shall encompass all Estate Claims against any such Person, including without limitation all such Estate Claims for breach of contract, all rights to enforce any contract, any form of estoppel, fraud, constructive fraud, abuse of process, malicious prosecution, defamation, libel, slander, conversion, trespass, intentional infliction of emotional distress or other harm, negligence, gross negligence, breach of any duty owed under either applicable law or any contract, breach of any fiduciary duty or duty of loyalty or due care, alter ego, self-dealing, quantum meruit, tortious interference, duress, unconscionability, undue influence, and unjust enrichment, as well as any cause of action for conspiracy to commit any unlawful act.

3. **Preference Claims.** All Avoidance Actions pursuant to section 547 of the Bankruptcy Code against any Person are hereby reserved and retained for the benefit of the Estate or Liquidating Trust for any payment made to any Person by the Debtors within ninety (90) days of the Petition Date (which was April 3, 2017), or made by the Debtors to any insider within one (1) year of the Petition Date. A list of Persons who are believed to have received payments from the Debtors in excess of \$5,000 during the 90-day preference period and one year preference period, respectively, is attached to this **Exhibit “C”** as **Schedule “1”**. The Debtors and the Estate reserve for the benefit of the Liquidating Trust all potential Claims arising out of or relating to the transfers reflected in **Schedule “1”**, including all Avoidance Actions pursuant to section 547 of the Bankruptcy Code. All rights and remedies are also reserved and retained with respect to the transfers reflected in **Schedule “1”** pursuant to section 550 of the Bankruptcy Code.

Schedule “1” reflects transfers made by the Debtors during the 90 days prior to the Petition Date, or made by the Debtors to any insider within one (1) year of the Petition Date. While the Debtors and Estate reserve all Avoidance Actions relating to the transfers reflected in **Schedule “1”**, the Debtors recognize that many of these transfers will not constitute a preferential transfer pursuant to section 547(b) of the Bankruptcy Code as a transfer made in the ordinary course of business transactions or based upon new value subsequently given by the transferee. Consequently, the listing of a payment on **Schedule “1”** does not necessarily mean that a transferee will ever be sued to avoid and recover the payment, but only that the Debtors and the Estate reserve all rights (including Avoidance Actions) as to that payment.

4. Claims Against Officers, Managers and Members. All Estate Claims are hereby reserved and preserved for the benefit of the Estate and Liquidating Trust against all present and past officers, directors, employees, members and managers of the Debtors, including all such Estate Causes of Action based on breach of fiduciary duty, alter ego, self-dealing, gross negligence or conspiracy. Without limiting the generality of the foregoing, this shall include all Estate Claims as against any present or former officer, director, employee, member or manager which may be covered by, or insured under, any applicable policy of officers' and directors' liability insurance.

5. Counterclaims. All Estate Claims are retained and preserved for the benefit of the Estate and Liquidating Trust both as a basis for an affirmative recovery against the Person against whom such Claims are asserted and as a counterclaim or offset against any Person who asserts a Claim against the Estate or Liquidating Trust.

6. Piercing the Corporate Veil. With respect to all Estate Claims against any Person, all rights to pierce or ignore the corporate veil are hereby retained and preserved for the benefit of the Estate and the Liquidating Trust. Without limiting the generality of the foregoing, this shall include: (a) any right to pierce the corporate veil, including reverse piercing, on any theory or basis, including alter ego or any theory of sham to perpetrate a fraud, and (b) any Claim or basis to pierce the corporate veil of any entity with respect to establishing personal liability against any Person.

7. Avoidance Actions. All Avoidance Actions are hereby reserved and retained as to all Persons. The reservation of such Avoidance Actions shall include the reservation and retention for the benefit of the Estate and Liquidating Trust of all rights and remedies pursuant to section 550 of the Bankruptcy Code.

8. Estate Defenses. All Estate Defenses are hereby reserved and retained by the Debtors and Estate in favor of the Liquidating Trust as against any Person asserting any Claim against the Estate. This includes asserting all Estate Claims as an offset to, or counterclaim against, any Person asserting a Claim against the Estate. All defenses and affirmative defenses pursuant to applicable law are hereby reserved and retained for the benefit of the Estate of the Liquidating Trust, including without limitation accord and satisfaction, assumption of risk, contributory negligence, duress, estoppel, failure of consideration, fraud, illegality, laches, license, payment, release, *res judicata*, collateral estoppel, statute of frauds, statute of limitations or response and waiver.

9. Equitable Subordination. All rights or remedies for Equitable Subordination are hereby reserved and retained by the Debtors and the Estate in favor of the Liquidating Trust against any Person asserting any Claim against the Estate, including all such rights or remedies pursuant to section 510(c) of the Bankruptcy Code.

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Exhibit "C" - Schedule 1

Hydroscience Technologies, Inc.
Cash Transactions
90 Days Pre-Petition over aggregate Payments of \$6,425
01/03/17 through 4/3/17

Totals Payment less those included on Part 6.11

Date	Payee	Batch	Voucher Reference	Batch Reference	Amount Paid	Reason
1/23/2017	ACCURACY PRODUCTS	A6867	034177	35862	\$757.64	Vendor
1/23/2017	ACCURACY PRODUCTS	A6867	034177	35863	\$520.00	Vendor
1/23/2017	ACCURACY PRODUCTS	A6867	034177	35864	\$960.00	Vendor
1/23/2017	ACCURACY PRODUCTS	A6867	034177	35869	\$740.00	Vendor
1/23/2017	ACCURACY PRODUCTS	A6867	034177	35872	\$900.00	Vendor
1/23/2017	ACCURACY PRODUCTS	A6867	034177	35873	\$1,680.00	Vendor
1/23/2017	ACCURACY PRODUCTS	A6867	034177	35881	\$840.00	Vendor
1/23/2017	ACCURACY PRODUCTS	A6867	034177	35884	\$280.00	Vendor
1/23/2017	ACCURACY PRODUCTS	A6867	034177	35887	\$22.36	Vendor
1/23/2017	ACCURACY PRODUCTS	A6867	034178	PP/36255	\$3,778.00	Vendor
1/23/2017	ACCURACY PRODUCTS	A6867	034178	PP/36257	\$140.00	Vendor
1/23/2017	ACCURACY PRODUCTS	A6867	034178	PP/36258	\$680.00	Vendor
1/23/2017	ACCURACY PRODUCTS	A6889	034206	35887	\$441.64	Vendor
2/20/2017	ACCURACY PRODUCTS	A6889	034206	PP/36267	\$240.00	Vendor
2/20/2017	ACCURACY PRODUCTS	A6889	034206	PP/36300	\$420.00	Vendor
3/14/2017	ACCURACY PRODUCTS	A6926	034266	PP/36323	\$315.00	Vendor
3/30/2017	ACCURACY PRODUCTS	A6943	034286	Pp/36342	\$175.00	Vendor
					\$12,889.64	
2/28/2017	ALPHA SLIP RINGS, INC.	A6898	034224	PP 6014	\$16,415.00	Vendor
2/28/2017	ALPHA SLIP RINGS, INC.	A6898	034224	PP-5998	\$3,540.00	Vendor
					\$19,955.00	
1/24/2017	BAYLAND, INC	A6868	034182	29471	\$4,175.47	Vendor
1/24/2017	BAYLAND, INC	A6869	034183	PP/30068	\$15,943.62	Vendor
					\$20,119.09	
2/20/2017	BLUECROSS BLUESHIELD OF TEXAS	A6889	034207	020117-030117	\$17,713.65	Health Insurance
3/13/2017	BLUECROSS BLUESHIELD OF TEXAS	A6923	034247	030117-040117	\$17,713.65	Health Insurance
					\$35,427.30	
1/9/2017	CITY OF MINERAL WELLS	A6858	034164	111516-121516	\$63.57	Utilities
1/16/2017	CITY OF MINERAL WELLS	A6862	034170	18052/33658	\$5,353.00	Rent
1/16/2017	CITY OF MINERAL WELLS	A6862	034170	18052/3709	\$77.25	Utilities
1/31/2017	CITY OF MINERAL WELLS	A6881	034188	121516-011517	\$111.78	Utilities
2/20/2017	CITY OF MINERAL WELLS	A6889	034208	18227/33855	\$5,353.00	Rent
2/28/2017	CITY OF MINERAL WELLS	A6898	034226	011517-021517	\$67.67	Utilities
3/13/2017	CITY OF MINERAL WELLS	A6923	034248	18290/34087	\$5,353.00	Rent
3/13/2017	CITY OF MINERAL WELLS	A6923	034248	18290/34114	\$100.00	Utilities
					\$24,979.11	

Note this includes \$10,448.19 listed on Part 6.11

Hydrosience Txhnologies, Inc.
Cash Transactions
90 Days Pre-Petition over aggregate Payments of \$6,425
01/09/17 through 4/3/17

Totals Payment less those included on Part 6.11

Date	Payee	Batch	Voucher Reference	Batch Reference	Amount Paid	Reason
					\$16,479.27	
1/26/2017	DATA-MATIQUÉ	A6873	034184	1512756	\$524.85	Vendor
1/26/2017	DATA-MATIQUÉ	A6873	034184	1512919	\$190.64	Vendor
1/26/2017	DATA-MATIQUÉ	A6873	034184	1513081	\$237.24	Vendor
1/26/2017	DATA-MATIQUÉ	A6873	034184	1513084	\$769.04	Vendor
2/22/2017	DATA-MATIQUÉ	A6894	034222	PP/Quite 199116	\$358.18	Vendor
3/20/2017	DATA-MATIQUÉ	A6932	034271	PP/1703429	\$8,644.75	Vendor
3/15/2017	DIGI-KEY CORPORATION 1074570	A6927	034267	51400978	\$7,150.78	Vendor
					\$7,150.78	
3/13/2017	ENTERPRISE RUBBER INC.	A6923	034250	PP/201389	\$6,600.00	Vendor
					\$6,600.00	

Hydroscience Technologies, Inc.
Cash Transactions
90 Days Pre-Petition over aggregate Payments of \$6,425
01/03/17 through 4/3/17

Totals Payment less those included on Part 6.11

Date	Payee	Batch	Voucher Reference	Batch Reference	Amount Paid	Reason
1/30/2017	MOSES, PALMER, & HOWELL, LLP	A6877	034186	Retainer 012417	\$2,000.00	Professional Services
3/10/2017	MOSES, PALMER, & HOWELL, LLP	A6922	034245	030817/Retainer	\$5,000.00	Professional Services
3/13/2017	MOSES, PALMER, & HOWELL, LLP	A6923	034254	021815	\$280.00	Professional Services
3/13/2017	MOSES, PALMER, & HOWELL, LLP	A6923	034254	022294	\$1,608.33	Professional Services
3/13/2017	MOSES, PALMER, & HOWELL, LLP	A6923	034254	022447	\$1,931.35	Professional Services
3/13/2017	MOSES, PALMER, & HOWELL, LLP	A6923	034254	022562	\$1,113.82	Professional Services
3/13/2017	MOSES, PALMER, & HOWELL, LLP	A6923	034255	022621	\$80.00	Professional Services
3/13/2017	MOSES, PALMER, & HOWELL, LLP	A6923	034255	022622	\$800.00	Professional Services
3/13/2017	MOSES, PALMER, & HOWELL, LLP	A6923	034255	022623	\$120.00	Professional Services
					\$12,933.50	
2/6/2017	Premier Credit Card Payment	J3842	021753	CASH 2/6/17	\$3,000.00	Vendor Payments
2/23/2017	Premier Credit Card Payment	J3849	021766	CASH 2/23/17	\$10,000.00	Vendor Payments
					\$13,000.00	
10/2017	US Department of Treasury - Fed Employment Taxes					
	Federal Withholding				\$3,817.55	Payroll Taxes
	OASDI				\$9,269.80	Payroll Taxes
	Medicare				\$2,168.18	Payroll Taxes
	US Department of Treasury - Fed Employment Taxes				\$15,255.53	
	This Includes Employee Portion of Employee Contributions of \$1,187.92 list on Part 6.11					
1/5/2017	HTI de Mexico	J3834	011753	CASH 1/5/17	\$3,000.00	Vendor
1/9/2017	HTI de Mexico	J3835	011755	CASH 1/9/17	\$14,726.81	Vendor
1/17/2017	HTI de Mexico	J3838	011761	CASH 1/17/17	\$4,103.15	Vendor
1/23/2017	HTI de Mexico	J3840	011765	CASH 1/23/17	\$9,149.68	Vendor
2/2/2017	HTI de Mexico	J3841	021751	CASH 2/2/17	\$14,613.23	Vendor
2/9/2017	HTI de Mexico	J3843	021756	CASH 2/9/17	\$2,000.00	Vendor
2/15/2017	HTI de Mexico	J3846	021760	CASH 2/15/17	\$9,500.00	Vendor
2/21/2017	HTI de Mexico	J3848	021764	CASH 2/21/17	\$8,711.60	Vendor
2/28/2017	HIT de Mexico	J3850	021769	CASH 2/28/17	\$5,535.46	Vendor
3/8/2017	HIT de Mexico	J3851	031755	CASH 3/8/17	\$13,379.94	Vendor
3/13/2017	HIT de Mexico	J3852	031758	CASH 3/13/17	\$12,548.38	Vendor
3/20/2017	HIT de Mexico	J3854	031763	CASH 3/20/17	\$7,819.22	Vendor
3/27/2017	HIT de Mexico	J3855	031768	CASH 3/27/17	\$3,374.15	Vendor
					\$108,461.62	

Hydrosience Texhnologies, Inc.
 Cash Transactions
 90 Days Pre-Petition over aggregate Payments of \$6,425
 01/03/17 through 4/3/17

Totals Payment less those
 included on Part 6.11

Date	Payee	Batch	Voucher Reference	Batch Reference	Amount Paid	Reason
Total Payments made over Aggregate \$6,425 90 Days Pre-Petition (Excludes Insiders and Solid Seismic)						
					\$276,916.48	
					265,280.37	

Hydrosience Technologies, Inc.
Cash Transactions
Payments to Insiders - 1 year Pre-Petition
04/03/16 through 04/03/17

Date	Payee	Batch	Voucher Reference	Batch Reference	Amount
8/19/2016	BRENDA QUADE	A6708	033927	013116	0.00 \$3,062.50
8/19/2016	BRENDA QUADE	A6708	033927	022916	0.00 \$825.00
8/19/2016	BRENDA QUADE	A6708	033927	093015	0.00 \$175.00
8/19/2016	BRENDA QUADE	A6708	033927	103115	0.00 \$1,212.50
8/19/2016	BRENDA QUADE	A6708	033927	113015	0.00 \$2,287.50
8/19/2016	BRENDA QUADE	A6708	033928	123115	0.00 \$2,437.50
11/18/2016	BRENDA QUADE	A6809	034098	022916	0.00 \$925.00
11/18/2016	BRENDA QUADE	A6809	034098	033116	0.00 \$1,962.50
11/18/2016	BRENDA QUADE	A6809	034098	043016	0.00 \$1,612.50
11/18/2016	BRENDA QUADE	A6809	034098	063016	0.00 \$975.00
2/20/2017	BRENDA QUADE	A6889	034217	053116	0.00 \$4,675.00
2/28/2017	BRENDA QUADE	A6898	034229	073116	0.00 \$1,037.50
3/9/2017	BRENDA QUADE	A6919	034240	0831116	0.00 \$2,387.50
3/13/2017	BRENDA QUADE	A6923	034258	093016	0.00 \$1,737.50
3/20/2017	BRENDA QUADE	A6932	034275	113016	0.00 \$1,100.00
3/27/2017	BRENDA QUADE	A6936	034281	123116	0.00 \$1,262.50
4/3/2017	BRENDA QUADE	A6959	200002	013117	0.00 \$1,350.00
4/3/2017	BRENDA QUADE	A6959	200002	022817	0.00 \$1,662.50
4/3/2017	BRENDA QUADE	A6959	200002	103116	0.00 \$3,400.00
	BRENDA QUADE				<u>\$34,087.50</u>
7/25/2016	BRENDA WOODLAND	A6673	033888	1st Loan P'ment	0.00 \$2,334.00
7/29/2016	BRENDA WOODLAND	A6678	033900	072916	0.00 \$2,334.00
8/5/2016	BRENDA WOODLAND	A6692	033902	080516-3	0.00 \$2,334.00
8/12/2016	BRENDA WOODLAND	A6698	033914	081216-4	0.00 \$2,334.00
8/19/2016	BRENDA WOODLAND	A6716	033915	081916-5	0.00 \$2,334.00
8/26/2016	BRENDA WOODLAND	A6719	033946	082616-6	0.00 \$2,334.00
8/31/2016	BRENDA WOODLAND	A6728	033962	083116-7	0.00 \$2,334.00
9/9/2016	BRENDA WOODLAND	A6735	033982	090916-8	0.00 \$2,334.00
9/16/2016	BRENDA WOODLAND	A6743	033987	091516-9	0.00 \$2,334.00
9/23/2016	BRENDA WOODLAND	A6753	033997	092116-10	0.00 \$2,334.00
9/30/2016	BRENDA WOODLAND	A6763	034022	092916-Final	0.00 \$660.00
9/30/2016	BRENDA WOODLAND	A6765	034025	093016-Addition	0.00 \$1,674.00
10/7/2016	BRENDA WOODLAND	A6775	034027	100716-Final	0.00 \$2,334.00
	BRENDA WOODLAND				<u>\$28,008.00</u>

Date	Payee	Batch	Voucher Reference	Batch Reference	Amount
7/29/2016	FRED G WOODLAND	A6683	033901	072916	0.00 \$5,000.00
8/26/2016	FRED G WOODLAND	A6720	033947	082616-ADV	0.00 \$10,000.00
9/23/2016	FRED G WOODLAND	A6754	033998	0516	0.00 \$700.00
9/23/2016	FRED G WOODLAND	A6754	033998	0616	0.00 \$800.00
9/23/2016	FRED G WOODLAND	A6754	033998	0716	0.00 \$800.00
9/23/2016	FRED G WOODLAND	A6754	033999	0816	0.00 \$700.00
11/10/2016	FRED G WOODLAND	A6804	034086	111016	0.00 \$5,000.00
11/30/2016	FRED G WOODLAND	A6832	034134	121916	0.00 \$3,000.00
12/22/2016	FRED G WOODLAND	A6840	034143	122216	0.00 \$2,000.00
12/30/2016	FRED G WOODLAND	A6848	034161	0816	0.00 \$100.00
12/30/2016	FRED G WOODLAND	A6848	034161	0916	0.00 \$800.00
12/30/2016	FRED G WOODLAND	A6848	034161	1016	0.00 \$800.00
12/30/2016	FRED G WOODLAND	A6848	034161	1116	0.00 \$300.00
1/27/2017	FRED G WOODLAND	A6874	034185	012717	0.00 \$3,000.00
2/28/2017	FRED G WOODLAND	A6899	034232	0117	0.00 \$700.00
2/28/2017	FRED G WOODLAND	A6899	034232	1116	0.00 \$500.00
2/28/2017	FRED G WOODLAND	A6899	034232	1216	0.00 \$800.00
3/14/2017	FRED G WOODLAND	A6924	034265	031417	0.00 \$3,000.00
04/16 - 04/17	FRED G WOODLAND (Health Benefits)				\$25,950.03
04/16 - 04/17	FRED G WOODLAND (Dental Benefits)				\$257.64
04/16 - 04/17	FRED G WOODLAND (life Insurance)				\$166.20
4/16 - 3/31/17	FRED G WOODLAND				<u>\$121,263.60</u>
	FRED G WOODLAND				<u>\$185,637.47</u>
04/16 - 04/17	GUS PIETSCH (Health Benefits)				\$13,232.40
04/16 - 04/17	GUS PIETSCH (Dental Insurance)				\$114.08
04/16 - 04/17	GUS PIETSCH (Life Insurance)				\$83.10
4/16 - 3/31/17	GUS PIETSCH (Gross Salary)				<u>\$12,310.00</u>
	GUS PIETSCH				<u>\$25,739.58</u>
4/14/2016	International Seismic Tech., In- J3626	041659	041659	CASH 4/14/16	0.00 \$1,400.00
4/21/2016	International Seismic Tech., In- J3628	041664	041664	CASH 4/21/16	0.00 \$500.00
4/29/2016	International Seismic Tech., In- J3629	041670	041670	CASH 4/29/16	0.00 \$2,000.00
5/5/2016	International Seismic Tech., In- J3632	051653	051653	CASH 5/5/16	0.00 \$100.00
5/5/2016	International Seismic Tech., In- J3632	051653	051653	CASH 5/5/16	0.00 \$500.00
5/17/2016	International Seismic Tech., In- J3704	051661	051661	CASH 5/17/16	0.00 \$500.00
6/2/2016	International Seismic Tech., In- J3718	061651	061651	CASH 6/2/16	0.00 \$200.00
6/2/2016	International Seismic Tech., In- J3718	061651	061651	CASH 6/2/16	0.00 \$400.00
6/10/2016	International Seismic Tech., In- J3719	061657	061657	CASH 6/10/16	0.00 \$1,000.00
6/10/2016	International Seismic Tech., In- J3719	061657	061657	CASH 6/10/16	0.00 \$1,000.00
6/15/2016	International Seismic Tech., In- J3722	061660	061660	CASH 6/15/16	0.00 \$1,000.00
6/17/2016	International Seismic Tech., In- J3723	061662	061662	CASH 6/17/16	0.00 \$2,250.00
7/21/2016	International Seismic Tech., In- J3734	071663	071663	CASH 7/21/16	0.00 \$2,500.00
7/29/2016	International Seismic Tech., In- J3735	071669	071669	CASH 7/29/16	0.00 \$5,020.00
8/4/2016	International Seismic Tech., In- J3737	081653	081653	CASH 8/4/16	0.00 \$6,000.00
8/19/2016	International Seismic Tech., In- J3756	081664	081664	CASH 8/19/16	0.00 \$5,500.00
9/2/2016	International Seismic Tech., In- J3761	091651	091651	CASH 9/2/16	0.00 \$1,900.00
9/15/2016	International Seismic Tech., In- J3765	091660	091660	CASH 9/15/16	0.00 \$225.00
9/23/2016	International Seismic Tech., In- J3768	091666	091666	CASH 9/23/16	0.00 \$4,182.00
9/29/2016	International Seismic Tech., In- J3788	091670	091670	CASH 9/29/16	0.00 \$1,000.00
10/14/2016	International Seismic Tech., In- J3811	101659	101659	CASH 10/14/16	0.00 \$2,500.00
10/21/2016	International Seismic Tech., In- J3812	101664	101664	CASH 10/21/16	0.00 \$2,000.00
10/28/2016	International Seismic Tech., In- J3813	101669	101669	CASH 10/28/16	0.00 \$1,000.00
11/10/2016	International Seismic Tech., In- J3815	111657	111657	CASH 11/10/16	0.00 \$500.00
11/18/2016	International Seismic Tech., In- J3818	111663	111663	CASH 11/18/16	0.00 \$4,000.00
12/5/2016	International Seismic Tech., In- J3822	121652	121652	CASH 12/5/16	0.00 \$1,700.00
12/15/2016	International Seismic Tech., In- J3827	121660	121660	CASH 12/15/16	0.00 \$1,000.00
12/23/2016	International Seismic Tech., In- J3830	121666	121666	CASH 12/23/16	0.00 \$3,500.00
12/29/2016	International Seismic Tech., In- J3832	121670	121670	CASH 12/29/16	0.00 \$100.00
1/17/2017	International Seismic Tech., In- J3838	011761	011761	CASH 1/17/17	0.00 \$1,000.00
1/23/2017	International Seismic Tech., In- J3840	011765	011765	CASH 1/23/17	0.00 \$3,500.00
2/2/2017	International Seismic Tech., In- J3841	021751	021751	CASH 2/2/17	0.00 \$1,000.00
2/21/2017	International Seismic Tech., In- J3848	021764	021764	CASH 2/21/17	0.00 \$4,000.00
3/8/2017	International Seismic Tech., In- J3851	031755	031755	CASH 3/8/17	0.00 \$5,485.00
3/13/2017	International Seismic Tech., In- J3852	031758	031758	CASH 3/13/17	0.00 \$600.00
3/20/2017	International Seismic Tech., In- J3854	031763	031763	CASH 3/20/17	0.00 \$4,000.00
3/27/2017	International Seismic Tech., In- J3855	031768	031768	CASH 3/27/17	0.00 <u>\$2,000.00</u>
	International Seismic Tech., Inc.				<u>\$75,062.00</u>

Date	Payee	Batch	Voucher Reference	Batch Reference	Amount
12/22/2016	LANCE E BAILEY	A6840	034137	122216	0.00 \$2,000.00
04/2016 - 04/17	LANCE E BAILEY (Health Insurance)				\$13,232.40
04/2016 - 04/17	LANCE E BAILEY (Dental Insurance)				\$114.08
04/2016 - 04/17	LANCE E BAILEY (Life Insurance)				\$166.20
04/2016 - 04/2017	LANCE E BAILEY (Gross Salary)				\$21,320.00
	LANCE E BAILEY				\$36,832.68
1/31/2017	Solid Seismic - AP	J3844	011771	CASH 1/31/17	0.00 \$578.69
1/31/2017	Solid Seismic - AP	J3844	011771	CASH 1/31/17	0.00 \$73.66
2/21/2017	Solid Seismic - AP	J3848	021764	CASH 2/21/17	0.00 \$4,428.42
2/21/2017	Solid Seismic - AP	J3848	021764	CASH 2/21/17	0.00 \$579.61
2/21/2017	Solid Seismic - AP	J3848	021764	CASH 2/21/17	0.00 \$73.66
4/7/2016	Solid Seismic, LLC	J3624	041654	CASH 4/7/16	0.00 \$4,000.00
4/14/2016	Solid Seismic, LLC	J3626	041659	CASH 4/14/16	0.00 \$400.00
4/14/2016	Solid Seismic, LLC	J3626	041659	CASH 4/14/16	0.00 \$2,000.00
4/14/2016	Solid Seismic, LLC	J3626	041659	CASH 4/14/16	0.00 \$13,500.00
4/21/2016	Solid Seismic, LLC	J3628	041664	CASH 4/21/16	0.00 \$9,000.00
4/29/2016	Solid Seismic, LLC	J3629	041670	CASH 4/29/16	0.00 \$2,500.00
5/5/2016	Solid Seismic, LLC	J3632	051653	CASH 5/5/16	0.00 \$200.00
5/13/2016	Solid Seismic, LLC	J3702	051659	CASH 5/13/16	0.00 \$13,500.00
5/17/2016	Solid Seismic, LLC	J3704	051661	CASH 5/17/16	0.00 \$1,700.00
5/20/2016	Solid Seismic, LLC	J3706	051664	CASH 5/20/16	0.00 \$7,000.00
5/26/2016	Solid Seismic, LLC	J3707	051668	CASH 5/26/16	0.00 \$5,000.00
5/27/2016	Solid Seismic, LLC	J3715	051669	CASH 5/27/16	0.00 \$13,500.00
6/2/2016	Solid Seismic, LLC	J3718	061651	CASH 6/2/16	0.00 \$1,900.00
6/10/2016	Solid Seismic, LLC	J3719	061657	CASH 6/10/16	0.00 \$100.00
6/14/2016	Solid Seismic, LLC	J3721	061659	CASH 6/14/16	0.00 \$13,500.00
6/15/2016	Solid Seismic, LLC	J3722	061660	CASH 6/15/16	0.00 \$1,500.00
6/22/2016	Solid Seismic, LLC	J3724	061665	CASH 6/22/16	0.00 \$7,000.00
7/21/2016	Solid Seismic, LLC	J3734	071663	CASH 7/21/16	0.00 \$1,000.00
7/21/2016	Solid Seismic, LLC	J3734	071663	CASH 7/21/16	0.00 \$600.00
7/21/2016	Solid Seismic, LLC	J3734	071663	CASH 7/21/16	0.00 \$3,000.00
7/29/2016	Solid Seismic, LLC	J3735	071669	CASH 7/29/16	0.00 \$7,000.00
7/29/2016	Solid Seismic, LLC	J3735	071669	CASH 7/29/16	0.00 \$6,000.00
8/4/2016	Solid Seismic, LLC	J3737	081653	CASH 8/4/16	0.00 \$3,050.00
8/12/2016	Solid Seismic, LLC	J3738	081659	CASH 8/12/16	0.00 \$175.00
8/17/2016	Solid Seismic, LLC	J3739	081662	CASH 8/17/16	0.00 \$2,000.00
8/19/2016	Solid Seismic, LLC	J3756	081664	CASH 8/19/16	0.00 \$5,000.00
8/22/2016	Solid Seismic, LLC	J3757	081665	CASH 8/22/16	0.00 \$3,000.00
8/24/2016	Solid Seismic, LLC	J3758	081667	CASH 8/24/16	0.00 \$500.00
8/26/2016	Solid Seismic, LLC	J3759	081669	CASH 8/26/16	0.00 \$6,000.00
9/2/2016	Solid Seismic, LLC	J3761	091651	CASH 9/2/16	0.00 \$9,500.00
9/14/2016	Solid Seismic, LLC	J3764	091659	CASH 9/14/16	0.00 \$10,000.00
9/20/2016	Solid Seismic, LLC	J3766	091663	CASH 9/20/16	0.00 \$4,300.00
9/28/2016	Solid Seismic, LLC	J3769	091669	CASH 9/28/16	0.00 \$5,318.00
9/29/2016	Solid Seismic, LLC	J3788	091670	CASH 9/29/16	0.00 \$1,000.00
9/29/2016	Solid Seismic, LLC	J3788	091670	CASH 9/29/16	0.00 \$267.00
9/29/2016	Solid Seismic, LLC	J3788	091670	CASH 9/29/16	0.00 \$6,000.00
10/5/2016	Solid Seismic, LLC	J3808	101652	CASH 10/5/16	0.00 \$6,611.00
10/14/2016	Solid Seismic, LLC	J3811	101659	CASH 10/14/16	0.00 \$500.00
10/21/2016	Solid Seismic, LLC	J3812	101664	CASH 10/21/16	0.00 \$350.00
10/21/2016	Solid Seismic, LLC	J3812	101664	CASH 10/21/16	0.00 \$3,000.00
10/28/2016	Solid Seismic, LLC	J3813	101669	CASH 10/28/16	0.00 \$7,500.00
11/10/2016	Solid Seismic, LLC	J3815	111657	CASH 11/10/16	0.00 \$500.00
11/10/2016	Solid Seismic, LLC	J3815	111657	CASH 11/10/16	0.00 \$8,000.00
11/10/2016	Solid Seismic, LLC	J3815	111657	CASH 11/10/16	0.00 \$6,000.00
11/18/2016	Solid Seismic, LLC	J3818	111663	CASH 11/18/16	0.00 \$5,500.00
11/18/2016	Solid Seismic, LLC	J3818	111663	CASH 11/18/16	0.00 \$6,000.00
12/5/2016	Solid Seismic, LLC	J3822	121652	CASH 12/5/16	0.00 \$500.00
12/5/2016	Solid Seismic, LLC	J3822	121652	CASH 12/5/16	0.00 \$2,000.00
12/14/2016	Solid Seismic, LLC	J3826	121659	CASH 12/14/16	0.00 \$4,500.00
12/15/2016	Solid Seismic, LLC	J3827	121660	CASH 12/15/16	0.00 \$200.00
12/20/2016	Solid Seismic, LLC	J3829	121663	CASH 12/20/16	0.00 \$6,000.00
12/23/2016	Solid Seismic, LLC	J3830	121666	CASH 12/23/16	0.00 \$300.00
12/23/2016	Solid Seismic, LLC	J3830	121666	CASH 12/23/16	0.00 \$4,500.00
12/29/2016	Solid Seismic, LLC	J3832	121670	CASH 12/29/16	0.00 \$7,500.00
1/9/2017	Solid Seismic, LLC	J3835	011755	CASH 1/9/17	0.00 \$3,000.00

Date	Payee	Batch	Voucher Reference	Batch Reference	Amount
2/2/2017	Solid Seismic, LLC	J3841	021751	CASH 2/2/17	0.00 \$500.00
2/2/2017	Solid Seismic, LLC	J3841	021751	CASH 2/2/17	0.00 \$3,000.00
2/16/2017	Solid Seismic, LLC	J3847	021761	CASH 2/16/17	0.00 \$3,000.00
2/21/2017	Solid Seismic, LLC	J3848	021764	CASH 2/21/17	0.00 \$4,276.00
2/21/2017	Solid Seismic, LLC	J3848	021764	CASH 2/21/17	0.00 \$3,000.00
3/13/2017	Solid Seismic, LLC	J3852	031758	CASH 3/13/17	0.00 \$13,000.00
3/13/2017	Solid Seismic, LLC	J3852	031758	CASH 3/13/17	0.00 \$3,000.00
3/27/2017	Solid Seismic, LLC	J3855	031768	CASH 3/27/17	0.00 \$1,000.00
3/30/2017	Solid Seismic, LLC	J3856	031771	CASH 3/30/17	0.00 \$3,000.00
4/3/2017	Solid Seismic, LLC	J3861	041750	CASH 4/3/17	0.00 \$825.00
	Solid Seismic, LLC				<u>\$282,806.04</u>
8/22/2016	RICHARD PEARCE	A6712	033934	SS Exp Pay	0.00 \$4,400.00
04/02/16 - 04/03/17	RICHARD PEARCE (life Insurance)				\$166.20
	RICHARD PEARCE				<u>\$4,566.20</u>

Total Payments to Insiders - 1 Year Pre-Petition					<u>\$672,739.47</u>
(including Solid Seismic)					

**Solid Seismic, LLC
Cash Transactions
01/03/16 through 04/03/17
Payments to Non-Insiders over \$6,425.00**

3/13/2017	3	13	Premier	Andy Montes	A1087	009003	021317	<u>7,100.00</u>
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**Solid Seismic, LLC
Cash Transactions
04/03/16 through 04/03/17
Payments to Insiders**

04/03/16 to 4/3/17	Richard Pearce Payroll	53,886.00
04/03/16 to 4/3/17	Richard Pearce Health Benefits	26130.03
04/03/16 to 4/3/17	Richard Pearce Dental Benefits	257.64
	Total	<u><u>80,273.67</u></u>

EXHIBIT “2”

to

**Disclosure Statement Pursuant to Section 1125 of the United States
Bankruptcy Code with respect to the Joint Chapter 11 Plan for
Hydroscience Technologies, Inc. and Solid Seismic, LLC**

(*The Debtors’ sources and uses of funds pursuant to their Plan will
be supplemented by the Debtors prior to the hearing on their motion
to obtain conditional approval of this Disclosure Statement).**

EXHIBIT “3”

to

**Disclosure Statement Pursuant to Section 1125 of the United States
Bankruptcy Code with respect to the Joint Chapter 11 Plan for
Hydroscience Technologies, Inc. and Solid Seismic, LLC**

(*The Debtors’ Chapter 7 liquidation analysis will be supplemented
by the Debtors prior to the hearing on their motion to obtain
conditional approval of this Disclosure Statement).**

EXHIBIT “4”

to

**Disclosure Statement Pursuant to Section 1125 of the United States
Bankruptcy Code with respect to the Joint Chapter 11 Plan for
Hydroscience Technologies, Inc. and Solid Seismic, LLC**

Monthly Operating Report
ACCRUAL BASIS

CASE NAME:	Hydrosience Technologies, Inc.
CASE NUMBER:	17-41442-rfn-11
JUDGE:	Russell F. Nelms

UNITED STATES BANKRUPTCY COURT
NORTHERN & EASTERN DISTRICTS OF TEXAS

REGION 6

MONTHLY OPERATING REPORT

MONTH ENDING: October 2017
MONTH YEAR

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (ACCRUAL BASIS-1 THROUGH ACCRUAL BASIS-7) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT, AND COMPLETE. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY) IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:

Fred Woodland President and CEO
ORIGINAL SIGNATURE OF RESPONSIBLE PARTY TITLE

Fred Woodland
PRINTED NAME OF RESPONSIBLE PARTY DATE

[Signature] Financial Advisors
ORIGINAL SIGNATURE OF PREPARER TITLE

Jonathan Daniel, JDL Advisory Group, PLLC
PRINTED NAME OF PREPARER 11/21/17 DATE

**Monthly Operating Report
ACCRUAL BASIS-1**

CASE NAME:	Hydroscience Technologies, Inc.
CASE NUMBER:	17-41442-rfn-11

COMPARATIVE BALANCE SHEET

	SCHEDULE AMOUNT	OCTOBER, 2017	
ASSETS			
	As Amended		
1. UNRESTRICTED CASH	\$3,171	\$391,966	
2. RESTRICTED CASH			
3. TOTAL CASH	\$3,171	\$391,966	
4. ACCOUNTS RECEIVABLE (NET)	\$4,019,873	\$3,444,084	
5. INVENTORY	7,280,197 (See Note A)	\$7,098,527	
6. NOTES RECEIVABLE			
7. PREPAID EXPENSES		\$73,954	
8. OTHER (ATTACH LIST)		\$20,854	
9. TOTAL CURRENT ASSETS	\$4,023,044	\$11,029,385	
10. PROPERTY, PLANT & EQUIPMENT		\$1,193,262	
11. LESS: ACCUMULATED DEPRECIATION/DEPLETION		(\$839,083)	
12. NET PROPERTY, PLANT & EQUIPMENT	\$275,513	\$354,179	
13. DUE FROM INSIDERS	\$12,766,700	\$12,906,300	
14. OTHER ASSETS - NET OF AMORTIZATION (ATTACH LIST)	\$524,925	\$1,007,768	
OTHER - INVESTMENT IN SUBS			
15. See Note C	\$0	(\$7,054,465)	
16. TOTAL ASSETS	\$17,590,182	\$18,243,167	
POSTPETITION LIABILITIES			
17. ACCOUNTS PAYABLE		\$2,419	
18. TAXES PAYABLE			
19. NOTES PAYABLE			
20. PROFESSIONAL FEES		1,002,004	
21. SECURED DEBT			
22. OTHER (ATTACH LIST)		\$7,143	
23. TOTAL POSTPETITION LIABILITIES		\$1,011,566	
PREPETITION LIABILITIES			
24. SECURED DEBT	\$6,076	\$6,076	
25. PRIORITY DEBT	\$1,709	\$1,709	
26. UNSECURED DEBT	\$13,648,207	\$4,812,957	
27. OTHER (ATTACH LIST) See Note B	\$0	(\$2,449,449)	
28. TOTAL PREPETITION LIABILITIES	\$13,655,992	\$2,371,293	
29. TOTAL LIABILITIES	\$13,655,992	\$3,382,859	
EQUITY			
30. PREPETITION OWNERS' EQUITY		\$5,466,185	
31. POSTPETITION CUMULATIVE PROFIT OR (LOSS)		(\$917,189)	
32. DIRECT CHARGES TO EQUITY (ATTACH EXPLANATION)			
33. PRE-PETITION RETAINED EARNINGS		\$10,311,312	
34. TOTAL EQUITY		\$14,860,308	
35. TOTAL LIABILITIES & OWNERS' EQUITY		\$18,243,167	

Note A: Inventory was not stated as having a known current value on Schedule A/B. Debtor is currently gathering data and information as to inventory obsolescence, excess inventory, and unrecorded inventory relief/additions.

Note B: Other Liabilities primarily represent general ledger balances on Federal Income Tax and Deferred Tax Liability. No review has been made as of the date of the MOR by the tax accountants, whose application is pending before the Court.

Note C: Account has not been reviewed nor reconciled.

Hydrosience Technologies, Inc.
Case 17-41442-rfn-11
Support for MOR-1

	As per Amended Schedules	October, 2017
<u>Assets</u>		
Other Current Assets		
Employee Advances	\$0	\$20,854
Total Other Current Assets	\$0	\$20,854
Due from Insiders		
A/R Inter-company - International Seismic	\$1,907,022	\$1,911,374
A/R Inter-company - Solid Seismic	\$10,859,679	\$10,994,927
Total Due from Insiders	\$12,766,700	\$12,906,300
Other Assets		
Organizational Costs		\$8,410
Accumulated Amortization	\$0	(\$8,410)
Current Deferred Tax Asset (See Note A)	\$0	\$242,855
A/R Due from HTI de Mexico	\$395,696	\$635,684
Note Receivable FGW, LLC	\$129,229	\$129,229
Total Other Assets	\$524,925	\$1,007,768
Investment in Subsidiary -Solid Seismic	\$0	(\$7,054,465)
	\$1,049,850	(\$7,054,465)
<u>Liabilities</u>		
Other Post-Petition Liabilities		
Accrued Payroll Payable		\$7,143
Total Other Post-Petition Liabilities		\$7,143
Secured Debt		
Parker County - Personal Property Taxes	\$4,812	\$4,812
U.S Bank Equipment Finance	\$1,264	\$1,264
Total Secured Debt	\$6,076	\$6,076
Priority Unsecured Debt		
Pre-Petition Unpaid Wages Payable	\$1,709	\$1,709
Total Priority Unsecured Debt	\$1,709	\$1,709
Other Pre-Petition Liabilities		
Non-Current Deferred Tax Liability (See Note A)		(\$442,493)
Federal Income Tax Liability (See Note A)		(\$1,988,329)
Accrued Franchise Taxes (See Note A)		(\$18,628)
Total Other Liabilities		(\$2,449,449)

Note A: These accounts have not been reconciled or validated.

Monthly Operating Report
ACCUAL BASIS-2

Monthly Operating Report
ACCUAL BASIS-2

CASE NAME:	Hydroscience Technologies, Inc.
CASE NUMBER:	17-41442-rfn-11

	April 4, 2017 through September 30, 2017	OCTOBER, 2017		April 4, 2017 through October 31, 2017
INCOME STATEMENT				
REVENUES				
1. GROSS REVENUES	\$1,426,327	16,272		\$1,442,599
2. LESS: RETURNS & DISCOUNTS	\$60	\$110		\$170
3. NET REVENUE	\$1,426,267	\$16,162		\$1,442,429
COST OF GOODS SOLD				
4. MATERIAL	\$246,664	5,489		\$252,153
5. DIRECT LABOR	167,363	44,075		\$211,438
6. DIRECT OVERHEAD	68,010	3,616		\$71,626
7. TOTAL COST OF GOODS SOLD	\$482,037	\$53,180		\$535,217
8. GROSS PROFIT	\$944,230	(\$37,018)		\$907,212
OPERATING EXPENSES				
9. OFFICER / INSIDER COMPENSATION	\$71,708	21,975		\$93,683
10. SELLING & MARKETING	\$16,514	3,548		\$20,062
11. GENERAL & ADMINISTRATIVE	\$258,399	62,332		\$320,731
12. RENT & LEASE	\$47,589	2,408		\$49,997
13. OTHER (ATTACH LIST)				\$0
14. TOTAL OPERATING EXPENSES	\$394,210	90,263		\$484,473
15. INCOME BEFORE NON-OPERATING INCOME & EXPENSE	\$550,020	(\$127,281)		\$422,739
OTHER INCOME & EXPENSES				
16. NON-OPERATING INCOME (ATTACH LIST)	\$0			\$0
17. NON-OPERATING EXPENSE (SEE NOTE A)	42,269			\$42,269
18. INTEREST EXPENSE	-			\$0
19. DEPRECIATION / DEPLETION	-			\$0
20. AMORTIZATION	-			\$0
21. OTHER (ATTACH LIST)	-			\$0
22. NET OTHER INCOME & EXPENSES	\$42,269	\$0		\$42,269
REORGANIZATION EXPENSES				
23. PROFESSIONAL FEES	1,151,808	136,101		\$1,287,909
24. U.S. TRUSTEE FEES	\$6,475	3,275		\$9,750
25. OTHER (ATTACH LIST)				\$0
26. TOTAL REORGANIZATION EXPENSES	1,158,283	\$139,376		1,297,659
27. INCOME TAX				
28. NET PROFIT (LOSS)	(\$650,532)	(\$266,657)		(\$917,189)

Note A: \$31,394 in July and \$10,875 in August represents the freight and freight insurance costs for relocating Debtor's Assets and Manufacturing Equipment from Mexico to Mineral Wells, Texas.

Monthly Operating Report
ACCRUAL BASIS-3

CASE NAME:	Hydroscience Technologies, Inc.
CASE NUMBER:	17-41442-rfm-11

	April 3, 2017 through September 30, 2017	October, 2017			April 3, 2017 through October 31, 2017
CASH RECEIPTS AND DISBURSEMENTS					
1. CASH - BEGINNING OF MONTH	\$3,171	\$414,682			\$3,171
RECEIPTS FROM OPERATIONS					
2. CASH SALES	\$0	\$0			\$0
COLLECTION OF ACCOUNTS RECEIVABLE					
3. PREPETITION	\$626,812				\$626,812
4. POSTPETITION	\$1,100,746	\$233,732			\$1,334,478
5. TOTAL OPERATING RECEIPTS	\$1,727,558	\$233,732	\$0	\$0	\$1,961,290
NON-OPERATING RECEIPTS					
6. LOANS & ADVANCES (ATTACH LIST)	\$0	\$0	\$0	\$0	\$0
7. SALE OF ASSETS					
8. OTHER (ATTACH LIST)					
9. TOTAL NON-OPERATING RECEIPTS	\$0	\$0	\$0	\$0	\$0
10. TOTAL RECEIPTS	\$1,727,558	\$233,732	\$0	\$0	\$1,961,290
11. TOTAL CASH AVAILABLE	\$1,730,729	\$648,414	\$0	\$0	\$1,964,461
OPERATING DISBURSEMENTS					
12. NET PAYROLL	200,898	\$57,729			258,626
13. PAYROLL TAXES PAID	64,790	\$19,467			84,257
14. SALES, USE & OTHER TAXES PAID	-				-
15. SECURED / RENTAL / LEASES	51,887	\$2,408			54,295
16. UTILITIES	19,093	\$4,458			23,551
17. INSURANCE	60,341				60,341
18. INVENTORY PURCHASES	59,147	\$6,034			65,181
19. VEHICLE EXPENSES	-				-
20. TRAVEL	3,522	\$2,680			6,202
21. ENTERTAINMENT	214				214
22. REPAIRS & MAINTENANCE	9,365	\$500			9,865
23. SUPPLIES	1,794	\$356			2,150
24. ADVERTISING	-				-
25. OTHER (ATTACH LIST)	610,991	\$80,530			691,521
26. TOTAL OPERATING DISBURSEMENTS	1,082,042	\$174,162	\$0	\$0	1,256,204
REORGANIZATION EXPENSES					
27. PROFESSIONAL FEES	\$206,894	\$79,011			\$285,905
28. U.S. TRUSTEE FEES	\$6,475	\$3,275			\$9,750
29. OTHER (ATTACH LIST)	\$20,636				\$20,636
30. TOTAL REORGANIZATION EXPENSES	\$234,005	\$82,286	\$0	\$0	\$316,291
31. TOTAL DISBURSEMENTS	\$1,316,047	\$256,448	\$0	\$0	\$1,572,495
32. NET CASH FLOW	\$411,511	(\$22,717)	\$0	\$0	\$388,795
33. CASH - END OF MONTH	\$414,682	\$391,966	\$0	\$0	\$391,966

Hydroscience Technologies, Inc.
Case No. 17-41442-rfn-11
Support for MOR-3

October, 2017

Other Disbursements

Transfer to Solid Seismic, LLC	\$24,092
Transfer to International Seismic Technologies, Inc.	\$1,563
Manufacturing Assembly Services - HTI de Mexico	\$26,302
Medical Insurance Benefits	\$7,971
Shipping and Postage Expense	\$274
Bank Charges	\$415
Warehouse Security	
Cost of Manufacturing (COGS)	
Contract Labor - Engineering	\$7,633
Payroll Processing fees	\$339
Life Insurance Benefits	\$159
Licenses and Renewals	
Accounting Professionals - Ordinary Course	
IT Services	\$3,074
Employee Lodging/Other Expenses	
Software Subscription	\$1,563
Training	
Dues and Other Subscriptions	
Postage & Freight (COGS)	\$4,538
Office Equipment Maintenance	
Telephones and Internet	\$2,269
Security Expense - Alarm Monitoring	
Shipping and Insurance for Relocation of Equipment	
Waste Management Service	\$338
Employee Advances	
Miscellaneous Expenses	
Total Other Disbursements	<u><u>\$80,530</u></u>

**Monthly Operating Report
ACCURAL BASIS-4**

CASE NAME:	Hydroscience Technologies, Inc.
CASE NUMBER:	17-41442-rfn-11

ACCOUNTS RECEIVABLE AGING	SCHEDULE AMOUNT	OCTOBER, 2017		
1. 0-30		\$86,026		
2. 31-60		\$31,320		
3. 61-90		\$0		
4. 91+		\$6,049,002		
5. TOTAL ACCOUNTS RECEIVABLE	\$0	\$6,166,348	\$0	\$0
6. AMOUNT CONSIDERED UNCOLLECTIBLE		(\$2,722,264)		
7. ACCOUNTS RECEIVABLE (NET)	\$0	\$3,444,084	\$0	\$0

AGING OF POSTPETITION TAXES AND PAYABLES		MONTH: October 2017			
TAXES PAYABLE	0-30 DAYS	31-60 DAYS	61-90 DAYS	91+ DAYS	TOTAL
1. FEDERAL	\$0				\$0
2. STATE	\$0				\$0
3. LOCAL	\$0				\$0
4. OTHER (ATTACH LIST)	\$0				\$0
5. TOTAL TAXES PAYABLE	\$0	\$0	\$0	\$0	\$0
6. ACCOUNTS PAYABLE	2,419				\$2,419

STATUS OF POSTPETITION TAXES		MONTH: October 2017			
FEDERAL	BEGINNING TAX LIABILITY	AMOUNT WITHHELD AND/OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY	
1. WITHHOLDING	\$0	\$8,395	\$8,395	\$0	
2. FICA-EMPLOYEE	\$0	\$5,478	\$5,478	\$0	
3. FICA-EMPLOYER	\$0	\$5,478	\$5,478	\$0	
4. UNEMPLOYMENT	\$0			\$0	
5. INCOME	\$0			\$0	
6. OTHER (ATTACH LIST)	\$0			\$0	
7. TOTAL FEDERAL TAXES	\$0	\$19,350	\$19,350	\$0	
8. STATE AND LOCAL	0				
8. WITHHOLDING	\$0			\$0	
9. SALES	\$0			\$0	
10. EXCISE	\$0			\$0	
11. UNEMPLOYMENT	\$0	\$116	\$116	\$0	
12. REAL PROPERTY	\$0			\$0	
13. PERSONAL PROPERTY	\$0			\$0	
14. OTHER (ATTACH LIST)	\$0			\$0	
15. TOTAL STATE & LOCAL	\$0	\$116	\$116	\$0	
16. TOTAL TAXES	\$0	\$19,467	\$19,467	\$0	

Monthly Operating Report
ACCRUAL BASIS-5

CASE NAME:	Hydroscience Technologies, Inc.
CASE NUMBER:	17-41442-rfn-11

MONTH: October 2017

BANK RECONCILIATIONS					
	Account #1	Account #2	Account #3	Account #4	
A. BANK:	Providence	Wells Fargo	Wells Fargo	Wells Fargo	TOTAL
B. ACCOUNT NUMBER:	X2300	X2230	X9853	X9846	
C. PURPOSE (TYPE):	Operating	Payroll	DIP Operating	DIP Payroll	
1. BALANCE PER BANK STATEMENT	\$69,190	\$0	\$331,654	\$5,906	\$406,750
2. ADD: TOTAL DEPOSITS NOT CREDITED			\$72,590		\$72,590
3. SUBTRACT: OUTSTANDING CHECKS	\$68,000		\$17,095	\$2,279	\$87,374
4. OTHER RECONCILING ITEMS					\$0
5. MONTH END BALANCE PER BOOKS	\$1,190	\$0	\$387,149	\$3,627	\$391,966
6. NUMBER OF LAST CHECK WRITTEN	34384	CLOSED	35163	12188	

INVESTMENT ACCOUNTS					
BANK, ACCOUNT NAME & NUMBER	DATE OF PURCHASE	TYPE OF INSTRUMENT		PURCHASE PRICE	CURRENT VALUE
7.					
8.					
9.					
10.					
11. TOTAL INVESTMENTS				\$0	\$0

CASH	
12. CURRENCY ON HAND	\$0
13. TOTAL CASH - END OF MONTH	\$391,966

**Monthly Operating Report
ACCRUAL BASIS-6**

CASE NAME:	Hydroscience Technologies, Inc.
CASE NUMBER:	17-41442-rfn-11

MONTH: October 2017

PAYMENTS TO INSIDERS AND PROFESSIONALS

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
1. Fred Woodland	Payroll	19,200	73,950
2. Lance Bailey	Payroll	2,340	14,122
3. Solid Seismic	Advance for Oper. Expenses	24,092	136,663
4. Gus Pietsch	Payroll	435	5,612
5. International Seismic Technologies, Inc.	HTI Reimbursable Expenses	11,034	120,559
6.			
7. TOTAL PAYMENTS TO INSIDERS		\$57,101	350,906

See Note A

See Note B

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT**	AMOUNT APPROVED *	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID
1. JDL Advisory Group, PLLC	08/24/17	\$444,187	\$35,251	\$158,754	478,379
2. Forshey & Prostock, LLP	08/24/17	\$199,721	\$23,882	\$84,082	369,799
3. Decker Jones	08/24/17	\$13,033	\$938	\$5,572	19,766
4. Moses, Palmer, Howell, LL	08/24/17	\$4,869	\$0	\$1,239	4,153
5. BDO USA LLP	08/24/17	\$2,200	\$1,603	\$2,153	18,804
6. CR3 Partners	08/24/17	\$64,570	\$17,336	\$34,105	111,103
6. TOTAL PAYMENTS TO PROFESSIONALS		\$728,580	\$79,011	\$285,905	1,002,004

*First Interim Fee Application for period of April 3,2017 through July 31, 2017.

**Doc. #84 Order Establishing Procedures for Interim Compensation and Reimbursement of Professionals.

POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POSTPETITION
1. US Equipment Finance	\$813	\$813	\$0
2. City of Mineral Wells	\$5,353	\$0	\$5,353
3. International Seismic Technologies, Inc.	\$1,500	\$1,500	\$0
4. Texas Storage	\$95	\$95	\$0
5.			
6. TOTAL	\$7,761	\$2,408	\$5,353

Note A: This Amount will not appear on the Income Statement (MOR-2) Insider payment as this is a Balance Sheet Item

Note B: These payments are associated with a flow-through cost which was only for the benefit of Hydroscience Technologies, Inc.

**Monthly Operating Report
ACCRUAL BASIS-7**

CASE NAME:	Hydroscience Technologies, Inc.
CASE NUMBER:	17-41442-rfn-11

MONTH: October 2017

QUESTIONNAIRE

	YES	NO
1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		X
2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?		X
3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES, OR LOANS) DUE FROM RELATED PARTIES?		X
4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?		X
5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		X
6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE?		X
7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		X
8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?		X
9. ARE ANY OTHER POSTPETITION TAXES PAST DUE?		X
10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?		X
11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?		X
12. ARE ANY WAGE PAYMENTS PAST DUE?	X	

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

12. Debtor owes \$1,708.96 in Pre-Petition Wages that are considered Priority Debt (see MOR-1).

INSURANCE

	YES	NO
1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?	X	
2. ARE ALL PREMIUM PAYMENTS PAID CURRENT?	X	
3. PLEASE ITEMIZE POLICIES BELOW.		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELLED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSTALLMENT PAYMENTS

TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY
Commerical General Liability	Federal Insurance Company	09/15/17 - 09/15/2018	\$58,341.00
Automobile Liability	Federal Insurance Company	09/15/17 - 09/15/2018	Annually for all policies
Umbrella Liability	Federal Insurance Company	09/15/17 - 09/15/2018	
Workers Compensation	National American Insurance Company	09/15/17 - 09/15/2018	

EXHIBIT “5”

to

**Disclosure Statement Pursuant to Section 1125 of the United States
Bankruptcy Code with respect to the Joint Chapter 11 Plan for
Hydroscience Technologies, Inc. and Solid Seismic, LLC**

Monthly Operating Report
ACCRUAL BASIS

CASE NAME:	Solid Seismic, LLC
CASE NUMBER:	17-41444-rfn-11
JUDGE:	Russell F. Nelms

UNITED STATES BANKRUPTCY COURT
NORTHERN & EASTERN DISTRICTS OF TEXAS
REGION 6

MONTHLY OPERATING REPORT

MONTH ENDING: October 2017
MONTH YEAR

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (ACCRUAL BASIS-1 THROUGH ACCRUAL BASIS-7) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT, AND COMPLETE. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY) IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:

Fred Woodland Manager
ORIGINAL SIGNATURE OF RESPONSIBLE PARTY TITLE

Fred Woodland
PRINTED NAME OF RESPONSIBLE PARTY DATE

 Financial Advisors
ORIGINAL SIGNATURE OF PREPARER TITLE

Jonathan Daniel, JDL Advisory Group, PLLC 11/24/17
PRINTED NAME OF PREPARER DATE

Monthly Operating Report
ACCRUAL BASIS-1

CASE NAME:	Solid Seismic, LLC
CASE NUMBER:	17-41444-rfn-11

COMPARATIVE BALANCE SHEET		SCHEDULE AMOUNT	OCTOBER, 2017	
ASSETS		(as amended)		
1.	UNRESTRICTED CASH	\$2,002	5,087	
2.	RESTRICTED CASH			
3.	TOTAL CASH	\$2,002	\$5,087	
4.	ACCOUNTS RECEIVABLE (NET)		\$1,160	
5.	INVENTORY (See Note B)	\$576,013	\$576,013	
6.	NOTES RECEIVABLE	\$0	\$0	
7.	PREPAID EXPENSES	\$0	\$0	
8.	OTHER (ATTACH LIST)			
9.	TOTAL CURRENT ASSETS	\$578,015	\$582,260	
10.	PROPERTY, PLANT & EQUIPMENT	\$666,584	\$666,584	
11.	LESS: ACCUMULATED DEPRECIATION/DEPLETION	(\$199,594)	(\$433,089)	
12.	NET PROPERTY, PLANT & EQUIPMENT	\$466,990	\$233,496	
13.	DUE FROM INSIDERS			
14.	OTHER ASSETS - NET OF AMORTIZATION (ATTACH LIST)			
15.	OTHER (ATTACH LIST)	\$210,992	\$210,992	
16.	TOTAL ASSETS	\$1,255,997	\$1,026,748	
POSTPETITION LIABILITIES				
17.	ACCOUNTS PAYABLE		\$75	
18.	TAXES PAYABLE			
19.	NOTES PAYABLE			
20.	PROFESSIONAL FEES			
21.	SECURED DEBT			
22.	OTHER (ATTACH LIST)		\$145,942	
23.	TOTAL POSTPETITION LIABILITIES		\$146,017	
PREPETITION LIABILITIES				
24.	SECURED DEBT	See Note A	\$0	
25.	PRIORITY DEBT	\$364	\$364	
26.	UNSECURED DEBT	\$12,766,504	\$11,970,335	
27.	OTHER (ATTACH LIST)			
28.	TOTAL PREPETITION LIABILITIES	\$12,766,868	\$11,970,700	
29.	TOTAL LIABILITIES	\$12,766,868	\$12,116,717	
EQUITY				
30.	PREPETITION OWNERS' EQUITY		(\$10,948,197)	
31.	POSTPETITION CUMULATIVE PROFIT OR (LOSS)		(141,772)	
32.	DIRECT CHARGES TO EQUITY (ATTACH EXPLANATION)			
33.	TOTAL EQUITY		(\$11,089,969)	
34.	TOTAL LIABILITIES & OWNERS' EQUITY		\$1,026,748	

Note A: Debtor is reconciling any secured property taxes that may be due as of the Petition date.

Note B: Debtor is currently gathering data and information as to inventory obsolescence, excess inventory, and unrecorded inventory relief/additions.

Solid Seismic, LLC
Case # 17-41444-rfn-11
Support for MOR-1

SEPTEMBER, 2017

Other Assets

Deposit on Equipment	55,050
Employee Advances	5,942
Contributions Receivable	150,000
Total Other Assets	210,992

Pre-Petition Debt

Unsecured Debt

Accounts Payable Pre-Petition	901,657
Accrued Rent Payable to IST	209,000
Accrued Interest HTI Loan	879,535
Intercompany HTI	9,980,143
Total Unsecured Debt	11,970,335

Priority Claims

Pre-Petition Payroll Payable	364
Total Priority Claims	364

Post-Petition Liabilities

Post Petition A/P	
Post-Petition Inter-Company HTI	145,942
Accrued Expenses	-
Total Post Petition Liabilities	145,942

Monthly Operating Report
ACCUAL BASIS-2

CASE NAME:	Solid Seismic, LLC
CASE NUMBER:	17-41444-rfn-11

	APRIL 4, 2017 SEPTEMBER 30, 2017	OCTOBER, 2017			APRIL 4, 2017 to OCTOBER 31, 2017
INCOME STATEMENT					
REVENUES					
1. GROSS REVENUES	\$0	\$0			\$0
2. LESS: RETURNS & DISCOUNTS					
3. NET REVENUE	\$0	\$0			\$0
COST OF GOODS SOLD					
4. MATERIAL	377	-			\$377
5. DIRECT LABOR	\$0				\$0
6. DIRECT OVERHEAD	\$1,514				\$1,514
7. TOTAL COST OF GOODS SOLD	\$1,891	\$0			\$1,891
8. GROSS PROFIT	(\$1,891)	\$0			(\$1,891)
OPERATING EXPENSES					
9. OFFICER / INSIDER COMPENSATION	10,799	2,731			13,530
10. SELLING & MARKETING	780				\$780
11. GENERAL & ADMINISTRATIVE	83,986	16,622			\$100,608
12. RENT & LEASE	20,663	3,000			\$23,663
13. OTHER (ATTACH LIST)	\$0				\$0
14. TOTAL OPERATING EXPENSES	\$116,228	22,353			\$138,581
15. INCOME BEFORE NON-OPERATING INCOME & EXPENSE	(\$118,119)	(\$22,353)			(\$140,472)
OTHER INCOME & EXPENSES					
16. NON-OPERATING INCOME (ATTACH LIST)					
17. NON-OPERATING EXPENSE (ATTACH LIST)					
18. INTEREST EXPENSE					
19. DEPRECIATION / DEPLETION					
20. AMORTIZATION					
21. OTHER (ATTACH LIST)					
22. NET OTHER INCOME & EXPENSES	\$0	\$0			\$0
REORGANIZATION EXPENSES					
23. PROFESSIONAL FEES					
24. U.S. TRUSTEE FEES	\$1,300	\$0			\$1,300
25. OTHER (ATTACH LIST)					
26. TOTAL REORGANIZATION EXPENSES	\$1,300	\$0			\$1,300
27. INCOME TAX					
28. NET PROFIT (LOSS)	(\$119,419)	(\$22,353)	\$0	\$0	(\$141,772)

Monthly Operating Report
ACCRUAL BASIS-3

CASE NAME:	Solid Seismic, LLC
CASE NUMBER:	17-41444-rfn-11

	APRIL 4, 2017 SEPTEMBER 30, 2017	OCTOBER, 2017		
CASH RECEIPTS AND DISBURSEMENTS				
1. CASH - BEGINNING OF MONTH	\$2,002	\$4,814		
RECEIPTS FROM OPERATIONS				
2. CASH SALES				
COLLECTION OF ACCOUNTS RECEIVABLE				
3. PREPETITION				
4. POSTPETITION	\$1,615			
5. TOTAL OPERATING RECEIPTS	\$1,615	\$0		
NON-OPERATING RECEIPTS				
6. LOANS & ADVANCES (ATTACH LIST)	122,692	\$24,092		
7. SALE OF ASSETS				
8. OTHER (ATTACH LIST)	-			
9. TOTAL NON-OPERATING RECEIPTS	\$122,692	\$24,092		
10. TOTAL RECEIPTS	\$124,307	\$24,092		
11. TOTAL CASH AVAILABLE	\$126,309	\$28,906		
OPERATING DISBURSEMENTS				
12. NET PAYROLL	\$42,469	\$10,824		
13. PAYROLL TAXES PAID	\$16,219	\$4,069		
14. SALES, USE & OTHER TAXES PAID	\$52	\$0		
15. SECURED / RENTAL / LEASES	\$20,664	\$3,000		
16. UTILITIES	\$1,193	\$535		
17. INSURANCE				
18. INVENTORY PURCHASES	\$1,615			
19. VEHICLE EXPENSES				
20. TRAVEL	\$922	\$665		
21. ENTERTAINMENT	\$171			
22. REPAIRS & MAINTENANCE	\$484			
23. SUPPLIES	\$432			
24. ADVERTISING				
25. OTHER (ATTACH LIST)	35,974	\$4,726		
26. TOTAL OPERATING DISBURSEMENTS	\$120,195	\$23,819		
REORGANIZATION EXPENSES				
27. PROFESSIONAL FEES				
28. U.S. TRUSTEE FEES	\$1,300			
29. OTHER (ATTACH LIST)				
30. TOTAL REORGANIZATION EXPENSES	\$1,300	\$0		
31. TOTAL DISBURSEMENTS	\$121,495	\$23,819		
32. NET CASH FLOW	\$2,812	\$273		
33. CASH - END OF MONTH	\$4,814	\$5,087		

Solid Seismic, LLC
Case # 17-41444-rfn-11
Support for MOR-3

October, 2017

Loans and Advances

Advances from Hydrosience Technologies, Inc.	24,092
Total Loans and Advances	24,092

Other Disbursements

Bank Fees	
Medical Insurance	3,543
Payroll Processing Fees	234
Telephone/Internet	144
Postage	25
Marketing - Trade Show	780
Total Other Disbursements	4,726

Monthly Operating Report
ACCUAL BASIS-4

CASE NAME:	Solid Seismic, LLC
CASE NUMBER:	17-41444-rfn-11

ACCOUNTS RECEIVABLE AGING	SCHEDULE AMOUNT	OCTOBER, 2017		
1. 0-30	\$0	\$1,160		
2. 31-60	\$0			
3. 61-90	\$0			
4. 91+	\$0			
5. TOTAL ACCOUNTS RECEIVABLE	\$0	\$1,160		
6. AMOUNT CONSIDERED UNCOLLECTIBLE	\$0			
7. ACCOUNTS RECEIVABLE (NET)	\$0	\$1,160		

AGING OF POSTPETITION TAXES AND PAYABLES		MONTH: <u>October 2017</u>			
TAXES PAYABLE	0-30 DAYS	31-60 DAYS	61-90 DAYS	91+ DAYS	TOTAL
1. FEDERAL	\$0				\$0
2. STATE	\$0				\$0
3. LOCAL	\$0				\$0
4. OTHER (ATTACH LIST)	\$0				\$0
5. TOTAL TAXES PAYABLE	\$0	\$0	\$0	\$0	\$0

6. ACCOUNTS PAYABLE	75				\$75
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STATUS OF POSTPETITION TAXES		MONTH: <u>October 2017</u>			
FEDERAL	BEGINNING TAX LIABILITY	AMOUNT WITHHELD AND/OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY	
1. WITHHOLDING	\$0	\$1,952	\$1,952	\$0	
2. FICA-EMPLOYEE	\$0	\$1,058	\$1,058	\$0	
3. FICA-EMPLOYER	\$0	\$1,058	\$1,058	\$0	
4. UNEMPLOYMENT	\$0	\$0	\$0	\$0	
5. INCOME	\$0	\$0	\$0	\$0	
6. OTHER (ATTACH LIST)	\$0	\$0	\$0	\$0	
7. TOTAL FEDERAL TAXES	\$0	\$4,069	\$4,069	\$0	
STATE AND LOCAL					
8. WITHHOLDING	\$0		\$0	\$0	
9. SALES	\$0		\$0	\$0	
10. EXCISE	\$0		\$0	\$0	
11. UNEMPLOYMENT	\$0		\$0	\$0	
12. REAL PROPERTY	\$0		\$0	\$0	
13. PERSONAL PROPERTY	See Note A		\$0	\$0	
14. OTHER (ATTACH LIST)			\$0	\$0	
15. TOTAL STATE & LOCAL	\$0	\$0	\$0	\$0	
16. TOTAL TAXES	\$0	\$4,069	\$4,069	\$0	

Note A: Debtor is reconciling any secured property taxes that may be due as of the Petition date.

Monthly Operating Report
ACCURAL BASIS-5

CASE NAME:	Solid Seismic, LLC
CASE NUMBER:	17-41444-rfn-11

MONTH: October 2017

BANK RECONCILIATIONS		Account #1	Account #2	Account #3	Account #3	
A. BANK:		Premier Bank	Wells Fargo	Wells Fargo	Wells Fargo	
B. ACCOUNT NUMBER:		X2310	X6990	X9838	X9820	
C. PURPOSE (TYPE):		Checking	Payroll	DIP Operating	DIP Payroll	TOTAL
1. BALANCE PER BANK STATEMENT		\$3,005	\$0	\$7,568	\$1,395	\$11,968
2. ADD: TOTAL DEPOSITS NOT CREDITED						\$0
3. SUBTRACT: OUTSTANDING CHECKS			\$0	\$6,616	\$265	\$6,881
4. OTHER RECONCILING ITEMS						
5. MONTH END BALANCE PER BOOKS		\$3,005	\$0	\$952	\$1,130	\$5,087
6. NUMBER OF LAST CHECK WRITTEN		9021	Acct. Closed	10021	10184	

INVESTMENT ACCOUNTS

BANK, ACCOUNT NAME & NUMBER	DATE OF PURCHASE	TYPE OF INSTRUMENT	PURCHASE PRICE	CURRENT VALUE
7.				
8.				
9.				
10.				
11. TOTAL INVESTMENTS			\$0	\$0

CASH

12. CURRENCY ON HAND	\$0
13. TOTAL CASH - END OF MONTH	\$5,087

**Monthly Operating Report
ACCRUAL BASIS-6**

CASE NAME:	Solid Seismic, LLC
CASE NUMBER:	17-41444-rfn-11

MONTH: October 2017

PAYMENTS TO INSIDERS AND PROFESSIONALS

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
1. Richard Pearce	Payroll	\$2,731	13,531
2. International Seismic	Expense Reimbursement	\$6,543	56,434
3.	(see Note A)		
4. Fred Woodland	Advance on A/C Repair	\$0	1,600
5.			
6.	TOTAL PAYMENTS TO INSIDERS	\$9,274	\$71,565

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID
1. See MOR for Hydrosience Technologies, Inc.					
2.					
3.					
4.					
5.					
6.	TOTAL PAYMENTS TO PROFESSIONALS		\$0	\$0	\$0

POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POSTPETITION
1. International Seismic Technologies, Inc.	\$3,000	\$3,000	\$0
2.			
3.			
4.			
5.			
6. TOTAL	\$3,000	\$3,000	\$0

Note A: This payment is associated with a flow-through costs which was only for the benefit of Solid Seismic, and rent.

**Monthly Operating Report
ACCRAAL BASIS-7**

CASE NAME:	Solid Seismic, LLC
CASE NUMBER:	17-41444-rfn-11

MONTH: October 2017

QUESTIONNAIRE

	YES	NO
1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		X
2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?		X
3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES, OR LOANS) DUE FROM RELATED PARTIES?		X
4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?		X
5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		X
6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE?		X
7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		X
8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?		X
9. ARE ANY OTHER POSTPETITION TAXES PAST DUE?		X
10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?		X
11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?		X
12. ARE ANY WAGE PAYMENTS PAST DUE?	X	

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

12. Debtor owes \$364.08 in Pre-Petition Wages that are considered Priority Debt (see MOR-1).

INSURANCE

	YES	NO
1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?	X	
2. ARE ALL PREMIUM PAYMENTS PAID CURRENT?	X	
3. PLEASE ITEMIZE POLICIES BELOW.		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELLED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSTALLMENT PAYMENTS			
TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY
Commerical General Liability	Federal Insurance Company	09/15/17 - 09/15/2018	\$0.00
Automobile Liability	Federal Insurance Company	09/15/17 - 09/15/2018	Cost of coverage is included
Umbrella Liability	Federal Insurance Company	09/15/17 - 09/15/2018	under the Co-Debtor Hydroscience
Workers Compensation	National American Insurance Company	09/15/17 - 09/15/2018	Technologies, Inc.'s Policy

EXHIBIT “6”

to

**Disclosure Statement Pursuant to Section 1125 of the United States
Bankruptcy Code with respect to the Joint Chapter 11 Plan for
Hydroscience Technologies, Inc. and Solid Seismic, LLC**

WILLIAM L. ROBERTS
177 ALEDO CREEKS RD.
FORT WORTH, TX 76126
bill.roberts@cr3partners.com
214.507-2750

PROFILE SUMMARY

- CRO, CFO, AND FINANCIAL ADVISORY PROFESSIONAL
- BUSINESS ANALYTICS AND FINANCIAL MODELING
- CASH FORECASTING, BUDGETING, AND MANAGEMENT
- MILITARY CONTRACT CONSULTING
- MERGERS, ACQUISITIONS, DIVESTITURES, AND LIQUIDATIONS
- FINANCIAL RESTRUCTURING AND TURN AROUND
- FINANCIAL FORENSIC ANALYST

CR3 PARTNERS, LLC

2016-Present

Internationally recognized team (formerly Deloitte Transaction, CRP, CRG) provides financial advisory and crisis management services by guiding and collaborating with management teams in situations of financial distress.

Director

- CRO, CFO, and financial advisor to client companies
- Recently, CRO of Stone Panels, Inc.; managed company through Chapter 11 bankruptcy and Sec. 363 sale process. Recovered 100% of secured lender's loans.

WILLIAM L. ROBERTS FINANCIAL ADVISORY SERVICES

2008-Present

Provides in-depth business and financial advisory services to companies, their creditors, their equity holders, the legal community, bank syndicates and other interested parties.

- Interim CFO and professional financial management engagements that include financial and operational restructuring, mergers and acquisition, and a variety of unique special projects.
- Interim VP of Finance of Frac Specialists, LLC and associated entities
- Interim CFO of Falcon Steel Company (52 year old structural steel manufacturer)
- CFO of DCM Clean Air Products, Inc. (specialty tool manufacturer serving the aerospace industry) and DCM Corrosion Services, LLC (military contractor).
- Advisor to Telesis Operating Company, Inc. providing assistance in the sale of 12 oil and gas partnerships with over 500 unit holders.
- CFO of Tekoil, LLC; managed financial operations of an offshore oil and gas exploration and production company for a Goldman Sachs financed company.

ADDITIONAL SIGNFICANT EMPLOYEMENTS PRIOR TO 1998

- Expert Witness (Forensic Accounting) and Bankruptcy Professional; Hagle Industries v Lands End
- Lead Accountant; FDIC Southwest Plan (S & L Bailout)
- CFO; Smokey Mountain Chew
- VP Finance; Ya-Hoo Baking
- Controller; Teledyne Merla (Div. of Fortune 500)
- CPA in Public Practice; Dallas, TX

EDUCATION AND CERTIFICATIONS

BBS Public Admin/Accounting – Univ. of Texas at Dallas
Certified Public Accountant – State of Texas

OTHER SKILLS AND ASSOCIATIONS

- **System Implementations;** NetSuite (SaaS), Great Plains, MAPICS, MARCOM, BPICS, PeopleSoft, Peachtree, QuickBooks,
- **Systems Familiarity:** NetSuite, Great Plains, McKesson, MAPICS, MARCOM, BPICS, PeopleSoft, Peachtree, QuickBooks
- **Other Software Proficiencies:** Excel, Outlook, MS Word, MS Project, PowerPoint, Pipeline Deals, Salesforce.com

- Former VP of DFW MAPICS User Group
- Former Member National Assoc. of Forensic Accounting
- Former Chair of Teledyne Merla Data Processing Steering Committee