

IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
NEWNAN DIVISION

In re:

AFH AIR PROS, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 25-10356 (PMB)

(Jointly Administered)

Related to Docket Nos. 431, 432, 448, 449

**NOTICE OF FILING OF (A) SECOND AMENDED PLAN OF LIQUIDATION AND
(B) SECOND AMENDED DISCLOSURE STATEMENT**

PLEASE TAKE NOTICE that on May 30, 2025, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed (i) the *Chapter 11 Plan of Liquidation of AFH Air Pros, LLC and its Debtor Affiliates* [Docket No. 431], and (ii) the *Disclosure Statement for the Chapter 11 Plan of Liquidation of AFH Air Pros, LLC and its Debtor Affiliates* [Docket No. 432].

PLEASE TAKE FURTHER NOTICE that on June 13, 2025, the Debtors filed (i) the *Amended Chapter 11 Plan of Liquidation of AFH Air Pros, LLC and its Debtor Affiliates* [Docket No. 448] (the “Amended Plan”), and (ii) the *Amended Disclosure Statement for the Amended Chapter 11 Plan of Liquidation of AFH Air Pros, LLC and its Debtor Affiliates* [Docket No. 449] (the “Amended Disclosure Statement”).

PLEASE TAKE FURTHER NOTICE that on June 18, 2025, the Debtors filed (i) the *Second Amended Chapter 11 Plan of Liquidation of AFH Air Pros, LLC and its Debtor Affiliates* [Docket No. 461] (the “Second Amended Plan”), and (ii) the *Second Amended Disclosure Statement for the Amended Chapter 11 Plan of Liquidation of AFH Air Pros, LLC and its Debtor Affiliates* [Docket No. 462] (the “Second Amended Disclosure Statement”).

PLEASE TAKE FURTHER NOTICE that attached hereto as **Exhibit A** is a redline of the Second Amended Plan reflecting changes from the Amended Plan.

PLEASE TAKE FURTHER NOTICE that attached hereto as **Exhibit B** is a redline of the Second Amended Disclosure Statement reflecting changes from the Amended Disclosure Statement (excluding exhibits thereto, which are unchanged from the Initial Disclosure Statement).

PLEASE TAKE FURTHER NOTICE that copies of all documents filed in the above captioned chapter 11 cases are available free of charge by visiting the case website maintained by

¹ The last four digits of AFH Air Pros, LLC’s tax identification number are 1228. Due to the large number of debtor entities in these chapter 11 cases, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the claims and noticing agent at <https://www.veritaglobal.net/AirPros>. The mailing address for the debtor entities for purposes of these chapter 11 cases is: 150 S. Pine Island Road, Suite 200, Plantation, Florida 33324.



the Debtors' notice and claims agent, Kurtzman Carson Consultants, LLC dba Verita Global, at <https://www.veritaglobal.net/AirPros> or by calling (866) 927-7076. You may also obtain copies of any pleadings by visiting the Office of the Clerk, U.S. Bankruptcy Court for the Northern District of Georgia (Newnan Division) between 8:00 a.m. and 4:00 p.m. or online by visiting the Court's website at <http://ecf.ganb.uscourts.gov> (registered users) or at <http://pacer.psc.uscourts.gov> (unregistered users). Further information may be obtained by using the "Submit an Inquiry" function at <https://www.veritaglobal.net/AirPros/inquiry>.

Dated: June 18, 2025

Respectfully submitted,

GREENBERG TRAURIG, LLP

/s/ David B. Kurzweil

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Exhibit A

(Redline of Second Amended Plan)

Exhibit B

(Redline of Second Amended Disclosure Statement)

Exhibit A

(Redline of Second Amended Plan)

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
NEWNAN DIVISION**

In re:

AFH AIR PROS, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 25-10356 (PMB)

(Jointly Administered)

**SECOND AMENDED CHAPTER 11 PLAN OF LIQUIDATION
OF
AFH AIR PROS, LLC AND ITS DEBTOR AFFILIATES**

NOTHING CONTAINED HEREIN SHALL CONSTITUTE AN OFFER, ACCEPTANCE, COMMITMENT, OR LEGALLY BINDING OBLIGATION OF THE DEBTORS OR ANY OTHER PARTY IN INTEREST.

YOU SHOULD NOT RELY ON THE INFORMATION CONTAINED IN, OR THE TERMS OF, THIS PLAN FOR ANY PURPOSE PRIOR TO THE CONFIRMATION OF THIS PLAN BY THE BANKRUPTCY COURT.

THIS PLAN IS SUBJECT TO APPROVAL BY THE BANKRUPTCY COURT AND OTHER CUSTOMARY CONDITIONS. THIS PLAN IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES.

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*Counsel for the Debtors and Debtors in
Possession*

Dated: June 1~~3~~⁸, 2025

¹ The last four digits of AFH Air Pros, LLC's tax identification number are 1228. Due to the large number of debtor entities in these chapter 11 cases, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the claims and noticing agent at <https://www.veritaglobal.net/AirPros>. The mailing address for the debtor entities for purposes of these chapter 11 cases is: 150 S. Pine Island Road, Suite 200, Plantation, Florida 33324.

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INTRODUCTION

AFH Air Pros, LLC and its debtor affiliates, as debtors and debtors in possession, propose this chapter 11 plan of liquidation, as amended and supplemented from time to time, for the resolution of outstanding Claims against, and Interests in, the Debtors. Capitalized terms used and not otherwise defined shall have the meanings ascribed to such terms in Article I.A hereof.

In accordance with the Plan Administration Agreement and the Litigation Trust Agreement, as applicable, and the provisions set forth herein, (a) the Litigation Trustee will pursue prosecution and recovery of the Litigation Trust Claims, review and reconcile applicable Claims of Litigation Trust Beneficiaries (in accordance with the terms herein and of the Litigation Trust Agreement), and make distributions from the proceeds of the Litigation Trust Assets to the Litigation Trust Beneficiaries, and (b) the Plan Administrator will make distributions to Holders of certain Allowed Claims, consistent with the priority of claim provisions of the Bankruptcy Code, with proceeds of the Remaining Assets of the Debtors' Estates.

Holders of Claims and Interests may refer to the Disclosure Statement for a discussion of the Debtors' history, businesses, assets, results of operations, and historical financial information, as well as a summary and description of the Plan and related sale process. ALL HOLDERS OF CLAIMS AND INTERESTS ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN, TO THE EXTENT APPLICABLE.

The Debtors are the proponents of the Plan within the meaning of section 1129 of the Bankruptcy Code. The Plan contemplates and is predicated upon the deemed substantive consolidation of the Estates for voting, confirmation, and distribution purposes. The Plan also implements a settlement among the Debtors, the Lenders, and the Creditors' Committee.

ARTICLE I. DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME, AND GOVERNING LAW

A. Defined Terms

As used in this Plan, capitalized terms have the meanings set forth below.

1. “*503(b)(9) Claims*” means Claims arising under section 503(b)(9) of the Bankruptcy Code against one or more of the Debtors that were to be Filed against one or more of the Debtors on or before the General Bar Date.

2. “*Acquired Business Units*” means the business units acquired by the Debtors prior to the Petition Date, including, but not limited to, Hansen, CM Heating, East Coast Mechanical, Air Force, Dallas Plumbing, One Source, Doug's, Dream Team, Davie (Universal Restoration), and Boca.

3. “*Administrative Claim*” means a Claim for costs and expenses of administration of the Debtors' Estates pursuant to sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the

Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred after the Petition Date and through the Effective Date of preserving the Estates and operating the Debtors' businesses; (b) Professional Fee Claims; (c) all requests for compensation or expense reimbursement for making a substantial contribution in the Chapter 11 Cases pursuant to sections 503(b)(3), (4), and (5) of the Bankruptcy Code; and (d) all 503(b)(9) Claims.

4. "*Administrative Claims Bar Date*" means the deadline for Filing requests for payment of Administrative Claims (other than 503(b)(9) Claims, which are subject to the General Bar Date pursuant to the Bar Date Order or Professional Fee Claims, which are subject to the Professional Fee Claims Bar Date), which shall be 30 days after the Effective Date.

5. "*Affiliate*" has the meaning set forth in section 101(2) of the Bankruptcy Code.

6. "*Air Pros Legacy Asset Purchase Agreement*" or "*Air Pros Legacy APA*" means that certain Asset Purchase Agreement dated as of March 6, 2025, as subsequently amended, modified, or supplemented, by and among Solutions, Air Pros, LLC, Air Pros West LLC, Air Pros Boca LLC, and the Air Pros Legacy Buyer, pursuant to which the Air Pros Legacy Buyer acquired the Air Pros legacy business unit of the Debtors.

7. "*Air Pros Legacy Buyer*" means Air Today Holdings L.L.C., as buyer under the Air Pros Legacy APA.

8. "*Air Pros Legacy Sale Order*" means the order entered by the Bankruptcy Court on May 19, 2025, approving the sale of the Air Pros Legacy business unit of the Debtors to the Air Pros Legacy Buyer pursuant to the Air Pros Legacy APA [Docket No. 392].

9. "*Allowed*" means with respect to any Claim, except as otherwise provided herein: (a) a Claim that is evidenced by a Proof of Claim timely Filed by the applicable Bar Date (or for which Claim under the Plan, the Bankruptcy Code, or a Final Order of the Bankruptcy Court, a Proof of Claim is not or shall not be required to be Filed); (b) a Claim that is listed in the Schedules as not contingent, not unliquidated, and not disputed, and for which no Proof of Claim has been timely Filed; or (c) a Claim Allowed pursuant to the Plan, any stipulation approved by the Bankruptcy Court, any contract, instrument, indenture, or other agreement entered into or assumed in connection with the Plan, or a Final Order; provided, that with respect to a Claim described in clauses (a) and (b) above, such Claim shall be considered Allowed only if and to the extent that with respect to such Claim no objection to the allowance thereof has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or if such an objection is so interposed, such Claim shall have been Allowed by a Final Order. Any Claim that has been or is hereafter listed in the Schedules as contingent, unliquidated, or disputed, and for which no Proof of Claim or Interest is or has been timely Filed, is not considered Allowed and shall be expunged without further action by the Debtors and without further notice to any party or action, approval, or order of the Bankruptcy Court unless otherwise ordered by the Bankruptcy Court. Notwithstanding anything to the contrary herein, no Claim of any Entity subject to section 502(d) of the Bankruptcy Code shall be deemed Allowed unless and until such Entity pays in full the amount that it owes. For the avoidance of doubt, a Proof of Claim Filed after the applicable Bar Date shall not be Allowed for

any purposes whatsoever absent entry of a Final Order allowing such late-Filed Claim. “*Allow*” and “*Allowing*” shall have correlative meanings.

10. “*Approved Budget*” has the meaning as set forth in the DIP Order.

11. “*Asset Purchase Agreements*” means, collectively, (i) the Air Pros Legacy Asset Purchase Agreement, (ii) the CM/Air Force Asset Purchase Agreement, (iii) the Dallas Plumbing Asset Purchase Agreement, (iv) the Doug’s/Dream Team/Hansen Asset Purchase Agreement, (v) the ECM Asset Purchase Agreement, and (vi) the One Source Asset Purchase Agreement.

12. “*Assets*” means all tangible and intangible assets of every kind and nature of the Debtors and their Estates within the meaning of section 541 of the Bankruptcy Code.

13. “*Assigned Causes of Action*” means the Causes of Action of the Debtors or their Estates identified and described on the Schedule of Assigned Causes of Action to be filed with the Plan Supplement, which Assigned Causes of Action shall include, and are not limited to, certain Avoidance Actions and commercial tort claims of the Debtors or their Estates; provided that Assigned Causes of Action shall not include any Causes of Action against any Released Party.

14. “*Avoidance Actions*” means any and all actual or potential avoidance, recovery, subordination, or other claims, actions, or remedies which any of the Debtors, the debtors in possession, the Estates, or other appropriate parties in interest have asserted or may assert under sections 502, 510, 542, 544, 545, or 547 through 553 of the Bankruptcy Code or under similar or related state or federal statutes and common law.

15. “*Ballot*” means “Ballot” as defined in the Solicitation Procedures Order.

16. “*Bankruptcy Code*” means title 11 of the United States Code, 11 U.S.C. §§ 101–1532, as amended from time to time, as applicable to the Chapter 11 Cases.

17. “*Bankruptcy Court*” means the United States Bankruptcy Court for the Northern District of Georgia, Newnan Division, having jurisdiction over the Chapter 11 Cases.

18. “*Bankruptcy Rules*” means the Federal Rules of Bankruptcy Procedure, as applicable to the Chapter 11 Cases, promulgated under section 2075 of the Judicial Code and the general, local, and chambers rules of the Bankruptcy Court, each as amended from time to time.

19. “*Bar Date*” means, as applicable, the General Bar Date, the Governmental Bar Date, the Administrative Claims Bar Date, the Professional Fee Claims Bar Date, and any other deadline established by the Court to file Proofs of Claim against the Debtors.

20. “*Bar Date Order*” means the Order (I) Fixing Deadlines for Filing Proofs of Claim and (II) Approving the Form and Manner of Notice Hereof entered by the Bankruptcy Court on April 29, 2025 [Docket No. 283].

21. “*Business Day*” means any day, other than a Saturday, Sunday, or “legal holiday” (as defined in Bankruptcy Rule 9006(a)).

22. “*Cash*” means cash and cash equivalents, including bank deposits, checks, and other similar items in legal tender of the United States of America.

23. “*Causes of Action*” means any Claims, damages, remedies, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, matured or unmatured, suspected or unsuspected, in tort, law, equity, or otherwise, including (a) all rights of setoff, counterclaim, or recoupment and claims on contracts or for breaches of duties imposed by law; (b) the right to object to or otherwise contest Claims or Interests; (c) claims pursuant to sections 362, 510, 542, 543, 544 through 550, or 553 of the Bankruptcy Code, including, for the avoidance of doubt, Avoidance Actions; and (d) such claims and defenses as fraud, mistake, duress, and usury and any other defenses set forth in section 558 of the Bankruptcy Code.

24. “*Chapter 11 Cases*” means, when used with reference to a particular Debtor, the case pending for that Debtor under chapter 11 of the Bankruptcy Code in the Bankruptcy Court, and when used with reference to all Debtors, the procedurally consolidated and jointly administered chapter 11 cases pending for the Debtors in the Bankruptcy Court.

25. “*Claim*” means any “claim” as defined in section 101(5) of the Bankruptcy Code.

26. “*Claims and Noticing Agent*” means Kurtzman Carson Consultants, LLC d/b/a Verita Global, or any successor appointed by the Bankruptcy Court.

27. “*Claims Objection Bar Date*” means the deadline for objecting to a Claim, which shall be on the date that is the later of (a) 365 days after the Effective Date and (b) such other period of limitation as may be specifically fixed by order of the Bankruptcy Court for objecting to Claims.

28. “*Claims Register*” means the official register of Claims maintained by the Claims and Noticing Agent.

29. “*Class*” means a category of Claims or Interests under section 1122(a) of the Bankruptcy Code.

30. “*CM/Air Force Asset Purchase Agreement*” or “*CM/Air Force APA*” means that certain Asset Purchase Agreement of March 18, 2025, as subsequently amended, modified, or supplemented, by and among Solutions, Air Pros Atlanta, LLC, CM Air Pros, LLC, Air Pros Washington, LLP, AFH Air Pros, LLC, and the CM/Air Force Buyer, pursuant to which the CM/Air Force Buyer acquired the CM Heating & Cooling and Air Force Heating & Air business units of the Debtors.

31. “*CM/Air Force Buyer*” means Reliance US Holdings II Inc., as buyer under the CM/Air Force APA.

32. “*CM/Air Force Sale Order*” means the order entered by the Bankruptcy Court on May 19, 2025, approving the sale of the CM Heating & Cooling and Air Force Heating & Air business units of the Debtors to the CM/Air Force Buyer pursuant to the CM/Air Force APA [Docket No. 388].

33. “*Combined Hearing*” means the combined hearing before the Bankruptcy Court to consider both (i) final approval of the Disclosure Statement pursuant to section 1125 of the Bankruptcy Code and (ii) confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.

34. “*Committee Professionals DIP Budget Amount*” means the aggregate amount budgeted in the Approved Budget for the Creditors’ Committee Professionals, which amount is \$850,000.

35. “*Committee Professionals Excess Amount*” means the amount by which the aggregate amount of all Allowed Professional Fee Claims of Creditors’ Committee Professionals exceeds the Committee Professionals DIP Budget Amount.

36. “*Committee Professionals Remaining Amount*” means the difference between (i) the Committee Professionals DIP Budget Amount and (ii) the aggregate amount of all Allowed Professional Fee Claims of Creditors’ Committee Professionals.

37. “*Complex Case Procedures*” means the Procedures for Complex Chapter 11 Cases as established by and set forth in the Second Amended and Restated General Order 26-2019, dated February 6, 2023.

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

39. “*Confirmation Order*” means the order of the Bankruptcy Court confirming the Plan pursuant to, among others, section 1129 of the Bankruptcy Code.

40. “*Consummation*” means the occurrence of the Effective Date.

41. “*Contingent Claim*” means any contingent or unliquidated Claim asserted or which may be asserted against the Debtors.

42. “*CPO*” means Luis Salazar, the appointed consumer privacy ombudsman in these Chapter 11 Cases [Docket No. 243].

43. “*Creditors’ Committee*” means the official committee of unsecured creditors appointed in the Chapter 11 Cases pursuant to section 1102(a) of the Bankruptcy Code [Docket No. 111], as such committee may be reconstituted from time to time.

44. “*Creditors’ Committee Professionals*” means Professionals retained by the Creditors’ Committee.

45. “*Creditors’ Committee Settlement*” means the settlement among the Debtors, the Lenders, and the Creditors’ Committee, described in more detail in Article VI.J of the Disclosure Statement and implemented pursuant to the terms of the Plan.

46. “*D&O Liability Insurance Policies*” means all insurance policies (including any renewal or “tail policy”) of any of the Debtors for current or former directors’, managers’, and officers’ liability.

47. “*Dallas Plumbing Asset Purchase Agreement*” or “*Dallas Plumbing APA*” means that certain Asset Purchase Agreement of March 14, 2025, as subsequently amended, modified, or supplemented, by and among Solutions, Dallas Plumbing Air Pros, LLC, and the Dallas Plumbing Buyer, pursuant to which the Dallas Plumbing Buyer acquired the Dallas Plumbing business unit of the Debtors.

48. “*Dallas Plumbing Buyer*” means Columbia Home Services, LLC, as buyer under the Dallas Plumbing APA.

49. “*Dallas Plumbing Sale Order*” means the order entered by the Bankruptcy Court on May 19, 2025, approving the sale of the Dallas Plumbing business unit of the Debtors to the Dallas Plumbing Buyer pursuant to the Dallas Plumbing APA [Docket No. 389].

50. “*Debtors*” means, collectively, the debtors and debtors in possession in the Chapter 11 Cases.

51. “*Designated Causes of Action*” means the following Causes of Action: (i) breach of fiduciary duty, (ii) aiding and abetting breach of fiduciary duty, (iii) breach of contract, (iv) corporate waste, (v) abuse of control, (vi) gross mismanagement, (vii) willful misconduct, (viii) fraud, (ix) aiding and abetting fraud, (x) actual fraudulent transfer, (xi) constructive fraudulent transfer, (xii) preferential transfer, (xiii) negligent misrepresentation, (xiv) conversion, (xv) unlawful stock redemption and dividends, (xvi) unjust enrichment, (xvii) conspiracy, (xviii) equitable subordination, (xix) recharacterization, and (xx) any Cause of Action arising from the same core of operative facts as delineated in (i) through (xix).

52. “*DIP Agent*” means Alter Domus (US) LLC, in its capacity as disbursing agent and collateral agent under the DIP Credit Facility.

53. “*DIP Credit Agreement*” means that certain Senior Secured Priming and Superpriority Debtor-in-Possession Credit Agreement, dated as of March 18, 2025, by and among the Debtors, the DIP Agent, and the DIP Lenders, as it may be amended, restated, amended and restated, supplemented, or otherwise modified from time to time in accordance with its terms and the terms of the DIP Order.

54. “*DIP Credit Facility*” means the senior secured priming and superpriority debtor-in-possession credit facility provided by the DIP Lenders to the Debtors under the terms of the DIP Loan Documents and DIP Order.

55. “*DIP Lender Claims*” means all Claims held by any DIP Lender or the DIP Agent derived from, based upon, relating to, or secured pursuant to the terms of, the DIP Credit Facility, the DIP Loan Documents, or the DIP Order, which claims are deemed Allowed.

56. “*DIP Lenders*” means, collectively, the lenders from time to time that are party to the DIP Credit Agreement.

57. “*DIP Loan Documents*” means the DIP Credit Agreement together with the schedules and exhibits attached thereto and all agreements, documents, instruments, and amendment executed and delivered in connection therewith, including the “Loan Documents” as defined in the DIP Credit Agreement.

58. “*DIP Order*” means the *Final Order (A) Authorizing the Debtors to Obtain Postpetition Financing and to Use Cash Collateral, (B) Granting Liens and Superpriority Claims, (C) Granting Adequate Protection, (D) Modifying the Automatic Stay, and (E) Granting Related Relief* [Docket No. 255].

59. “*Disallowed*” means, with respect to any Claim, a Claim or any portion thereof that: (a) has been disallowed by a Final Order; (b) is listed on the Schedules as zero or as contingent, disputed, or unliquidated and as to which no Proof of Claim or request for payment of an Administrative Claim has been timely Filed or deemed timely Filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order or otherwise deemed timely Filed under applicable law or the Plan; (c) is not listed on the Schedules and as to which no Proof of Claim or request for payment of an Administrative Claim has been timely Filed or deemed timely Filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order or otherwise deemed timely Filed under applicable law or the Plan; (d) has been withdrawn by agreement of the applicable Debtor and the Holder thereof; or (e) has been withdrawn by the Holder thereof.

60. “*Disclosure Statement*” means the *Disclosure Statement for the Chapter 11 Plan of AFH Air Pros, LLC and its Debtor Affiliates*, including all exhibits and schedules thereto, as approved on an interim basis by the Solicitation Procedures Order.

61. “*Disputed*” means a Claim that is not yet Allowed or Disallowed.

62. “*Disputed Unsecured Claims Reserve*” means a reserve account with respect to Disputed General Unsecured Claims to be established and funded by the Litigation Trustee pursuant to the Plan and the Litigation Trust Agreement.

63. “*Distribution Record Date*” means the date for determining which Holders of Claims are eligible to receive distributions hereunder and shall be the Effective Date or such other date as designated in the Confirmation Order.

64. “*Doug’s/Dream Team/Hansen Asset Purchase Agreement*” or “*Doug’s/Dream Team/Hansen APA*” means that certain Asset Purchase Agreement dated as of March 13, 2025, as subsequently amended, modified, or supplemented, by and among Solutions, Doug’s Service Air Pros, LLC, Dream Team Air Pros, LLC, Hansen Air Pros, LLC, and the Doug’s/Dream Team/Hansen Buyer, pursuant to which the Doug’s/Dream Team/Hansen Buyer acquired the Doug’s Service Company, Dream Team Heating & Air, and Hansen Super Techs business units of the Debtors.

65. “*Doug’s/Dream Team/Hansen Buyer*” means collectively Buddy’s Heating & Cooling, L.L.C., Southern Air of Thibodaux, LLC, and Hansen Super Techs, LLC, as buyers under the Doug’s/Dream Team/Hansen APA.

66. “*Doug’s/Dream Team/Hansen Sale Order*” means the order entered by the Bankruptcy Court on May 19, 2025, approving the sale of Doug’s Service Company, Dream Team Heating & Air, and Hansen Super Techs business units of the Debtors to the Doug’s/Dream Team/Hansen Buyer pursuant to the Doug’s/Dream Team/Hansen APA [Docket No. 393].

67. “*ECM Asset Purchase Agreement*” or “*ECM APA*” means that certain Asset Purchase Agreement dated as of March 16, 2025, as subsequently amended, modified, or supplemented, by and among Solutions, East Coast Mechanical, LLC, and the ECM Buyer, pursuant to which the ECM Buyer acquired the East Coast Mechanical business unit of the Debtors.

68. “*ECM Buyer*” means East Coast Mechanical Home Services, LLC, as buyer under the ECM APA.

69. “*ECM Sale Order*” means the order entered by the Bankruptcy Court on May 19, 2025, approving the sale of the East Coast Mechanical business unit of the Debtors to the ECM Buyer pursuant to the ECM APA [Docket No. 391].

70. “*Effective Date*” means, with respect to the Plan, the date that is the first Business Day after the Confirmation Date on which: (a) no stay of the Confirmation Order is in effect; (b) all conditions precedent specified in Article XI.B have been satisfied or waived (in accordance with Article XI.C); and (c) the Plan is declared effective.

71. “*Entity*” shall have the meaning set forth in section 101(15) of the Bankruptcy Code.

72. “*Estate*” means, as to each Debtor, the estate created for the Debtor in its Chapter 11 Case pursuant to section 541 of the Bankruptcy Code.

73. “*Exculpated Parties*” means, collectively, and in each case in its capacity as such: (a) the Debtors, (b) the Released Debtor D&Os, (c) the Debtors’ Professionals retained in these Chapter 11 Cases, (d) the Creditors’ Committee, the members of the Creditors’ Committee in their capacity as such, the individuals representing such members, in their capacity as such, (e) the Creditors’ Committee Professionals, and (f) the CPO.

74. “*Executory Contract*” means a contract to which one or more of the Debtors is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

75. “*Federal Judgment Rate*” means the interest rate provided under 28 U.S.C. § 1961(a), calculated as of the Petition Date, compounded annually.

76. “*File*,” “*Filed*,” or “*Filing*” means file, filed, or filing in the Chapter 11 Cases with the Bankruptcy Court or, with respect to the filing of a Proof of Claim or proof of Interest, the Claims and Noticing Agent.

77. “*Final Order*” means (i) an order or judgment of the Bankruptcy Court, as entered on the docket in any Chapter 11 Case (or any related adversary proceeding or contested matter) or the docket of any other court of competent jurisdiction, or (ii) an order or judgment of any other court having jurisdiction over any appeal from (or petition seeking certiorari or other review of) any order or judgment entered by the Bankruptcy Court (or any other court of competent jurisdiction, including in an appeal taken) in any Chapter 11 Case (or in any related adversary proceeding or contested matter), in each case that has not been reversed, stayed, modified, or amended, and as to which the time to appeal, or seek certiorari or move for a new trial, reargument, or rehearing has expired according to applicable law and no appeal or petition for certiorari or other proceedings for a new trial, reargument, or rehearing has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be timely Filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument, or rehearing shall have been denied, resulted in no modification of such order, or has otherwise been dismissed with prejudice; provided, that the possibility a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or the Local Rules, may be Filed relating to such order shall not prevent such order from being a Final Order.

78. “*General Bar Date*” means the deadline for persons or entities, other than Governmental Units, to file Proofs of Claim against the Debtors on account of Claims arising, or deemed to have arisen, prior to the Petition Date, including, for the avoidance of doubt, 503(b)(9) Claims, which deadline was established by the Bar Date Order as June 23, 2025 at 11:59 p.m. (prevailing Eastern Time).

79. “*General Unsecured Claim*” means any Claim other than (a) an Administrative Claim, (b) a Priority Tax Claim, (c) a DIP Lender Claim, (d) an Other Priority Claim, (e) an Other Secured Claim, (f) a Prepetition Lender Secured Claim, (g) a Subordinated Claim, or (h) an Intercompany Claim. For the avoidance of doubt, the Prepetition Lender Deficiency Claim shall be, and shall be deemed to be, included as a General Unsecured Claim.

80. “*Governmental Bar Date*” means the deadline for Governmental Units to file Proofs of Claim against the Debtors on account of Claims arising, or deemed to have arisen, prior to the Petition Date, which deadline was established by the Bar Date Order as September 12, 2025 at 11:59 p.m. (prevailing Eastern Time).

81. “*Governmental Unit*” shall have the meaning set forth in section 101(27) of the Bankruptcy Code.

82. “*Holder*” means any Person holding a Claim or Interest.
83. “*Holdings*” means Air Pros Solutions Holdings, LLC.
84. “*Impaired*” means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is impaired within the meaning of section 1124 of the Bankruptcy Code.
85. “*Initial Litigation Trust Funding Cash Amount*” means Cash in the amount of \$1,000,000.
86. “*Insurance Policies*” mean all insurance policies that have been issued at any time to, or provide coverage to, any of the Debtors, and all agreements, documents, or instruments relating thereto.
87. “*Intercompany Claim*” means any Claim held by a Debtor against another Debtor.
88. “*Intercompany Interest*” means an Interest in one Debtor held by another Debtor.
89. “*Interest*” means any equity security (as defined in section 101(16) of the Bankruptcy Code) in any Debtor, including any rights, options, warrants, stock appreciation rights, phantom stock rights, restricted stock units, redemption rights, repurchase rights, convertible, exercisable or exchangeable securities or other agreements, arrangements or commitments of any character relating to, or whose value is related to, any such interest or other ownership interest in any Debtor.
90. “*IRS*” means the Internal Revenue Service.
91. “*Judicial Code*” means title 28 of the United States Code, 28 U.S.C. §§ 1–4001, as amended from time to time, as applicable to the Chapter 11 Cases.
92. “*Lenders*” means, collectively, the Prepetition Lenders and the DIP Lenders.
93. “*Lien*” shall have the meaning set forth in section 101(37) of the Bankruptcy Code.
94. “*Litigation Trust*” means a Litigation Trust, of which the Litigation Trustee shall serve as trustee, established on the Effective Date for the benefit of the Litigation Trust Beneficiaries pursuant to the terms of the Litigation Trust Agreement and the Plan.
95. “*Litigation Trust Agreement*” means the agreement, effective as of the Effective Date, that establishes the Litigation Trust and governs the powers, duties, and responsibilities of the Litigation Trustee, on terms materially consistent with the Plan, filed as part of the Plan Supplement, as may be amended, modified, or supplemented from time to time, which shall be consistent with the Creditors’ Committee Settlement and on terms acceptable to the Debtors, the Lenders, and the Creditors’ Committee.
96. “*Litigation Trust Assets*” means (a) the Litigation Trust Claims and the proceeds thereof, and (b) the Litigation Trust Funding Amount.

97. “*Litigation Trust Beneficiaries*” means the Holders of Litigation Trust Interests.
98. “*Litigation Trust Claims*” means, to the extent not otherwise transferred to a buyer pursuant to the Sale Orders or Asset Purchase Agreements or released in the Chapter 11 Cases, (i) the Designated Causes of Action that the Debtors or their Estates may have against the Non-Released Debtor D&Os and any other Person that is not a Released Party; and (ii) the Assigned Causes of Action. Notwithstanding the foregoing and for the avoidance of doubt, Litigation Trust Claims shall not include (x) any Cause of Action against any Released Party or (y) any Retained Cause of Action.
99. “*Litigation Trust Expense Fund*” has the meaning set forth in Article VII.D.
100. “*Litigation Trust Expenses*” has the meaning set forth in Article VII.D.
101. “*Litigation Trust Funding Amount*” means Cash in the total amount of (i) the Initial Litigation Trust Funding Cash Amount plus (ii) the Committee Professionals Remaining Amount.
102. “*Litigation Trust Interests*” means, collectively, the non-certified beneficial interests in the Litigation Trust distributed to the Litigation Trust Beneficiaries in accordance with Article III.B and subject to the terms and conditions of the Litigation Trust Agreement and the Plan.
103. “*Litigation Trust Proceeds Waterfall*” means the following priority of distributions of any proceeds recovered from the successful prosecution or settlement of any Litigation Trust Claims: (a) first, to pay Litigation Trust Expenses in excess of the budgeted Litigation Trust Expenses, to the extent such excess amounts are approved in accordance with the Litigation Trust Agreement; and (b) second, on a pro rata basis to the Holders of the Litigation Trust Interests.
104. “*Litigation Trustee*” means, in its capacity as such, the Person or Entity designated by the Creditors’ Committee, and reasonably acceptable to the Prepetition Lenders and the Debtors, to serve as the trustee of the Litigation Trust, and any successor thereto in accordance with the Litigation Trust Agreement. The Litigation Trustee shall be identified in the Plan Supplement.
105. “*Local Rules*” means the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Northern District of Georgia.
106. “*Non-Released Debtor D&Os*” means any and all current and former directors and officers of the Debtors, other than the Released Debtor D&Os. For the avoidance of doubt, the Non-Released Debtor D&Os shall include, without limitation, Anthony Douglas Perera.
107. “*OCP Order*” means the *Order Authorizing the Retention and Payment of Professionals Utilized by the Debtors in the Ordinary Course of Business* entered by the Bankruptcy Court on April 18, 2025 [Docket No. 224].

108. “*One Source Asset Purchase Agreement*” or “*One Source APA*” means that certain Asset Purchase Agreement dated as of March 16, 2025, as subsequently amended, modified, or supplemented, by and among Solutions, Air Pros One Source, LLC, and the One Source Buyer, pursuant to which the One Source Buyer acquired the One Source Home Service business unit of the Debtors.

109. “*One Source Buyer*” means Any Hour LLC, as buyer under the One Source APA.

110. “*One Source Sale Order*” means the order entered by the Bankruptcy Court on May 19, 2025, approving the sale of the One Source Home Service business unit of the Debtors to the One Source Buyer pursuant to the One Source APA [Docket No. 390].

111. “*Ordinary Course Professional*” shall have the meaning ascribed to such term in the OCP Order.

112. “*Other Priority Claim*” means any Claim entitled to priority in right of payment under section 507(a) of the Bankruptcy Code, to the extent such Claim has not already been paid during the Chapter 11 Cases, other than: (a) an Administrative Claim; or (b) a Priority Tax Claim.

113. “*Other Secured Claim*” means any Secured Claim other than a DIP Lender Claim and a Prepetition Lender Secured Claim.

114. “*Person*” shall have the meaning set forth in section 101(41) of the Bankruptcy Code.

115. “*Petition Date*” means March 16, 2025, the date on which the Debtors commenced the Chapter 11 Cases.

116. “*Plan*” means this plan, as it may be amended, modified or supplemented from time to time, including all exhibits, schedules, supplements, appendices, annexes and attachments thereto.

117. “*Plan Administration Agreement*” means the agreement, substantially in the form to be included in the Plan Supplement, as it may be subsequently modified from time to time, governing the powers, duties, and responsibilities of the Plan Administrator on terms materially consistent with the Plan.

118. “*Plan Administrator*” means the Person jointly designated by the Debtors and the Lenders to serve as the Plan Administrator under the Plan, who is the designated representative of the Wind Down Debtors on and after the Effective Date and charged with overseeing the tasks outlined in Article IV of the Plan and the Plan Administration Agreement. The Plan Administrator shall be identified in the Plan Supplement.

119. “*Plan Documents*” means all documents, forms of documents, schedules, and exhibits to this Plan (including the Plan Supplement) to be executed, delivered, assumed, or performed in conjunction with Consummation of the Plan on the Effective Date.

120. “*Plan Supplement*” means the compilation of all Plan Documents to be entered into as of the Effective Date and which, if not attached to the Plan, will be filed with the Bankruptcy Court not later than ~~seven~~10 calendar days prior to the Voting Deadline. The Plan Supplement shall comprise, among other documents, the following, as applicable: (a) identity and compensation of the Plan Administrator; (b) identity and compensation of the Litigation Trustee; (c) the Plan Administration Agreement; (d) the Litigation Trust Agreement; (e) the Schedule of Assigned Causes of Action; (f) the disclosure of the Wind Down Cash Amount; and (g) any and all other documentation necessary to effectuate the Plan or that is contemplated by the Plan. The Debtors shall have the right to amend the documents contained in, and exhibits to, the Plan Supplement through the Effective Date in accordance with Article XII.

121. “*Prepetition Agent*” means Alter Domus (US) LLC, in its capacity as disbursing agent and collateral agent under the Prepetition Loan Documents.

122. “*Prepetition Collateral*” means the Collateral (as defined in the Prepetition Loan Documents), which Prepetition Collateral constitutes substantially all of each Debtor’s assets.

123. “*Prepetition Credit Agreement*” means that certain Credit Agreement dated as of October 31, 2022 (as amended, restated, supplemented or otherwise modified from time to time) by and among Holdings, as a guarantor, Air Pros Solutions, LLC, as the borrower, the Prepetition Agent, and the Prepetition Lenders.

124. “*Prepetition Lender Claim*” means all Claims arising from, under, or in connection with the Prepetition Loan Documents.

125. “*Prepetition Lender Deficiency Claim*” means (a) the portion of a Prepetition Lender Claim that exceeds the amount of the corresponding Prepetition Lender Secured Claim and (b) any portion of a DIP Lender Claim that a Holder thereof agrees to have treated as a Prepetition Lender Deficiency Claim.

126. “*Prepetition Lender Secured Claim*” means the portion of a Prepetition Lender Claim that is Secured.

127. “*Prepetition Lender Secured Claim Allowed Amount*” means the aggregate Allowed amount of the Prepetition Lender Secured Claims.

128. “*Prepetition Lenders*” mean the lenders from time-to-time party to the Prepetition Credit Agreement.

129. “*Prepetition Loan Documents*” means, collectively, the Prepetition Credit Agreement, that certain Guarantee and Collateral Agreement, dated as of October 31, 2022 (as amended, restated, supplemented, or modified from time to time), by and among the Debtors and the Prepetition Agent, and all other agreements executed or delivered in connection therewith, and all other “Loan Documents” as defined in the Prepetition Credit Agreement, each as amended, restated, supplemented, or otherwise modified from time to time.

130. “*Priority Tax Claim*” means any Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

131. “*Pro Rata*” means the proportion that an Allowed Claim in a particular Class bears to the aggregate amount of Allowed Claims in that Class, or the proportion that Allowed Claims in a particular Class bear to the aggregate amount of Allowed Claims in a particular Class and other Classes entitled to share in the same recovery as such Allowed Claim under the Plan.

132. “*Professional*” means an Entity employed pursuant to a Bankruptcy Court order in accordance with sections 327, 328 or 1103 of the Bankruptcy Code and to be compensated for services rendered before or on the Confirmation Date, pursuant to sections 327, 328, 329, 330, or 331 of the Bankruptcy Code.

133. “*Professional Fee Claims*” means all Administrative Claims for the compensation of Professionals and the reimbursement of expenses incurred by such Professionals through and including the Effective Date.

134. “*Professional Fee Claims Bar Date*” means the deadline for Filing requests for payment of Professional Fee Claims, which shall be 45 days after the Effective Date.

135. “*Professional Fee Escrow Account*” means an interest-bearing account funded by the Debtors on or prior to the Effective Date in an amount equal to the total Professional Fee Reserve Amount.

136. “*Professional Fee Reserve Amount*” means (i) the aggregate amount of unpaid Professional Fee Claims that the Debtors’ Professional estimate they have incurred or will incur in rendering services to the Debtors prior to and as of the Effective Date, which estimate the Debtors’ Professionals shall deliver to the Debtors as set forth in Article II.B.3, plus (ii) the Committee Professionals DIP Budget Amount, minus (iii) the amount of Professional Fee Claims of Creditors’ Committee Professionals that have already been paid as of the Effective Date.

137. “*Proof of Claim*” means a proof of Claim Filed in the Chapter 11 Cases.

138. “*Released Debtor D&Os*” means (a) Lawrence Hirsh, (b) Andrew D.J. Hede, and (c) Brian Smith.

139. “*Released Party*” means each of the following, solely in its capacity as such: (a) the DIP Agent; (b) the DIP Lenders; (c) the Prepetition Agent; (d) the Prepetition Lenders; (e) the CPO; (f) the Released Debtor D&Os; and (g) the Debtors’ Professionals retained in these Chapter 11 Cases; (i) with respect to the Entities in the foregoing clauses (a) through (g), each such Entity’s current and former Affiliates, and such Entities’ and their current and former Affiliates’ current and former directors, managers, officers, control persons, equity holders (regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, participants, managed accounts or funds, fund advisors, predecessors, successors, assigns, subsidiaries, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, investment managers, and other professionals, each in their capacity as such;

provided that any Holder of a Claim that opts out of the Third-Party Releases contained in the Plan and any Holder of a Claim or Interest that is not a Releasing Party shall not be a “Released Party”. For the avoidance of doubt, the Non-Released Debtor D&Os shall not be Released Parties.

140. “*Releasing Party*” means each of the following, solely in its capacity as such: (a) the Debtors; (b) the Estate; (c) the DIP Agent; (d) the DIP Lenders; (e) the Prepetition Agent; (f) the Prepetition Lenders; (g) the CPO; (h) with respect to each of the foregoing entities in clauses (a) through (g), such entity’s respective current and former Affiliates, and each of such entity’s, and such entity’s current and former Affiliates’, current and former equity holders (regardless of whether such interests are held directly or indirectly), subsidiaries, officers, directors, managers, principals, members, employees, agents, advisors, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such; (i) all Holders of Claims and Interests that vote to accept the Plan; (j) all Holders of Claims and Interests that are deemed to accept the Plan and do not opt out of the Third-Party Release; (k) all Holders of Claims and Interests in voting classes that abstain from voting on the Plan and do not opt out of the Third-Party Release; (l) all Holders of Claims and Interests that vote, or are deemed, to reject the Plan and do not opt out of the Third-Party Release; (m) each Holder of an unclassified Claim who does not object to the Third-Party Release; and (n) all other Holders of Claims and Interests to the maximum extent permitted by law.

141. “*Remaining Assets*” means all Assets of the Wind Down Estates that are not Litigation Trust Assets.

142. “*Remaining Assets Net Proceeds*” means the proceeds from the liquidation of the Remaining Assets after payment or reservation for: (a) DIP Lender Claims, (b) Allowed Professional Fee Claims, including the Professional Fee Reserve Amount, but excluding any Committee Professionals Excess Amount, (c) Allowed Administrative Claims (other than Allowed Professional Fee Claims), (d) Allowed Other Priority Claims, (e) Allowed Other Secured Claims; (f) Allowed Priority Tax Claims; and (g) Wind Down Expenses.

143. “*Reserve Accounts*” means any reserve account established pursuant to the Plan, including Undeliverable Distribution Reserve, the Wind Down Expense Fund, the Litigation Trust Expense Fund, and the Disputed Unsecured Claims Reserve.

144. “*Retained Causes of Action*” means all Causes of Action of the Debtors or their Estates related to, concerning, or arising from any of the Remaining Assets that are not otherwise released hereunder.

145. “*Sale Orders*” means, collectively, (i) the Air Pros Legacy Sale Order, (ii) the CM/Air Force Sale Order, (iii) the Dallas Plumbing Sale Order, (iv) the Doug’s/Dream Team/Hansen Sale Order, (v) the ECM Sale Order, and (vi) the One Source Sale Order.

146. “*Secured*” means when referring to a Claim: (a) secured by a Lien on property in which any of the Debtors has an interest, which Lien is valid, perfected, enforceable, and unavoidable pursuant to applicable law or by reason of a Bankruptcy Court order, or that is

subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the applicable Holder's interest in the applicable Debtor's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code; or (b) Allowed pursuant to the Plan, or separate order of the Bankruptcy Court, as a secured claim.

147. “*Securities Act*” means the Securities Act of 1933, 15 U.S.C. §§ 77a–77aa, together with the rules and regulations promulgated thereunder, as amended from time to time.

148. “*Solicitation Procedures Order*” means the *Order (A) Approving the Disclosure Statement on an Interim Basis, (B) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject the Plan, (C) Approving the Form of Ballot and Solicitation Materials, (D) Establishing Voting Record Date, (E) Fixing the Date, Time, and Place for the Hearing on Final Approval of the Disclosure Statement and Confirmation of the Plan and the Deadline for Filing Objections Thereto, and (F) Approving Related Notice Procedures and Deadlines* entered by the Bankruptcy Court on [•] [Docket No. •].

149. “*Statutory Fees*” means any fees due and payable pursuant to 28 U.S.C. § 1930, together with the statutory rate of interest set forth in section 3717 of Title 31 of the United States Code to the extent applicable.

150. “*Subordinated Claim*” means a Claim of the type described in and subject to subordination pursuant to section 510(b) of the Bankruptcy Code.

151. “*U.S. Trustee*” means the Office of the United States Trustee for the Northern District of Georgia and the United States Trustee for Region 21.

152. “*Undeliverable Distribution Reserve*” has the meaning set forth in Article VII.B.

153. “*Unexpired Lease*” means a lease of nonresidential real property to which one or more of the Debtors is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

154. “*Unimpaired*” means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that are unimpaired within the meaning of section 1124 of the Bankruptcy Code, including through payment in full in Cash.

155. “*Voting Deadline*” means [July 28, 2025] at 4:00 p.m. (prevailing Eastern Time).

156. “*Wind Down*” means, following the Effective Date, the process to sell, abandon, wind down, dissolve, liquidate, or distribute the Remaining Assets in accordance with the Plan.

157. “*Wind Down Cash Amount*” means Cash to be used by the Plan Administrator to fund the Wind Down Expense Fund, which amount shall be set forth in the Plan Supplement.

158. “*Wind Down Debtors*” means the Debtors on and after the Effective Date.

159. “*Wind Down Estates*” means the Estates on and after the Effective Date.

160. “*Wind Down Expense Fund*” has the meaning set forth in Article VII.C.

161. “*Wind Down Expenses*” has the meaning set forth in Article VII.C.

B. Rules of Interpretation

For purposes herein: (1) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (2) unless otherwise specified, any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (3) unless otherwise specified, any reference herein to an existing document, schedule, or exhibit, whether or not Filed, having been Filed or to be Filed shall mean that document, schedule, or exhibit, as it may thereafter be amended, modified, or supplemented; (4) any reference to a Person as a Holder of a Claim or Interest includes that Person’s successors and assigns; (5) unless otherwise specified, all references herein to “Articles” are references to Articles hereof or hereto; (6) unless otherwise specified, all references herein to exhibits are references to exhibits in the Plan Supplement; (7) unless otherwise specified, the words “herein,” “hereof,” and “hereto” refer to the Plan in its entirety rather than to a particular portion of the Plan; (8) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (9) unless otherwise specified herein, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (10) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be; (11) all references to docket numbers of documents Filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court’s CM/ECF system; (12) all references to statutes, regulations, orders, rules of courts, and the like shall mean as amended from time to time, and as applicable to the Chapter 11 Cases, unless otherwise stated; (13) any immaterial effectuating provisions may be interpreted by the Debtors, the Plan Administrator, or the Litigation Trustee, as applicable, in such a manner that is consistent with the overall purpose and intent of the Plan all without further notice to or action, order, or approval of the Bankruptcy Court or any other Person; (14) all reference to “corporate action” shall mean with respect to any Entity, corporate, limited liability, partnership, or other organizational action, as applicable to such Entity; and (15) all references herein to consent, acceptance, or approval may be conveyed by counsel for the respective parties that have such consent, acceptance, or approval rights, including by electronic mail.

C. Computation of Time

Unless otherwise specifically stated herein, the provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein. If the date on which a transaction may occur pursuant to the Plan falls on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day. Any action to be taken on the Effective Date may be taken on or as soon as reasonably practicable after the Effective Date.

D. Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of Georgia, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of the Plan, any agreements, documents, instruments, or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control); provided, that corporate governance matters relating to the Debtors shall be governed by the laws of the state of incorporation or formation of the relevant Debtor.

E. Reference to Monetary Figures

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

F. Controlling Document

In the event of an inconsistency between the Plan and the Disclosure Statement, the terms of the Plan shall control in all respects. In the event of an inconsistency between the Plan and any document included in the Plan Supplement, the terms of the document in the Plan Supplement shall control (unless stated otherwise in such document or in the Confirmation Order). In the event of an inconsistency between the Confirmation Order and the Plan, the Confirmation Order shall control.

ARTICLE II.

ADMINISTRATIVE CLAIMS, DIP LENDER CLAIMS, AND PRIORITY TAX CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, DIP Lender Claims, and Priority Tax Claims have not been classified and, thus, are excluded from the Classes of Claims and Interests set forth in Article III hereof.

A. Administrative Claims

Except with respect to Administrative Claims that are otherwise addressed in this Article II, and except to the extent that an Administrative Claim has already been paid during the Chapter 11 Cases or a Holder of an Allowed Administrative Claim and the applicable Debtor(s) agree to less favorable treatment, each Holder of an Allowed Administrative Claim shall be paid in full in Cash the unpaid portion of its Allowed Administrative Claim on the latest of: (a) the Effective Date if such Administrative Claim is Allowed as of the Effective Date; (b) the date such Administrative Claim is Allowed or as soon as reasonably practicable thereafter; and (c) the date such Allowed Administrative Claim becomes due and payable, or as soon thereafter as is reasonably practicable; provided that Allowed Administrative Claims that arise in the ordinary course of the Debtors' businesses shall be paid in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements and/or arrangements governing, instruments evidencing, or other documents relating to such transactions.

Except as otherwise provided in this Article II.A and except with respect to Administrative Claims that are otherwise addressed in this Article II, requests for payment of Allowed Administrative Claims must be Filed and served pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order no later than the Administrative Claims Bar Date.

Holders of Administrative Claims that are required to, but do not, File and serve a request for payment of such Administrative Claims by the Administrative Claims Bar Date shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtors or their property and such Administrative Claims shall be deemed discharged as of the Effective Date, unless the Bankruptcy Court orders otherwise. Objections to such requests, if any, must be Filed and served on the Debtors and the requesting party by the Claims Objection Bar Date.

In accordance with section 503(b)(1)(D) of the Bankruptcy Code, taxing authorities are not required to file a request for payment of their Administrative Claims as a condition of such Administrative Claims being Allowed. The Debtors will pay any such taxes, to the extent Allowed, that arose after the Petition Date in the ordinary course of business.

B. Professional Compensation

1. Final Fee Applications and Payment of Professional Fee Claims

All final requests for payment of all Professional Fee Claims incurred during the period from the Petition Date through the Effective Date shall be Filed no later than the Professional Fee Claims Bar Date, provided, however, that nothing herein alters (i) the ability of a Professional to be paid its Professional Fee Claims (for which final requests for payment are Filed by the Professional Fee Claims Bar Date) on a monthly basis pursuant to the Complex Case Procedures and the monthly compensation procedures provided for therein, or (ii) the ability of an Ordinary Course Professional to be paid, or the authority of the Debtors to pay Ordinary Course Professionals, pursuant to the terms of the OCP Order, and such Ordinary Course Professionals shall not be required to file requests for payment of Professional Fee Claims unless such requests are required under the OCP Order. All such final requests will be subject to approval by the Bankruptcy Court after notice and a hearing in accordance with the procedures established by the Bankruptcy Code, Bankruptcy Rules, Complex Case Procedures, and prior orders of the Bankruptcy Court, and once approved by the Bankruptcy Court, shall be promptly paid from the Professional Fee Escrow Account up to the full Allowed amount; provided, to the extent that funds held in the Professional Fee Escrow Account are insufficient to satisfy all Allowed Professional Fee Claims, such deficiency shall be paid as set forth in Article II.B.2.

2. Professional Fee Escrow Account

All Debtors' Professionals shall provide to the Debtors a good faith estimate for their accrued and unpaid Professional Fee Claims through the Effective Date within five days prior to the Effective Date; provided that such estimate shall not be deemed to limit the amount of, or otherwise be a basis for disallowance of, such Professional Fee Claims.

On or prior to the Effective Date, the Debtors shall establish and fund the Professional Fee Escrow Account with Cash equal to the Professional Fee Reserve Amount. The Professional Fee Escrow Account shall be held in trust solely for Allowed Professional Fee Claims and maintained by the Plan Administrator. Such funds shall not be considered property of the Estates. In full and complete satisfaction of the Allowed Professional Fee Claims (other than any Committee Professionals Excess Amount), each Holder of such Professional Fee Claims (other than any Committee Professionals Excess Amount) shall be paid in Cash by the Plan Administrator as soon as reasonably practicable after such Professional Fee Claims are Allowed.

When all Allowed Professional Fee Claims (other than any Committee Professionals Excess Amount) have been paid in full, (i) the Committee Professionals Remaining Amount, if any, shall be transferred to the Litigation Trust, and (ii) any amount remaining in the Professional Fee Escrow Account after transfer of the Committee Professionals Remaining Amount to the Litigation Trust shall vest in the Wind Down Debtors, in each case without any further action or order of the Bankruptcy Court.

To the extent that funds held in the Professional Fee Escrow Account are insufficient to satisfy all Allowed Professional Fee Claims, such Professionals shall have an Allowed Professional Fee Claim for any such deficiency, and the Plan Administrator shall pay in Cash the full unpaid amount of such Allowed Professional Fee Claim of the Debtors' Professionals from the Remaining Assets or the proceeds thereof; provided, however, that any Committee Professionals Excess Amount shall solely be payable from the Litigation Trust, and neither the Creditors' Committee Professionals nor the Litigation Trust shall have any recourse to the Wind Down Estates or the Remaining Assets or their proceeds on account of any Committee Professionals Excess Amount; provided, further, under no circumstances shall the aggregate amount of Allowed Professional Fee Claims of the Creditors' Committee Professionals exceed the sum of (i) the Committee Professionals DIP Budget Amount and (ii) the Initial Litigation Trust Funding Cash Amount.

C. DIP Lender Claims

As of the Effective Date, the DIP Lender Claims shall be Allowed and deemed to be Allowed Claims in the full amount outstanding on the Effective Date under the DIP Credit Agreement, the DIP Order, and the other DIP Loan Documents, including principal, all interest accrued and unpaid thereon through and including the date of payment, all accrued and unpaid fees, prepayment premiums, expenses, and noncontingent indemnification obligations payable under the DIP Credit Agreement, and all other amounts constituting obligations under the DIP Credit Agreement. The DIP Lender Claims and all Liens securing such DIP Lender Claims shall, at the option of the DIP Lenders and the Debtors, (i) be satisfied in full in Cash on the Effective Date, (ii) be waived and released by the DIP Lenders, or (iii) receive such other treatment agreed to by the DIP Lenders and the Debtors.

D. Priority Tax Claims

Pursuant to section 1129(a)(9)(C) of the Bankruptcy Code, unless otherwise agreed by the Holder of an Allowed Priority Tax Claim and the applicable Debtor, each Holder of an Allowed Priority Tax Claim will receive, at the option of the applicable Debtor, in full

satisfaction of its Allowed Priority Tax Claim that is due and payable on or before the Effective Date, either (i) Cash equal to the amount of such Allowed Priority Tax Claim on the Effective Date or (ii) otherwise treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code.

E. Statutory Fees

All fees payable to the U.S. Trustee through the Effective Date pursuant to 28 U.S.C. § 1930 shall be paid on or as soon as practicable after the Effective Date. The Debtors, for periods accruing prior to the Effective Date, and the Wind Down Debtors and Litigation Trust (with respect to disbursements made by the Litigation Trustee from the Litigation Trust), for periods accruing on and after the Effective Date, shall be liable to pay Statutory Fees to the U.S. Trustee in accordance with 28 U.S.C. § 1930 until the earliest to occur of the particular Debtors' case being converted to a case under chapter 7, dismissed, or closed; provided, for the avoidance of doubt, the Debtors and the Wind Down Debtors shall be solely liable to pay Statutory Fees on account of the payment of the Litigation Trust Funding Amount to the Litigation Trust. The Wind Down Debtors shall File post-confirmation quarterly reports, or any pre-confirmation monthly operating reports not Filed as of the Combined Hearing, in conformance with the U.S. Trustee Guidelines, which reports shall include a separate schedule of disbursements made by the Litigation Trust during the applicable period. All Statutory Fees that are paid by the Wind Down Debtors on account of disbursements made by the Litigation Trust shall be reimbursed by the Litigation Trust to the Wind Down Debtors. The U.S. Trustee shall not be required to File a request for payment of its quarterly fees, which shall be deemed an Administrative Claim against the Debtors and their Estates.

ARTICLE III. CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS AND EXPECTED RECOVERIES

A. Summary of Classification

All Claims and Interests are classified in the Classes set forth below in accordance with section 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or an Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest qualifies within the description of such other Classes. A Claim or an Interest is classified in a particular Class for the purpose of receiving distributions under the Plan only to the extent that such Claim or Interest is an Allowed Claim or Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

The classification of Claims and Interests pursuant to the Plan is as follows:

Class	Claims and Interests	Status	Voting Rights
1	Other Priority Claims	Unimpaired	Deemed to Accept
2	Other Secured Claims	Unimpaired	Deemed to Accept
3	Prepetition Lender Secured Claims	Impaired	Entitled to Vote

Class	Claims and Interests	Status	Voting Rights
4	General Unsecured Claims	Impaired	Entitled to Vote
5	Subordinated Claims	Impaired	Deemed to Reject
6	Intercompany Claims	Impaired	Deemed to Reject
7	Interests in the Debtors	Impaired	Deemed to Reject

B. Treatment of Claims and Interests

Each Holder of an Allowed Claim or Allowed Interest, as applicable, shall receive under the Plan the treatment described below in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, such Holder's Allowed Claim or Allowed Interest, except to the extent different treatment is agreed to by the Debtors, the Wind Down Debtors, or the Litigation Trustee, as applicable, and the Holder of such Allowed Claim or Allowed Interest. Unless otherwise indicated, the Holder of an Allowed Claim or Allowed Interest, as applicable, shall receive such treatment on the later of the Effective Date and the date such Holder's Claim or Interest becomes an Allowed Claim or Allowed Interest or as soon as reasonably practicable thereafter.

1. Class 1 – Other Priority Claims

- a. *Classification:* Class 1 consists of Other Priority Claims.
- b. *Treatment:* In full and final satisfaction of each Allowed Other Priority Claim (unless the applicable Holder agrees to a less favorable treatment), each Holder thereof will receive payment in full in Cash or other treatment rendering such Claim Unimpaired.
- c. *Voting:* Class 1 is Unimpaired. Holders of Class 1 Claims are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan.

2. Class 2 – Other Secured Claims

- a. *Classification:* Class 2 consists of Other Secured Claims.
- b. *Treatment:* In full and final satisfaction of each Allowed Other Secured Claim (unless the applicable Holder agrees to a less favorable treatment), each Holder thereof will receive at the option of the Debtors or the Wind Down Debtors, as applicable: (a) payment in full in Cash, payable on the later of the Effective Date and the date that is 10 Business Days after the date on which such Other Secured Claim becomes an Allowed Other Secured Claim, in each case, or as soon as reasonably practicable

thereafter, (b) delivery of the collateral securing any such Claim, or (c) such other treatment rendering such Claim Unimpaired.

- c. *Voting:* Class 2 is Unimpaired. Holders of Class 2 Claims are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan.

3. Class 3 – Prepetition Lender Secured Claims

- a. *Classification:* Class 3 consists of all Prepetition Lender Secured Claims.
- b. *Allowance:* The Prepetition Lender Secured Claims shall be Allowed in the aggregate amount of the Prepetition Lender Secured Claims Allowed Amount.
- c. *Treatment:* In full and final satisfaction of each Prepetition Lender Secured Claim (unless the applicable Holder agrees to a less favorable treatment), and in consideration for the Prepetition Lenders' consent to the funding of the Litigation Trust Funding Amount and the Wind Down Expense Fund from Cash that constitutes Prepetition Collateral, each Holder of an Allowed Prepetition Lender Secured Claim shall receive its Pro Rata share of the Remaining Assets Net Proceeds.
- d. *Voting:* Class 3 is Impaired. Holders of Allowed Prepetition Lender Secured Claims under Class 3 are entitled to vote to accept or reject the Plan.

4. Class 4 – General Unsecured Claims

- a. *Classification:* Class 4 consists of all General Unsecured Claims, including Prepetition Lender Deficiency Claim.
- b. *Treatment:* In full and final satisfaction of each General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive its Pro Rata share of the Litigation Trust Interests.
- c. *Voting:* Class 4 is Impaired. Holders of Allowed Class 4 General Unsecured Claims are entitled to vote to accept or reject the Plan.

5. Class 5 – Subordinated Claims

- a. *Classification:* Class 5 consists of all Subordinated Claims.
- b. *Treatment:* Subordinated Claims will be cancelled, released, and extinguished as of the Effective Date, and will be of no further force or effect, and each Holder of a Subordinated Claim will not receive any distribution on account of such Subordinated Claim.

- c. *Voting:* Class 5 is Impaired. Holders of Class 5 Claims are deemed to have rejected the Plan under section 1126(g) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan.

6. Class 6 – Intercompany Claims

- a. *Classification:* Class 6 consists of all Intercompany Claims.
- b. *Treatment:* Holders of Intercompany Claims shall not receive a distribution on account of such Intercompany Claims.
- c. *Voting:* Holders of Class 6 Claims are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Class 6 Claims are not entitled to vote to accept or reject the Plan.

7. Class 7 – Interests in the Debtors

- a. *Classification:* Class 7 consists of all Interests in the Debtors.
- b. *Treatment:* On the Effective Date, (i) all Interests, other than Intercompany Interests, shall be deemed cancelled, extinguished, and of no further force or effect; and (ii) all Intercompany Interests shall, at the option of the Wind Down Debtors, (a) be deemed canceled, extinguished and of no further force or effect, or (b) be reinstated for administrative convenience solely to the extent necessary to maintain the Debtors' corporate structure post-Effective Date, provided that the Holders of Interests shall not be entitled to receive or retain any property on account of such Interest.
- c. *Voting:* Class 7 is Impaired. Holders of Class 7 Interests are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan.

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

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of the Combined Hearing by acceptance of the Plan by at least one Impaired Class of Claims, determined without including any acceptances of the Plan by any insider. The Debtors shall seek confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class(es) of Claims and Interests. The Debtors reserve the right to modify the Plan in accordance with Article XII hereof to the extent, if any, that confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by modifying the treatment applicable to a Class of Claims to render such Class of Claims Unimpaired to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules.

D. Elimination of Vacant Classes

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

E. Voting Classes; Presumed Acceptance by Non-Voting Classes

If a Class of Claims or Interests is eligible to vote and no Holder of Claims or Interests, as applicable, in such Class votes to accept or reject the Plan, the Plan shall be presumed accepted by such Class.

F. Subordinated Claims and Interests

The allowance, classification, and treatment of all Allowed Claims and Allowed Interests and their respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtors reserve the right to re-classify any Allowed Claim or Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

**ARTICLE IV.
MEANS FOR IMPLEMENTATION OF THE PLAN**

A. Plan Administrator

On the Effective Date, the Plan Administrator shall be appointed without any further action and shall succeed to such powers as would have been applicable to the Debtors' officers, directors, and shareholders, and the Wind Down Debtors shall be authorized to be (and, upon the conclusion of the Wind Down, shall be) dissolved by the Plan Administrator. All Remaining Assets not distributed on the Effective Date shall vest in the Wind Down Debtors and shall be managed and liquidated by the Plan Administrator in accordance with the provisions of the Plan and the Plan Administration Agreement.

Following the Effective Date, in the event of the resignation or removal, liquidation, dissolution, death or incapacity of the Plan Administrator, a successor Plan Administrator shall be selected in accordance with the terms of the Plan Administration Agreement.

On and after the Effective Date, the Plan Administrator shall be deemed to be, and shall serve as, the representative of each of the Wind Down Debtors' Estates pursuant to section 1123(b)(3)(B) of the Bankruptcy Code and shall have all the rights and powers set forth in the Plan Administration Agreement, including, without limitation (and except as otherwise provided

in the Plan Administration Agreement), the powers of a trustee under sections 704 and 1106 of the Bankruptcy Code and Bankruptcy Rule 2004, including the right to:

1. effect all actions and execute all agreements, instruments and other documents necessary to implement the provisions of the Plan and the Plan Administration Agreement;
2. liquidate the Remaining Assets, reconcile any Disputed Claims (other than Disputed General Unsecured Claims) and distribute the proceeds of the Remaining Assets in accordance with the Plan and the Plan Administration Agreement; and
3. employ and compensate professionals and other agents in accordance with the Plan Administration Agreement.

B. Fee and Expenses of the Plan Administrator

Except as otherwise ordered by the Bankruptcy Court, all reasonable fees or expenses of the Plan Administrator (including, without limitation, the reasonable fees and expenses of professionals retained by the Plan Administrator) shall be paid from the Remaining Assets and the proceeds thereof in accordance with the Plan Administration Agreement.

C. Wind Down

After the Effective Date, pursuant to the Plan, the Plan Administrator shall effectuate the Wind Down without any further approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, provided that the Plan Administrator shall not effectuate the Wind Down in a manner inconsistent with (i) any express requirements of the Plan Administration Agreement or the Plan or (ii) the Approved Budget. The Wind Down (as determined for federal income tax purposes) shall occur in an expeditious but orderly manner after the Effective Date.

D. Vesting of Assets

Except as otherwise provided in the Plan, or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, on the Effective Date, all Remaining Assets shall vest in each applicable Wind Down Debtor free and clear of all Liens, Claims, charges, or other encumbrances. On and after the Effective Date, except as otherwise provided in the Plan, each Wind Down Debtor may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

E. Preservation of Causes of Action

Except for any Cause of Action against a Person that is expressly waived, relinquished, exculpated, released, compromised under the Plan or Final Order, transferred to the Litigation Trust pursuant to and in accordance with the Plan, or settled in the Plan or a Final Order, in accordance with section 1123(b) of the Bankruptcy Code, the Wind Down Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date and such rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. The Wind Down Debtors may pursue such Causes of Action, as appropriate, in the Wind Down Debtors' sole discretion. No Person may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against it as any indication that the Wind Down Debtors will not pursue any and all available Causes of Action against it. Unless a Cause of Action against a Person is expressly waived, relinquished, exculpated, released, compromised, transferred to the Litigation Trust pursuant to and in accordance with the Plan, or settled under the Plan, the Debtors or Wind Down Debtors, as applicable, expressly reserve all Causes of Action for later adjudication, 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 Causes of Action upon, after, or as a consequence of, entry of the Confirmation Order or Consummation. In accordance with section 1123(b)(3) of the Bankruptcy Code, except as otherwise provided herein, any Causes of Action that a Debtor may hold against any Entity shall vest in the Wind Down Debtors. The Wind Down Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action, and to decline to do any of the foregoing without the consent or approval of any third party or further notice to, or action, order, or approval of, the Bankruptcy Court. For the avoidance of doubt, the Plan Administrator shall have standing to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action on behalf of the Wind Down Debtors and their Estates.

F. Dissolution of the Wind Down Debtors

If at any time the Plan Administrator determines that the expense of administering the Wind Down Debtors and any Remaining Assets is likely to exceed the value of the assets remaining to be administered, the Plan Administrator may reserve any amount necessary to close the Chapter 11 Cases and dissolve and otherwise wind down the Wind Down Debtors.

Upon a certification to be Filed with the Bankruptcy Court by the Plan Administrator of completion of all its duties under the Plan and entry of a final decree closing the last of the Chapter 11 Cases, the Wind Down Debtors shall be deemed to be dissolved without any further action by the Wind Down Debtors or Plan Administrator, including, but not limited to, the filing of any documents with the secretary of state for the state in which the Debtors are formed or any other jurisdiction. Notwithstanding the foregoing, the Plan Administrator shall have authority to take all necessary actions to dissolve the Wind Down Debtors in, and withdraw the Wind Down Debtors from, applicable states.

G. Cancellation of Interests in the Debtors

On the Effective Date, unless the Plan Administrator elects to reinstate any Intercompany Interests, all existing Interests in each of the Debtors shall be retired, cancelled, extinguished, and/or discharged in accordance with the terms of the Plan. Except as otherwise provided in the Plan Supplement, on the Effective Date: (1) the obligations of the Debtors under any certificate, share, note, bond, indenture, purchase right, option, warrant, or other instrument or document, directly or indirectly, evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors giving rise to any Claim or Interest shall be cancelled as to the Debtors and (2) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, purchase rights, options, warrants or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtors shall be released and discharged.

H. Creditors' Committee Settlement

Pursuant to section 1123(b)(3)(A) of the Bankruptcy Code and Bankruptcy Rule 9019, the Plan effectuates the Creditors' Committee Settlement. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the Creditors' Committee Settlement, effective as of the Effective Date, and the Bankruptcy Court's finding that the Creditors' Committee Settlement is in the best interests of the Debtors, their Estates, and the Holders of Claims and Interests, and is fair, equitable, and reasonable.

I. Effectuating Documents; Further Transactions

On and after the Effective Date, the Plan Administrator is authorized to and may issue, execute, deliver, file, or record such contracts, securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement and further evidence the terms and conditions of the Plan and the transactions contemplated thereby, in each case, in the name of and on behalf of the Wind Down Debtors, without the need for any approvals, authorization, or consents except those expressly required pursuant to the Plan. In connection with the foregoing, the Plan Administrator shall complete any remaining Wind Down activities of the Wind Down Debtors.

J. Deemed Substantive Consolidation

The Plan contemplates and is predicated upon the deemed substantive consolidation of the Estates for voting, confirmation, and distribution purposes. Accordingly, on the Effective Date, (a) all Intercompany Claims between the Debtors shall be eliminated; (b) all assets and liabilities of the Debtors shall be merged or treated as if they were merged with the assets and liabilities of Holdings; (c) any principal obligation of a Debtor and any guarantee thereof by another Debtor shall be deemed to be a single principal obligation of Holdings; (d) each Claim Filed or to be Filed against any Debtors' Estate shall be deemed Filed only against Holdings and shall be deemed a single Claim against and a single principal obligation of Holdings for distribution purposes, which, to the extent such Claim is Allowed, be paid from the Wind Down Estate or Litigation Trust, as applicable; and (e) any joint or several liability of the Debtors shall

be deemed a single principal obligation of Holdings. On the Effective Date, and in accordance with the terms of the Plan and the consolidation of the assets and liabilities of the Debtors, all Claims based upon guarantees of collection, payment, or performance made by one Debtor (other than Holdings) as to the principal obligations of another Debtor shall be released and of no further force and effect.

The substantive consolidation effected pursuant to this Article IV.J (a) shall not affect the rights of any Holder of a Secured Claim, provided, for the avoidance of doubt, the Prepetition Lender Deficiency Claim shall be a single General Unsecured Claim against Holdings; and (b) shall not, and shall not be deemed to, prejudice Causes of Action, including Litigation Trust Claims (subject to the releases set forth in Article X), which shall survive entry of a substantive consolidation order, as if there had been no substantive consolidation.

K. Insurance Policies

1. Insurance Policies Remain In Force

Up to and including their policy expiration date(s), all Insurance Policies in effect as of the Effective Date shall remain in full force and effect according to their terms and the coverage obligations of the insurers and third-party administrators under such Insurance Policies shall continue following the Effective Date (including any obligations to pay, defend, and process insured claims).

2. D&O Insurance Policies; Employment Practice Liability Policies; Similar Policies

Nothing contained in this Plan shall affect or impair the rights of any non-Debtor insured persons covered under any D&O Liability Insurance Policy, employment practices, or similar liability Insurance Policies (including, without limitation, policies for the benefit of the Debtors' directors, officers, employees, members, managers, or similar persons who served in such capacity either before or after the Petition Date).

L. Exemption From Certain Transfer Taxes and Fees

To the maximum extent provided by section 1146(a) of the Bankruptcy Code, any transfers of property pursuant hereto shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents pursuant to such transfers of property without the payment of any such tax, recordation fee, or governmental assessment.

M. Final Decree

At any time following the Effective Date, the Plan Administrator or Litigation Trustee, as applicable, shall be authorized to file a motion for entry of a final decree closing the Chapter 11 Cases. As soon as reasonably practicable following the Effective Date, the Plan Administrator

shall file a motion to close all of the Chapter 11 Cases except for the lead case of AFH Air Pros, LLC, Case No. 25-10356 (PMB) (the “Remaining Case”), which shall remain open for administrative purposes pending further order of the Bankruptcy Court. The Plan Administrator and Litigation Trustee shall confer in good faith prior to either party filing a motion for entry of a final decree closing the Remaining Case.

ARTICLE V. THE LITIGATION TRUST

A. Creation of the Litigation Trust

On the Effective Date, the Debtors and the Litigation Trustee, in its capacity as such, shall execute the Litigation Trust Agreement and shall take all steps necessary to establish the Litigation Trust in accordance with the Plan and the terms of the Litigation Trust Agreement, which shall be for the benefit of the Litigation Trust Beneficiaries. The Litigation Trust shall be governed by the terms of the Litigation Trust Agreement and the Plan and administered by the Litigation Trustee. The powers, rights, responsibilities, and compensation of the Litigation Trustee shall be specified in the Litigation Trust Agreement. The Litigation Trustee, acting on behalf of the Litigation Trust, shall hold and distribute the Litigation Trust Assets in accordance with the Plan and the Litigation Trust Agreement for the benefit of the Litigation Trust Beneficiaries.

B. Transfer of Litigation Trust Assets to the Litigation Trust

1. Transfer Free and Clear

On the Effective Date, the Debtors shall irrevocably transfer and/or assign, and shall be deemed to irrevocably transfer and/or assign, to the Litigation Trust all of their right, title, and interest in and to all of the Litigation Trust Assets (other than the Committee Professionals Remaining Amount, if any, which shall be funded as provided in Article V.B.2 hereof), and in accordance with section 1141 of the Bankruptcy Code, the Litigation Trust Assets shall automatically and irrevocably vest in the Litigation Trust free and clear of all Claims, Liens, and Interests, subject only to the Litigation Trust Interests. Notwithstanding anything herein to the contrary, the transfer of the Litigation Trust Assets to the Litigation Trust shall not diminish, and fully preserves, any defenses a Debtor would have if such Litigation Trust Assets had been retained by the Debtors.

2. Litigation Trust Funding Amount

The Initial Litigation Trust Cash Amount shall be funded by the Debtors or the Wind Down Debtors on or before the Effective Date. The Committee Professionals Remaining Amount, if any, shall promptly be funded by the Plan Administrator, on behalf of the Wind Down Debtors, after the payment of all Allowed Professional Fee Claims of the Creditors’ Committee Professionals.

The Litigation Trust Funding Amount shall be used solely to fund the administration of the Litigation Trust, including all Litigation Trust Expenses, and to fund distributions to the Litigation Trust Beneficiaries consistent with the Litigation Trust Proceeds Waterfall and in

accordance with the Plan and the Litigation Trust Agreement. Other than with respect to the Litigation Trust Funding Amount, no party, including without limitation the Debtors, the Wind Down Debtors, the DIP Lenders, and the Prepetition Lenders, shall have any responsibility to fund the Litigation Trust.

3. Certain Tax Consequences

Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary, the Litigation Trust is intended to be treated as a “liquidating trust” for U.S. federal income tax purposes pursuant to Treasury Regulation section 301.7701-4(d), and the Litigation Trustee will take this position on the Litigation Trust’s tax return accordingly. The Litigation Trust Beneficiaries shall be treated as the grantors of the Litigation Trust and as the deemed owners of the Litigation Trust Assets pursuant to Sections 671 through 679 of title 26 of the United States Code (the “Internal Revenue Code”) and any analogous provision of state or local law and shall be taxed on their respective share of the Litigation Trust’s taxable income (including both ordinary income and capital gains) pursuant to Section 671 of Internal Revenue Code and any analogous provision of state or local law. The Litigation Trustee shall file all tax returns required to be filed with any governmental agency consistent with this position, including, but not limited to, any returns required of grantor trusts pursuant to Treasury Regulation § 1.671-4(a). The Litigation Trustee also will annually send to each holder of a Litigation Trust Interest a separate statement regarding the receipts and expenditures of the Litigation Trust as relevant for United States federal income tax purposes and will instruct all such holders to use such information in preparing their United States federal income tax returns or to forward the appropriate information to such holder’s underlying beneficial holders with instructions to utilize such information in preparing their United States federal income tax returns. The Litigation Trustee shall also file (or cause to be filed) any other statement, return or disclosure relating to the Litigation Trust that is required by any governmental unit. For U.S. federal income tax purposes, the transfer of assets to the Litigation Trust will be deemed to occur as (a) a first-step transfer of the Litigation Trust Assets to the Litigation Trust Beneficiaries and, to the extent the Litigation Trust Assets are allocable to Disputed General Unsecured Claims, to the Disputed Unsecured Claims Reserve, and (b) a second-step transfer by such Litigation Trust Beneficiaries and, to the extent relevant with respect to the Disputed Unsecured Claims Reserve, to the Litigation Trust in exchange for Litigation Trust Interests. As a result, the transfer of the Litigation Trust Assets to the Litigation Trust may be a taxable transaction to the Debtors, and the Debtors may recognize gain or loss equal to the difference between the tax basis and fair value of such assets. As soon as reasonably practical after the transfer of the Litigation Trust Assets to the Litigation Trust, the Litigation Trustee shall make a good faith valuation of the Litigation Trust Assets. This valuation shall be made available from time to time to the Litigation Trust Beneficiaries, as relevant for tax reporting purposes. Each of the Debtors, Litigation Trustee, and the Litigation Trust Beneficiaries shall take consistent positions with respect to the valuation of the Litigation Trust Assets, and such valuations shall be utilized for all U.S. federal income tax purposes. The Litigation Trust shall in no event be dissolved later than five years from the creation of such Litigation Trust unless the Bankruptcy Court, upon motion within the six-month period prior to the fifth anniversary (or within the six-month period prior to the end of an extension period), determines that a fixed period extension (not to exceed five years with a private letter ruling from the IRS or an opinion of counsel satisfactory to the Litigation Trustee that any further extension would not adversely affect the status of the trust as

a Litigation Trust for United States federal income tax purposes) is necessary to facilitate or complete the recovery and liquidation of the Litigation Trust Assets.

With respect to amounts, if any, in a reserve for Disputed General Unsecured Claim, it is expected that such account will be treated as a “disputed ownership fund” governed by Treasury Regulation Section 1.468B-9, that any appropriate elections with respect thereto shall be made, and that such treatment will also be applied to the extent possible for state and local tax purposes. Under such treatment, a separate federal income tax return shall be filed with the IRS for such disputed claims reserve and will be subject to tax annually on a separate entity basis. Any taxes (including with respect to interest, if any, earned in the account, or any recovery on the portion of assets allocable to such account in excess of the disputed claims reserve’s basis in such assets) imposed on such account shall be paid out of the assets of the respective account (and reductions shall be made to amounts disbursed from the account to account for the need to pay such taxes). Litigation Trust Beneficiaries will be bound by such election, if made by the Litigation Trustee, and, as such, will, for U.S. federal income tax purposes (and, to the extent permitted by law, for state and local income tax purposes), report consistently therewith.

The Litigation Trustee may withhold and pay to the appropriate tax authority all amounts required to be withheld pursuant to the Internal Revenue Code or any provision of any foreign, state, or local tax law with respect to any payment or distribution to the Litigation Trust Beneficiaries. All such amounts withheld and paid to the appropriate tax authority (or placed in escrow pending resolution of the need to withhold) shall be treated as amounts distributed to such Litigation Trust Beneficiaries for all purposes of the Litigation Trust Agreement.

The Litigation Trustee shall be authorized to collect such tax information from Litigation Trust Beneficiaries (including, without limitation, social security numbers or other tax identification numbers) as the Litigation Trustee deems necessary to administer the Litigation Trust consistent with the terms of the Plan, the Confirmation Order, and the Litigation Trust Agreement. In order to receive distributions under the Plan, all Litigation Trust Beneficiaries shall be required to identify themselves to the Litigation Trustee and provide tax information and the specifics of their holdings, to the extent the Litigation Trustee deems appropriate, in the manner and in accordance with the procedures established from time to time by the Litigation Trustee for these purposes.

This identification requirement generally applies to all holders, including those who hold their Claims in “street name.” The Litigation Trustee may refuse to make a distribution to any Litigation Trust Beneficiary who fails to timely furnish such information and may treat such holder’s Litigation Trust Interests as disputed until such information is provided; provided, however, that upon the delivery of such information by a Litigation Trust Beneficiary, the Litigation Trustee shall make the distribution to which the holder is entitled, without additional interest caused by the delay; provided further, that if such information is not furnished to the Litigation Trustee within three months of the original request, no further distributions shall be made to such holder; provided further, that if the Litigation Trustee fails to withhold in respect of amounts received or distributable to any such holder and is subsequently held liable for the amount of such withholding, such holder shall reimburse the Litigation Trustee for such liability to the extent the amounts were actually distributed to such holder.

C. Administration of the Litigation Trust

1. In General

The Litigation Trust shall be administered by the Litigation Trustee pursuant to the Plan and in accordance with the terms and conditions of the Litigation Trust Agreement. In the event of any inconsistency solely between this Article V.C and the Litigation Trust Agreement, the Litigation Trust Agreement shall control, with the Plan controlling in all other cases. All compensation for the Litigation Trustee and other costs of administration for the Litigation Trust shall be paid by the Litigation Trust in accordance with the Plan and the Litigation Trust Agreement. The Litigation Trust Agreement generally will provide for, among other things: (a) the automatic and irrevocable transfer of the Litigation Trust Assets to the Litigation Trust, free and clear of any Claims, Liens, Interests, charges, or other encumbrances, (b) the payment of the expenses of the Litigation Trust from the Litigation Trust Funding Amount, including, without limitation, the cost of pursuing the Litigation Trust Claims; (c) the retention of counsel, accountants, financial advisors, or other professionals and the payment of their reasonable compensation; (d) the investment of Cash by the Litigation Trustee within certain limitations, including those specified in the Plan; (e) the orderly liquidation of the Litigation Trust Assets; and (f) liquidation of any Litigation Trust Claims, which may include the prosecution, settlement, abandonment, or dismissal of any such Litigation Trust Claims, in the Litigation Trustee's discretion subject to the terms and conditions of the Litigation Trust Agreement.

2. Powers and Duties of Litigation Trustee

In furtherance of and consistent with the purpose of the Litigation Trust and the Plan, and subject to the terms of the Litigation Trust Agreement, the Litigation Trustee, for the benefit of the Litigation Trust, shall (a) hold the Litigation Trust Assets for the benefit of the Litigation Trust Beneficiaries, (b) make distributions of the Litigation Trust Assets as provided in the Litigation Trust Agreement and in accordance with the Litigation Trust Proceeds Waterfall, and (c) have the power and authority to commence, prosecute, resolve, and abandon any Litigation Trust Claims. The Litigation Trustee shall be responsible for all decisions and duties with respect to the Litigation Trust and the Litigation Trust Assets, except as otherwise provided in the Litigation Trust Agreement. In all circumstances, the Litigation Trustee shall act in the best interests of the Litigation Trust Beneficiaries.

Subject to the provisions of the Litigation Trust Agreement, the Litigation Trustee may settle, compromise, abandon, or withdraw any Litigation Trust Claim on any grounds or terms it deems reasonable, without further order of the Bankruptcy Court. Subject to the terms of the Litigation Trust Agreement and Article VIII.B hereof, the Litigation Trustee may also settle or compromise any Disputed General Unsecured Claim or withdraw any objection thereto, on any grounds or terms he or she deems reasonable, without further order of the Bankruptcy Court.

The Litigation Trustee, on behalf of the Litigation Trust, may employ, without further order of the Bankruptcy Court, professionals to assist in carrying out its duties hereunder and may compensate and reimburse the reasonable expenses of those professionals without further

order of the Bankruptcy Court from the Litigation Trust Assets in accordance with the Plan and the Litigation Trust Agreement.

3. Litigation Trust Claims

Other than Retained Causes of Action and Causes of Action against an Entity that are waived, relinquished, exculpated, compromised, transferred, or settled pursuant to the Plan, the Confirmation Order, or by another Bankruptcy Court order, on the Effective Date, all Litigation Trust Claims shall be irrevocably transferred to, automatically vested in, and/or retained by the Litigation Trust; provided, however, that nothing in this sentence shall waive or otherwise impair any defenses to any Claims asserted in these Chapter 11 Cases. Following the Effective Date, except as otherwise expressly provided herein or the Litigation Trust Agreement, the Litigation Trustee shall retain and shall have the exclusive right and authority to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Litigation Trust Claims and to decline to do any of the foregoing, as the Litigation Trustee may determine is in the best interest of the Litigation Trust and Litigation Trust Beneficiaries, and without further notice to or action, order, or approval of the Bankruptcy Court. If the Litigation Trustee initiates an adversary proceeding in Bankruptcy Court, such proceeding shall be governed by the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and all other applicable law. No Entity may rely on the absence of a specific reference in the Plan to any Cause of Action against them as any indication that the Debtors, the Wind Down Debtors, or the Litigation Trustee, as applicable, will not pursue any and all available Causes of Action against them. No preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion (judicial, equitable, or otherwise), or laches shall apply to such Causes of Action upon, after, or as a consequence of, Confirmation or the Effective Date.

In connection with the transfer of the Litigation Trust Claims to the Litigation Trust, any attorney-client privilege, work-product privilege, or other privilege of immunity of any Debtor (but no other person) attaching to any documents or communications (whether written or oral) transferred to the Litigation Trust shall vest in the Litigation Trust and its representatives, and the Plan Administrator and the Litigation Trustee shall take all necessary actions to effectuate the transfer of such privileges. The Plan Administrator, on behalf of the Wind Down Debtors, and the Litigation Trustee, on behalf of the Litigation Trust, shall enter into a common interest agreement whereby the Wind Down Debtors will be able to share documents, information, or communications (whether written or oral) relating to the Litigation Trust Claims and General Unsecured Claims. The Litigation Trust shall preserve and protect all applicable privileges attaching to any such documents, information, or communications. Notwithstanding the foregoing or anything in the Plan, the Plan Administration Agreement, the Litigation Trust Agreement, or any other document, nothing herein shall be deemed to constitute a waiver of any privilege or any shared, joint, or common interest privilege or immunity held by the Debtors, the Wind Down Debtors, or any other person. All such privileges shall remain in the control of the Debtors or the Wind Down Debtors, as applicable, and the Debtors or the Wind Down Debtors, as applicable, retain the sole right to waive their own privileges. To the extent there is overlap of supporting documents, claims, defenses, legal theories or analyses between the Litigation Trust Claims, on the one hand, and any Causes of Action, defenses, claims or counterclaims retained by, or asserted against, the Wind Down Debtors, on the other hand, the Plan Administrator and

the Litigation Trustee shall cooperate with each other pursuant to principles of common interest with respect to privileges. The Plan Administrator and the Litigation Trustee may enter into such agreements as they deem necessary or appropriate to preserve confidential information while permitting the Litigation Trustee to use, as necessary to administer the Litigation Trust, such information and privilege. Absent such agreements, either the Litigation Trustee or the Wind Down Debtors may present the issue to the Bankruptcy Court for further determination or resolution.

4. Litigation Trust Proceeds Waterfall

Any Litigation Trust Assets, including proceeds recovered from the successful prosecution or settlement of any Litigation Trust Claims, shall be distributed in accordance with the Litigation Trust Proceeds Waterfall and the Litigation Trust Agreement.

D. No Registration of Beneficial Interests in Litigation Trust

The Litigation Trust Interests have not been registered pursuant to the Securities Act of 1933, as amended (the “Securities Act”), or any state securities law and shall not be listed for public trading on any securities exchange. The rights of the holders of Litigation Trust Interests are not intended to be “securities” under applicable laws, but the Debtors does not represent or warrant that such rights will not be securities or will be entitled to exemption from registration under applicable securities laws. If the Litigation Trust Interests are deemed to be “securities”, the issuance of the Litigation Trust Interests under the Plan shall be exempt from registration as provided by section 1145 of the Bankruptcy Code and by other applicable law requiring registration of securities. The Litigation Trust shall not be required to file reports with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), on account of any transfer. No transfer of a Litigation Trust Interest that causes the Litigation Trust to be required to file reports with the Securities and Exchange Commission pursuant to Sections 13 or 15(d) of the Exchange Act shall be permitted and any such transfer shall be void ab initio. In order to prevent the Litigation Trust from becoming subject to such reporting requirements, the Litigation Trustee may impose certain transfer restrictions designed to maintain the Litigation Trust as non-reporting entity, and the Litigation Trust Agreement may be amended from time to time to make such changes as are deemed necessary or appropriate to ensure that the Litigation Trust is not subject to registration and/or reporting requirements of the Securities Act, the Exchange Act, the Trust Indenture Act of 1939, as amended, or the Investment Company Act of 1940, as amended.

ARTICLE VI.

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption and Rejection of Executory Contracts and Unexpired Leases

Except as otherwise provided in the Plan, or in any contract, instrument, release, indenture, or other agreement or document entered into in connection with the Plan, as of the Effective Date, each Debtor will be deemed to have rejected each Executory Contract or Unexpired Lease to which such Debtor is a party, unless such Executory Contract or Unexpired Lease (i) was previously assumed, assumed and assigned, or rejected; (ii) was

previously expired or terminated pursuant to its own terms; or (iii) is the subject of a motion or notice to assume or reject Filed on or before the Confirmation Date.

The Confirmation Order shall constitute an order of the Bankruptcy Court under sections 365 and 1123(b) of the Bankruptcy Code approving the rejections described above as of the Effective Date.

B. Claims Based on Rejection of Executory Contracts or Unexpired Leases

Claims based on the rejection of the Debtors' Executory Contracts or Unexpired Leases pursuant to the Plan or Confirmation Order must be Filed by no later than 11:59 p.m. (prevailing Eastern Time) on the day that is 30 days after the Effective Date. For the avoidance of doubt, nothing herein shall be deemed to modify any other prior deadlines to file a Claim on account of the rejection of Executory Contracts or Unexpired Leases other than pursuant to the Plan and Confirmation Order.

Any Claims arising from the rejection of an Executory Contract or Unexpired Lease that are not Filed within such time, unless otherwise ordered by the Bankruptcy Court, will be automatically Disallowed, forever barred from assertion, and shall not be enforceable against, as applicable, the Debtors, the Estates, or property of the Estates, without the need for any objection by the Debtors, the Wind Down Debtors, or Plan Administrator or further notice to, or action, order, or approval of the Bankruptcy Court or any other Entity, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary. Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims.

C. Insurance Policies

Insurance Policies shall not be considered Executory Contracts for purposes of this Article VI. As set forth in Article IV.K, the Insurance Policies shall remain in full force and effect following the Effective Date.

ARTICLE VII. RESERVES

If the Plan Administrator determines that they are required, or that it is necessary, to establish any of the reserves set forth in this Article VII, the Plan Administrator shall administer such reserves in the manner established by this Article VII; provided, however, that the Litigation Trustee (and not the Plan Administrator) shall in all events establish and maintain the Litigation Trust Expense Fund and Disputed Unsecured Claims Reserve in accordance with Articles VII.D and VII.E, respectively, and the Litigation Trust Agreement.

A. Establishment of Reserve Accounts

The Plan Administrator and the Litigation Trustee, as applicable, shall establish each of the Reserve Accounts, to the extent required or necessary, by either establishing a segregated

account or establishing book entry accounts, in the sole discretion of the Plan Administrator and the Litigation Trustee, as applicable.

B. Undeliverable Distribution Reserve

1. Deposits

If a distribution to any Holder of an Allowed Claim is returned to the Wind Down Debtors or Litigation Trustee, as applicable, as undeliverable or is otherwise unclaimed, such distribution shall be deposited in a segregated, interest-bearing account, designated as an “Undeliverable Distribution Reserve”, for the benefit of such Holder until such time as such distribution becomes deliverable, is claimed or is deemed to have been forfeited in accordance with Article VII.B.2 of the Plan.

2. Forfeiture

Any Holder of an Allowed Claim that does not assert a Claim pursuant to this Plan for an undeliverable or unclaimed distribution within three months after the first distribution is made to such Holder shall be deemed to have forfeited its claim for such undeliverable or unclaimed distribution and shall be forever barred and enjoined from asserting any such claim for the undeliverable or unclaimed distribution against any Debtor, Wind Down Debtor, Estate, the Litigation Trust, or their respective properties or assets unless the Bankruptcy Court orders otherwise. In such cases, any Cash or other property held by the Wind Down Debtors or Litigation Trustee in the Undeliverable Distribution Reserve for distribution on account of such claims for undeliverable or unclaimed distributions, including the interest that has accrued on such undeliverable or unclaimed distribution while in the Undeliverable Distribution Reserve, without any further action or order of the Court shall promptly be transferred to or vest in the Wind Down Debtors or Litigation Trustee, as applicable, notwithstanding any federal or state escheat laws to the contrary. To the extent that a Holder of an Allowed Claim is deemed to have forfeited any undeliverable or unclaimed distribution, the Plan Administrator and Litigation Trustee, as applicable, shall have no obligation to make any further distributions or reserves on account of such Allowed Claim.

3. Disclaimer

The Wind Down Debtors, the Litigation Trustee, the Plan Administrator, and their respective agents and attorneys are under no duty to take any action to attempt to locate any Claim Holder; provided that in their sole discretion, the Plan Administrator or Litigation Trustee may periodically publish notice of unclaimed distributions.

4. Distribution from Reserve

Within 15 Business Days after the Holder of an Allowed Claim satisfies the requirements of the Plan such that the distribution attributable to its Claim is no longer an undeliverable or unclaimed distribution (provided that satisfaction occurs within the time limits set forth in this Article VII.B), the Plan Administrator or Litigation Trustee, as applicable, shall distribute out of

the Undeliverable Distribution Reserve the amount of the undeliverable or unclaimed distribution attributable to such Claim, without interest.

C. Wind Down Expense Fund

The Plan Administrator shall maintain a reserve (the “Wind Down Expense Fund”) in an amount as is reasonably necessary to pay the costs and expenses incurred or expected to be incurred by the Wind Down Debtors and the Plan Administrator in connection with administering the Wind Down Debtors and performing the duties set forth in the Plan and the Plan Administration Agreement (the “Wind Down Expenses”), including, without limitation, paying the fees and expenses of the Plan Administrator and professionals retained by the Plan Administrator, in each case subject to the Approved Budget. The Wind Down Expense Fund shall be funded by the Debtors with the Wind Down Cash Amount prior to the Effective Date. To the extent that the Wind Down Cash Amount is insufficient to satisfy in full all Wind Down Expenses, the Wind Down Expense Fund shall be further funded from the proceeds of the Remaining Assets.

The Plan Administrator, on behalf of the Wind Down Debtors, may borrow money or raise capital on such terms as determined by the Plan Administrator to fund the Wind Down Expense Fund. Except for purposes of funding the Wind Down Expense Fund, the Wind Down Debtors shall not incur any debt.

D. Litigation Trust Expense Fund

The Litigation Trustee shall maintain a reserve funded from the Litigation Trust Funding Amount (the “Litigation Trust Expense Fund”) in an amount as is reasonably necessary to pay the costs and expenses incurred or expected to be incurred by the Litigation Trust and Litigation Trustee in connection with administering the Litigation Trust Assets and performing the duties set forth in the Plan and the Litigation Trust Agreement (the “Litigation Trust Expenses”), including, without limitation, (i) paying the fees and expenses of the Litigation Trustee, and attorneys, advisors, and professionals retained by the Litigation Trust and/or Litigation Trustee, and (ii) pursuant to Article II.E, reimbursement of all Statutory Fees that are paid by the Wind Down Debtors on account of disbursements made by the Litigation Trust.

E. Disputed Unsecured Claims Reserve

The Litigation Trustee may establish, for the benefit of each Holder of a Disputed General Unsecured Claim, the Disputed Unsecured Claims Reserve in an amount equal to the Pro Rata share of distributions that would have been made to the Holder of such Disputed Claim if it were an Allowed Claim in an amount equal to the lesser of (i) the liquidated amount set forth in the filed Proof of Claim relating to such Disputed Claim or if no Proof of Claim has been filed the liquidated amount set forth in the Schedules, (ii) the amount in which the Disputed Claim has been estimated by the Bankruptcy Court pursuant to section 502 of the Bankruptcy Code as constituting and representing the maximum amount in which such Claim may ultimately become an Allowed Claim, or (iii) such other amount as may be agreed upon by the Holder of such Disputed Claim and the Litigation Trustee. Amounts held in the Disputed Unsecured Claims Reserve shall be retained by the Litigation Trustee for the benefit of Holders of Disputed

General Unsecured Claims pending determination of their entitlement thereto under the terms of the Plan. No payments or distributions shall be made with respect to all or any portion of any such Disputed Claim pending the entire resolution thereof by Final Order or agreement between the Litigation Trustee and the Holder of the applicable Disputed Claim.

At such time as a Disputed General Unsecured Claim becomes an Allowed Claim, the Litigation Trustee shall distribute to the Holder thereof the distributions, if any, to which such Holder is then entitled under the Plan. Such distribution, if any, shall be made as soon as reasonably practicable after the date that the order or judgment of the Bankruptcy Court Allowing such Disputed Claim becomes a Final Order or the effective date of the relevant agreement between the Litigation Trustee and the Holder of the applicable Disputed Claim.

If a Disputed General Unsecured Claim is Disallowed, in whole or in part, the Litigation Trustee shall distribute amounts held in the Disputed Unsecured Claims Reserve with respect to such Claim (or, if Disallowed in part, the amounts held in the Disputed Unsecured Claims Reserve with respect to the Disallowed portion of such Claim) in accordance with the Plan.

ARTICLE VIII. PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED, AND DISPUTED CLAIMS

A. Allowance of Claims

After the Effective Date, the Wind Down Debtors and Litigation Trust, as applicable, shall have and retain all rights and defenses the applicable Debtor had with respect to any Claim immediately before the Effective Date. Except as expressly provided in the Plan or in any order entered in the Chapter 11 Cases before the Effective Date (including the Confirmation Order), no Claim shall become an Allowed Claim unless and until such Claim is deemed Allowed under the Plan or the Bankruptcy Code, or the Bankruptcy Court has entered a Final Order, including the Confirmation Order (when it becomes a Final Order), in the Chapter 11 Cases allowing such Claim.

B. Claims Administration Responsibilities

Except as otherwise specifically provided in the Plan and notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, after the Effective Date, the Plan Administrator shall have the sole authority to File and prosecute objections to Claims, other than General Unsecured Claims, and shall have the sole authority, without any further notice to or action, order, or approval by the Bankruptcy Court, to (1) settle, compromise, withdraw, litigate to judgment, or otherwise resolve objections to any and all such Claims, regardless of whether such Claims are in a Class or otherwise; (2) settle, compromise, or resolve any such Disputed Claims; and (3) administer and direct the adjustment of the Claims Register to reflect any such settlements or compromises.

Except as otherwise specifically provided in the Plan and Litigation Trust Agreement and notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, after

the Effective Date, the Litigation Trustee shall have the sole authority to File and prosecute objections to General Unsecured Claims, other than Prepetition Lender Deficiency Claim, and shall have the sole authority, without any further notice to or action, order, or approval by the Bankruptcy Court, to (1) settle, compromise, withdraw, litigate to judgment, or otherwise resolve objections to any and all such General Unsecured Claims; (2) settle, compromise, or resolve any Disputed General Unsecured Claims; and (3) administer and direct the adjustment of the Claims Register to reflect any such settlements or compromises.

To the extent a Claim is Filed against the Debtors that asserts Claims in more than one Class or asserting multiple priorities, the Plan Administrator and Litigation Trustee shall cooperate in good faith on an efficient method to address, object to, or otherwise administer such Claim.

C. Estimation of Claims

Before, on, or after the Effective Date, the Debtors or the Plan Administrator (and after the Effective Date, as to General Unsecured Claims (other than Prepetition Lender Deficiency Claim) only, the Litigation Trustee) may (but are not required to) at any time request that the Bankruptcy Court estimate any Claim pursuant to applicable law, including, without limitation, pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any party previously has objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction under 28 U.S.C. §§ 157 and 1334 to estimate any such Claim, including during the litigation of any objection to any Claim or during the pendency of any appeal relating to such objection. Notwithstanding any provision to the contrary in the Plan, a Claim that has been expunged from the Claims Register, but that either is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars, unless otherwise ordered by the Bankruptcy Court. If the Bankruptcy Court estimates any Claim, such estimated amount shall constitute a maximum limitation on such Claim for all purposes under the Plan (including for purposes of distributions and discharge) and may be used as evidence in any supplemental proceedings, and the Debtors, Plan Administrator, or Litigation Trustee, as applicable, may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim. Each of the foregoing Claims and objection, estimation, and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

D. Adjustment to Claims Without Objection

Any Claim that has been paid or satisfied, or any Claim that has been amended or superseded, may be adjusted or expunged on the Claims Register as directed by the Plan Administrator or Litigation Trustee, as applicable, without an objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

E. Time to File Objections to Claims

Any objections to Claims shall be Filed on or before the Claims Objection Bar Date.

F. Disallowance of Claims

Any Claims held by Entities from which property is recoverable under sections 542, 543, 550, or 553 of the Bankruptcy Code or that is a transferee of a transfer avoidable under sections 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, shall be deemed Disallowed pursuant to section 502(d) of the Bankruptcy Code, and Holders of such Claims may not receive any distributions on account of such Claims until such time as such Causes of Action against that Entity have been settled or a Bankruptcy Court order with respect thereto has been entered and all sums due, if any, to the Debtors by that Entity have been turned over or paid to the Debtors, the Wind Down Debtors, or Litigation Trust, as applicable.

Except as otherwise provided herein or as agreed to by the Debtors, the Plan Administrator, or Litigation Trustee, as applicable, all Proofs of Claim Filed after the applicable Bar Date shall be deemed Disallowed and expunged as of the Effective Date without any further notice to or action, order, or approval of the Bankruptcy Court, and Holders of such Claims may not receive any distributions on account of such Claims, unless such late Proof of Claim has been deemed timely Filed by a Final Order.

G. Amendments to Claims

On or after the Effective Date, a Claim may not be amended without the prior authorization of the Bankruptcy Court, or by agreement with the Plan Administrator or Litigation Trustee, as applicable, and any such amended Claim shall be deemed Disallowed in full and expunged without any further notice to or action, order, or approval of the Bankruptcy Court to the maximum extent provided by applicable law, unless otherwise ordered by the Bankruptcy Court, and the Holder of any such amended Claim shall not receive any distributions on account of such Claims unless such amended Claim has been deemed Allowed by a Final Order.

H. No Postpetition Interest on Claims

Unless otherwise specifically provided for in an order of the Bankruptcy Court, the Plan, or the Confirmation Order, or required by applicable bankruptcy law, postpetition interest shall not accrue or be paid on any Claims, and no Holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any such Claim.

**ARTICLE IX.
PROVISION GOVERNING DISTRIBUTIONS**

A. Timing and Calculation of Amounts to Be Distributed

Unless otherwise provided in the Plan, on the Effective Date (or, if a Claim is not an Allowed Claim on the Effective Date, on the date that such Claim becomes Allowed or as soon as reasonably practicable thereafter), each Holder of an Allowed Claim or Interest shall receive the full amount of the distributions that the Plan provides for Allowed Claims and Interests in each applicable Class. If any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day but shall be deemed to have been

completed as of the required date. If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Article VII.E. Except as otherwise provided in the Plan, Holders of Claims shall not be entitled to interest, dividends, or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date.

B. Delivery of Distributions and Undeliverable or Unclaimed Distributions

1. Delivery of Distributions in General

Except as otherwise provided in the Plan, distributions to Holders of Allowed Claims or Interests shall be made to Holders of record as of the Distribution Record Date by the Plan Administrator or the Litigation Trustee, as applicable: (1) to the signatory set forth on any Proof of Claim Filed by such Holder or other representative identified therein (or at the last known addresses of such Holder if no Proof of Claim is Filed or if the Debtors, Plan Administrator, or Litigation Trustee, as applicable, have been notified in writing of a change of address); (2) at the addresses set forth in any written notices of address changes delivered to the Plan Administrator or Litigation Trustee, as applicable, after the date of any related Proof of Claim; (3) at the addresses reflected in the Schedules if no Proof of Claim has been Filed and the Plan Administrator or Litigation Trustee, as applicable, has not received a written notice of a change of address; or (4) on any counsel that has appeared in the Chapter 11 Cases on such Holder's behalf. Subject to this Article IX, distributions under the Plan on account of Allowed Claims shall not be subject to levy, garnishment, attachment, or like legal process, so that each Holder of an Allowed Claim shall have and receive the benefit of the distributions in the manner set forth in the Plan. The Debtors, the Wind Down Debtors, the Plan Administrator, the Litigation Trust, the Litigation Trustee, and each of their respective professionals, agents, employees, and officers shall not incur any liability whatsoever on account of any distributions under the Plan except for actual fraud, gross negligence, knowing violation of law, or willful misconduct.

All distributions on account of Allowed DIP Lender Claims and Allowed Prepetition Lender Claims shall be made to or at the direction of the DIP Agent and the Prepetition Agent, as applicable, for further distribution to the DIP Lenders and Prepetition Lenders, as applicable, in accordance with the Plan and the DIP Credit Agreement and Prepetition Credit Agreement, as applicable, and shall be deemed completed when made to or at the direction of the DIP Agent and Prepetition Agent, as applicable.

2. Minimum Distributions

Holders of Allowed Claims entitled to distributions of \$150 or less shall not receive distributions.

3. Undeliverable Distributions and Unclaimed Property

If any distribution to any Holder is returned as undeliverable, no distribution to such Holder shall be made unless and until the Plan Administrator or Litigation Trustee, as applicable, is notified in writing by the Holder of such Holder's then current address, at which time such distribution shall be made to such Holder without interest; provided, that such distributions shall

be deemed unclaimed property under section 347(b) of the Bankruptcy Code unless such Holder has timely asserted a Claim pursuant to Article VII.B for an undeliverable or unclaimed distribution. After such time, all unclaimed property or interests in property shall revert to the Wind Down Debtors or Litigation Trust, as applicable, without need for a further order by the Bankruptcy Court (notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws to the contrary), and the Claim of any Holder to such property or Interest in property shall be discharged and forever barred.

C. Tax Issues and Compliance with Tax Requirements

In connection with the Plan, to the extent applicable, the Debtors, the Plan Administrator, and the Litigation Trustee shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Plan Administrator and the Litigation Trustee shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate.

Property deposited into the various Claim distribution accounts described elsewhere in the Plan (including the Professional Fee Escrow Account) will be subject to disputed ownership fund treatment under section 1.468B-9 of the United States Treasury Regulations. All corresponding elections with respect to such accounts shall be made, and such treatment shall be applied to the extent possible for state, local, and non-U.S. tax purposes. Under such treatment, a separate federal income tax return shall be filed with the IRS with respect to such accounts, any taxes (including with respect to interest, if any, or appreciation in property between the Effective Date and date of distribution) imposed on such accounts shall be paid out of the assets of such accounts (and reductions shall be made to amounts disbursed from such accounts to account for the need to pay such taxes).

D. Allocations

Distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claims (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claims, to any portion of such Claims for accrued but unpaid interest, if any, as Allowed herein.

E. Setoffs and Recoupment

The Plan Administrator or Litigation Trustee, as applicable, may, but shall not be required to, set off against or recoup any payments or distributions to be made pursuant to the Plan in respect of any Claims of any nature whatsoever that the Wind Down Debtors or Litigation Trust, as applicable, may have against the claimant, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release of any such Claim the

Wind Down Debtors or Litigation Trust, as applicable, may have against the Holder of such Claim.

F. No Distributions Pending Allowance

If an objection to a Claim or portion thereof is Filed, no payment or distribution provided under the Plan shall be made on account of such Claim or portion thereof unless and until such Disputed Claim becomes an Allowed Claim or unless otherwise determined by the Plan Administrator or the Litigation Trustee, as applicable.

G. Distributions After Allowance

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions shall be made to the Holder of such Allowed Claim in accordance with the provisions of the Plan. As soon as reasonably practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Plan Administrator or Litigation Trustee, as applicable, shall provide to the Holder of such Claim the distribution to which such Holder is entitled under the Plan as of the Effective Date, less any previous distribution (if any) that was made on account of the undisputed portion of such Claim, without any interest, dividends, or accruals to be paid on account of such Claim unless required under applicable bankruptcy law or as otherwise provided herein.

H. Claims Paid or Payable by Third Parties

1. Claims Paid by Third Parties

To the extent that the Holder of an Allowed Claim receives payment in full on account of such Claim from a party that is not a Debtor, Wind Down Debtor, or the Litigation Trustee, such Claim shall be Disallowed without an objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court. The Plan Administrator or Litigation Trustee, as applicable, shall file a notice of satisfaction or other pleading evidencing such satisfactions and serve the same on the affected Holder. To the extent a Holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Debtor, Wind Down Debtor, or the Litigation Trustee on account of such Claim, such Holder shall, within 14 days of receipt thereof, repay or return the distribution to the applicable Wind Down Debtor or Litigation Trustee, as applicable, to the extent the Holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan. The failure of such Holder to timely repay or return such distribution shall result in the Holder owing the Wind Down Debtors or Litigation Trustee, as applicable, annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the 14-day grace period specified above until the amount is repaid.

2. Claims Payable by Third Parties

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' Insurance Policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such Insurance Policy. To the extent that one or more of the Debtors' insurers agrees to satisfy in full or in part a Claim (if and to the extent

adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, the applicable portion of such Claim may be expunged without an objection to such Claims having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court. The Plan Administrator or Litigation Trustee, as applicable, shall file a notice of satisfaction or other pleading evidencing such satisfactions and serve the same on the affected Holder.

3. Applicability of Insurance Policies

Except as otherwise provided in the Plan, distributions to Holders of Allowed Claims shall be in accordance with the provisions of any applicable Insurance Policy. Notwithstanding anything herein to the contrary (including, without limitation, Article X), nothing shall constitute or be deemed a release, settlement, satisfaction, compromise, or waiver of any Cause of Action that the Debtors or any other Entity may hold against any other Entity, including insurers under any policies of insurance or applicable indemnity, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

ARTICLE X. SETTLEMENT, RELEASE, INJUNCTION, AND RELATED PROVISIONS

A. Term of Injunctions or Stays

Unless otherwise provided in the Plan or the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

B. Release of Liens

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan, all Liens against the property of any Estates will be fully released, and all of the right, title and interest of any holder of such Liens, including any rights to any collateral thereunder, shall attach to and be enforceable solely against any net proceeds of sales or other liquidation of such assets. For the avoidance of doubt, all mortgages, deeds of trust, Liens, pledges or other security interests against any property of the Estates shall be fully released on the Effective Date without any further action of any party, including, but not limited to, further order of the Bankruptcy Court or filing updated schedules or statements typically filed pursuant to the Uniform Commercial Code. The DIP Agent and the Prepetition Agent shall execute and deliver all documents reasonably requested by the Plan Administrator to evidence the release of such mortgages, deeds of trust, Liens, pledges, and

other security interests and shall authorize the Plan Administrator to file UCC-3 termination statements (to the extent applicable) with respect thereto.

C. Debtor Release

Notwithstanding anything contained in the Plan to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, on and after the Effective Date, each Released Party is deemed forever released by the Debtors, their respective Estates, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other entities who may purport to assert any cause of action, by, through, for, or because of the foregoing entities, from any and all Claims and Causes of Action, whether known or unknown, liquidated or unliquidated, fixed or contingent, matured or unmatured, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims asserted or assertable on behalf of the Debtors or their respective Estates, that the Debtors would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim against or Interest in the Debtors based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership, or operation thereof), any securities issued by the Debtors and the ownership thereof, the Debtors' in- or out-of-court restructuring efforts, any Avoidance Actions (but excluding Avoidance Actions brought as counterclaims or defenses to Claims asserted against the Debtors), any intercompany transaction, the DIP Loan Documents, the Prepetition Loan Documents, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Plan, the Plan Supplement, solicitation of votes on the Plan, the prepetition negotiation and settlement of Claims, the pursuit of confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date except for Claims related to any act or omission that is determined in a Final Order by a court of competent jurisdiction to have constituted criminal conduct, actual fraud, willful misconduct, knowing violation of law, gross negligence or bad faith, but in all respects such Released Parties shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan (collectively, the "Debtor Release"). Notwithstanding anything to the contrary in the foregoing, the Debtor Release does not release any post-Effective Date obligations of any party or Entity under the Plan or any document, instrument, or agreement (including any documents, instruments and agreements set forth in the Plan Supplement) executed to implement the Plan and shall not result in a release, waiver, or discharge of any of the Debtors' assumed indemnification provisions, if any, set forth in the Plan.

D. Release by Holders of Claims or Interests

Notwithstanding anything contained in the Plan to the contrary, as of the Effective Date, and to the fullest extent allowed by applicable law, each Releasing Party is deemed to have forever released, waived, and discharged each of the Released Parties from all Claims and Causes of Action, whether known or unknown, including any derivative claims

asserted or assertable on behalf of the Debtors or their respective Estates, that such Entity would have been legally entitled to assert (whether individually or collectively) based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership, or operation thereof), any securities issued by the Debtors and the ownership thereof, the Debtors' in- or out-of-court restructuring efforts, any Avoidance Actions (but excluding Avoidance Actions brought as counterclaims or defenses to Claims asserted against the Debtors), any intercompany transaction, the DIP Loan Documents, Prepetition Loan Documents, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Disclosure Statement, the Plan, the Plan Supplement, solicitation of votes on the Plan, the prepetition negotiation and settlement of Claims, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of debt and/or securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, except for Claims related to any act or omission that is determined in a Final Order by a court of competent jurisdiction to have constituted actual fraud, willful misconduct, knowing violation of law or gross negligence, but in all respects such Released Parties shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan (the "Third-Party Release"); provided, however, the Third-Party Release does not release any post-Effective Date obligations of any party or Entity under the Plan, or any document, instrument, or agreement (including the Plan Documents and other documents, instruments, and agreements set forth in the Plan Supplement) executed to implement the Plan.

Notwithstanding anything to the contrary in the foregoing, any Holder of a Claim or Interest who did not (i) return a Ballot or opt-out election form or (ii) file an objection to the Third-Party Release, that believes that its individual circumstances related to its ability to return a Ballot or opt-out election form opting out of the Third-Party Release or to object to the Third-Party Release are such that it should not be deemed to have consented to such Third-Party Release as a result of such failure, may seek relief from the Bankruptcy Court to exercise its rights and claims free of the Third-Party Release by rebutting the presumption that its failure to return a Ballot or opt-out election form opting out of the Third-Party Release or to object to the Third-Party Release should be deemed to represent its consent to the Third-Party Release. Any party seeking such relief must, in any pleading regarding this provision filed with the Bankruptcy Court: (i) identify the claim(s) or types of claims the party wishes to pursue and (ii) identify the parties or the types of parties against such claims will be asserted.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Third-Party Release, which includes by reference each of the related provisions and definitions contained in the Plan, and, further, shall constitute the Bankruptcy Court's finding that the Third-Party Release is: (a) consensual; (b) essential to the confirmation of the Plan; (c) given in exchange for the good and valuable consideration provided by the Released Parties, including, without limitation, the Released Parties' contributions to facilitating the restructuring and implementing the Plan; (d) a good faith settlement and compromise of the Claims released by the

Third-Party Release; (e) in the best interests of the Debtors and their respective Estates; (f) fair, equitable, and reasonable; (g) given and made after due notice and opportunity for hearing; and (h) a bar to any of the Releasing Parties asserting any Claim or Cause of Action released pursuant to the Third-Party Release.

E. Exculpation

Notwithstanding anything contained in the Plan to the contrary, no Exculpated Party shall have or incur liability for, and each Exculpated Party is released and exculpated from, any Cause of Action or any Claim related to any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Disclosure Statement, the Plan, the Plan Supplement, solicitation of votes on the Plan, the pursuit of confirmation, the pursuit of Consummation or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place from the Petition Date through the Effective Date, except for Claims related to any act or omission that is determined in a Final Order by a court of competent jurisdiction to have constituted criminal conduct, actual fraud, willful misconduct, knowing violation of law, or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan.

Notwithstanding anything to the contrary in the foregoing, the exculpation set forth herein does not release or exculpate any Claim relating to any post-Effective Date obligations of any party or Entity under the Plan or any document, instrument, or agreement (including any documents, instruments and agreements set forth in the Plan Supplement) executed to implement the Plan.

F. Non-Discharge of the Debtors; Injunction

In accordance with section 1141(d)(3) of the Bankruptcy Code, the Plan does not discharge the Debtors. Section 1141(c) of the Bankruptcy Code nevertheless provides, among other things, that the property dealt with by the Plan is free and clear of all Claims and Interests against the Debtors. As a result, except as otherwise provided in the Plan or the Confirmation Order, all Entities who have held, hold, or may hold Claims, Interests, Causes of Action, or liabilities that: (a) are subject to compromise and settlement pursuant to the terms of the Plan; (b) have been released by the Debtors pursuant to the Plan; (c) are subject to exculpation pursuant to the Plan; or (d) are otherwise discharged, satisfied, stayed or terminated pursuant to the terms of the Plan, are permanently enjoined and precluded, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Wind Down Debtors, the Plan Administrator, the Litigation Trust, the Litigation Trustee, the Released Parties, or the Exculpated Parties: (1) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims, Interests, or Causes of Action; (2) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims, Interests, or Causes of Action; (3) creating,

perfecting, or enforcing any encumbrance of any kind against such Entities or the property or Estates of such Entities on account of or in connection with or with respect to any such Claims, Interests, or Causes of Action; (4) asserting any right of setoff (other than setoffs exercised prior to the Petition Date) or subrogation of any kind against any debt, liability, or obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any Claims, Causes of Action, or Interests; and (5) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims, Interests, or Causes of Action discharged, released, exculpated or settled pursuant to the Plan.

Any Entity injured by any willful violation of such injunction may seek actual damages and, in appropriate circumstances, may seek punitive damages from the willful violator.

G. Subordination Rights.

Any distributions under the Plan shall be received and retained free from any obligations to hold or transfer the same to any other Holder and shall not be subject to levy, garnishment, attachment, or other legal process by any Holder by reason of claimed contractual subordination rights. Any such subordination rights shall be waived, and the Confirmation Order shall constitute an injunction enjoining any Entity from enforcing or attempting to enforce any contractual, legal, or equitable subordination rights to property distributed under the Plan, in each case other than as provided in the Plan.

**ARTICLE XI.
CONDITIONS PRECEDENT TO CONFIRMATION AND THE EFFECTIVE DATE**

A. Conditions Precedent to Confirmation

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

1. The Bankruptcy Court shall have entered an order, in form and substance reasonably acceptable to the Debtors, approving the Disclosure Statement with respect to the Plan as containing adequate information within the meaning of section 1125 of the Bankruptcy Code.
2. The Plan, the Confirmation Order, and the Plan Documents shall be in a form and substance reasonably acceptable to the Debtors, the DIP Lenders, the Prepetition Lenders, and the Creditors' Committee.

B. Conditions Precedent to the Effective Date

It shall be a condition to the Effective Date that the following conditions shall have been satisfied (or waived pursuant to the provisions of Article XI.C hereof):

1. The Bankruptcy Court shall have entered the Confirmation Order, in form and substance reasonably acceptable to the Debtors.
2. All authorizations, consents, and approvals required, if any, in connection with the Plan's effectiveness shall have been obtained.
3. All actions, documents, certificates, and agreements necessary to implement the Plan shall have been effected or executed and delivered to the required parties and, to the extent required, filed with the applicable Governmental Units in accordance with applicable laws, and are in form and substance, acceptable to the Debtors.
4. All sale transactions approved pursuant to the Sale Orders shall have been consummated pursuant to the Sale Orders, the Asset Purchase Agreements, and any related sale documentation.
5. All conditions precedent to the effectiveness of the Plan Administration Agreement shall have been satisfied or duly waived.
6. All conditions precedent to the effectiveness of the Litigation Trust Agreement, including the funding of the Initial Litigation Trust Funding Cash Amount, shall have been satisfied or duly waived.
7. All Allowed Professional Fee Claims approved by the Bankruptcy Court shall have been paid in full or amounts sufficient to pay any unpaid Allowed Professional Fee Claims (excluding any Committee Professional Excess Amount) after the Effective Date shall have been placed in the Professional Fee Escrow Account pending approval of the Professional Fee Claims by the Bankruptcy Court.
8. The Wind Down Expense Fund shall have been funded with the Wind Down Cash Amount.

C. Waiver of Conditions

The conditions to confirmation of the Plan and to the Effective Date of the Plan set forth in this Article XI may be waived only by consent of the Debtors and the Lenders without notice, leave, or order of the Bankruptcy Court or any formal action other than proceedings to confirm or consummate the Plan.

D. Substantial Consummation

"Substantial Consummation" of the Plan, as defined in 11 U.S.C. § 1101(2), shall be deemed to occur on the Effective Date.

ARTICLE XII.
MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN

A. Modification and Amendments

Subject to the limitations contained in the Plan, the Debtors reserve the right to modify the Plan and seek confirmation of the Plan consistent with the Bankruptcy Code and, as appropriate and to the extent allowed under the Bankruptcy Code, not resolicit votes on such modified Plan. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and those restrictions on modifications set forth in the Plan, the Debtors expressly reserve their rights to alter, amend, or modify materially the Plan, one or more times after confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court to so alter, amend, or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of the Plan.

B. Effect of Confirmation on Modifications

Entry of the Confirmation Order shall mean that all modifications or amendments to the Plan occurring after the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

C. Revocation or Withdrawal of the Plan

The Debtors reserve the right to revoke or withdraw the Plan before the Confirmation Date. If the Debtors revoke or withdraw the Plan, or if confirmation of the Plan and Consummation does not occur, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of any Claim or Interest or Class of Claims or Interests), assumption or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void; and (3) nothing contained in the Plan shall: (i) constitute a waiver or release of any Claims or Interests; (ii) prejudice in any manner the rights of the Debtors or any other Entity, including the Holders of Claims; or (iii) constitute an admission, acknowledgement, offer, or undertaking of any sort by the Debtors or any other Entity.

ARTICLE XIII.
RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Bankruptcy Court shall retain jurisdiction over the Chapter 11 Cases and all matters arising out of or related to the Chapter 11 Cases and the Plan, including jurisdiction to:

1. Allow, Disallow, determine, liquidate, classify, estimate, or establish the priority, Secured or unsecured status, or amount of any Claim, including the resolution of any request for payment of any Administrative Claim and the resolution of any

and all objections to the Secured or unsecured status, priority, amount, or allowance of Claims;

2. Decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals;
3. Resolve any matters related to: (a) the assumption or rejection of any Executory Contract or Unexpired Lease and to hear, determine, and, if necessary, liquidate, any Claims arising therefrom, including Claims related to the rejection of an Executory Contract or Unexpired Lease, cure amounts pursuant to section 365 of the Bankruptcy Code, or any other matter related to such Executory Contract or Unexpired Lease and (b) any dispute regarding whether a contract or lease is or was executory or expired;
4. Ensure that distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;
5. Adjudicate, decide, or resolve any motions, adversary proceedings, contested, or litigated matters, and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;
6. Adjudicate, decide, or resolve any and all Causes of Action (including, without limitation, the Litigation Trust Claims) and any matters related thereto;
7. Adjudicate, decide, or resolve any and all matters related to sections 1141 and 1145 of the Bankruptcy Code;
8. Enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan;
9. Enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;
10. Resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with the Consummation, interpretation, or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;
11. Issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of the Plan;
12. Resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the settlements, compromises, discharges, releases, injunctions, exculpations, and other provisions contained in Article X hereof and enter such orders as may

be necessary or appropriate to implement or enforce such releases, injunctions, and other provisions;

13. Resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by the Holder of a Claim or Interest for amounts not timely repaid;
14. Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;
15. Determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or the Plan Supplement;
16. Adjudicate any and all disputes arising from or relating to distributions under the Plan or any transactions contemplated therein;
17. Consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;
18. Determine requests for the payment of Claims entitled to priority pursuant to section 507 of the Bankruptcy Code;
19. Hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;
20. Hear and determine all disputes involving the existence, nature, or scope of the release provisions set forth in the Plan, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred before or after the Effective Date;
21. Enforce all orders previously entered by the Bankruptcy Court in the Chapter 11 Cases;
22. Hear any other matter not inconsistent with the Bankruptcy Code;
23. Enter an order closing the Chapter 11 Cases;
24. Enforce the injunction, release, and exculpation provisions provided in Article X hereof; and
25. Hear and determine all disputes involving the Plan Administration Agreement or Litigation Trust Agreement.

ARTICLE XIV. MISCELLANEOUS PROVISIONS

A. Immediate Binding Effect

Notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan, the final versions of the documents contained in the Plan Supplement, and the Confirmation Order shall be immediately effective and enforceable and deemed binding upon the Debtors and any and all Holders of Claims or Interests (regardless of whether such Claims or Interests are deemed to have accepted or rejected the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, and injunctions described in the Plan, each Entity acquiring property under the Plan or the Confirmation Order, and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors. All Claims and debts shall be as fixed, adjusted, or compromised, as applicable, pursuant to the Plan regardless of whether any Holder of a Claim or debt has voted on the Plan.

B. Additional Documents

On or before the Effective Date, the Debtors may File with the Bankruptcy Court such agreements and other documents as may be necessary or advisable to effectuate and further evidence the terms and conditions of the Plan. The Debtors and all Holders of Claims and Interests receiving distributions pursuant to the Plan, and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

C. Dissolution of the Creditors' Committee

On the Effective Date, the Creditors' Committee shall dissolve automatically and the members thereof shall be released and discharged from all rights, duties, and responsibilities arising from, or related to, the Chapter 11 Cases and under the Bankruptcy Code, except for the limited purpose of prosecuting requests for payment of Professional Fee Claims for services and reimbursement of expenses incurred prior to the Effective Date by the Creditors' Committee and its Professionals. Neither the Wind Down Debtors nor the Plan Administrator shall have any obligation, duty, or responsibility for paying any fees or expenses incurred by the members of or advisors to the Creditors' Committee after the Effective Date.

D. Termination of the Claims and Noticing Agent

At any time following the Effective Date, the Plan Administrator shall be authorized to terminate the services of the Claims and Noticing Agent by providing 30 days written notice without need for order of the Bankruptcy Court or any other party. Following termination, the Claims and Noticing Agent shall provide the Plan Administrator and the Bankruptcy Court with a copy of the Claims Register and a copy of all Filed Proofs of Claim. No later than 30 days after its termination, the Claims and Noticing Agent shall provide the Plan Administrator with a final invoice, and unless the Plan Administrator has any objections to the Claims and Noticing Agent's fees or expenses, the Plan Administrator shall be authorized to remit payment of the final invoice within 15 days of receipt. The Bankruptcy Court will retain jurisdiction to hear any

dispute if the Plan Administrator and Claims and Noticing Agent cannot agree upon the amount of fees and expenses sought by the Claims and Noticing Agent.

E. Termination and Discharge of the CPO

On the Effective Date, the CPO shall be discharged from his duties as consumer privacy ombudsman in the Chapter 11 Cases. Neither the CPO, nor his professionals or advisors, shall have any liability with respect to any act or omission, statement or representation arising out of, related to, or involving in any way, the CPO's evaluations, reports, or any pleadings or other writings filed by the CPO in connection with the Chapter 11 Cases other than acts or omissions involving or arising out of gross negligence or willful misconduct. Prior to issuing or serving upon the CPO or the CPO's professionals or advisors any formal or informal discovery request, including, but not limited to, any subpoena, request for production of documents, requests for admissions, interrogatories, subpoenas *duces tecum*, requests for testimony, interrogatories, or any other discovery of any kind whatsoever in any way related to the Debtors, the Chapter 11 Cases, or the CPO's evaluations and reports (the "Discovery"), any creditor or party in interest in the Chapter 11 Cases must first file an appropriate pleading with the Bankruptcy Court to request permission to initiate the Discovery. The CPO and the CPO's professionals and advisors are authorized to retain, dispose of, or destroy any documents provided by the Debtors or any third parties to the CPO, if any, in the course of his or her evaluation, in accordance with their respective document retention policies or applicable law, if any.

F. Reservation of Rights

Before the Effective Date, neither the Plan, the Disclosure Statement, any statement or provision contained in the Plan, nor any action taken or not taken by any Debtor with respect to the Plan, the Disclosure Statement, the Confirmation Order, or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to any Claims or Interests.

G. Successors and Assigns

The rights, benefits, and obligations of any Entity named or referred to in the Plan or the Confirmation Order shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor, assign, affiliate, officer, director, manager, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

H. Service of Documents

All notices, requests, and demands to or upon the Debtors, to be effective shall be in writing (including by facsimile transmission) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

counsel for the Debtors:

Greenberg Traurig, LLP

3333 Piedmont Road NE
Terminus 200, Suite 2500
Atlanta, GA 30305
Attn: David Kurzweil
Matthew A. Petrie
E-mail: kurzweild@gtlaw.com
petriem@gtlaw.com

All notices, requests, and demands to or upon the Plan Administrator or the Litigation Trustee shall be made as set forth in the Plan Administration Agreement or Liquidating Trust Agreement, as applicable.

I. Entire Agreement

Except as otherwise indicated, the Plan supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

J. Exhibits

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. After the exhibits and documents are Filed, copies of such exhibits and documents shall be available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from the Debtors' restructuring website at <https://www.veritaglobal.net/AirPros> or the Bankruptcy Court's website at <https://www.ganb.uscourts.gov>.

K. Nonseverability of the Plan Provisions

If, before confirmation of the Plan, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to the Plan and may not be deleted or modified without the Debtors' or Wind Down Debtors' consent; and (3) nonseverable and mutually dependent.

L. Votes Solicited in Good Faith

Upon entry of the Confirmation Order, the Debtors will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code, and, pursuant to

section 1125(e) of the Bankruptcy Code, the Debtors and each of their respective Affiliates, agents, representatives, members, principals, shareholders, officers, directors, managers, employees, advisors, and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale, and purchase of securities offered and sold under the Plan and any previous plan, and, therefore, neither any of such parties or individuals or the Debtors or the Wind Down Debtors will have any liability for the violation of any applicable law (including the Securities Act), rule, or regulation governing the solicitation of votes on the Plan or the offer, issuance, sale, or purchase of securities offered and sold under the Plan and any previous plan.

M. Waiver and Estoppel.

Each Holder of a Claim or Interest shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Interest should be Allowed in a certain amount, in a certain priority, Secured, or not subordinated by virtue of an agreement made with the Debtors or their counsel, or any other Entity, if such agreement was not disclosed in the Plan, the Plan Documents, or papers Filed before the Confirmation Date.

[Remainder of Page Intentionally Left Blank.]

Respectfully submitted, as of the date set forth above,

AFH Air Pros, LLC
on behalf of itself and all other Debtors

By: /s/ Andrew D.J. Hede
Name: Andrew D.J. Hede
Titles: Chief Restructuring Officer
and Authorized Person

Exhibit B

(Redline of Second Amended Disclosure Statement)

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
NEWNAN DIVISION**

In re:

AFH AIR PROS, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 25-10356 (PMB)

(Jointly Administered)

**SECOND AMENDED DISCLOSURE STATEMENT FOR THE
SECOND AMENDED CHAPTER 11 PLAN OF LIQUIDATION OF
AFH AIR PROS, LLC AND ITS DEBTOR AFFILIATES**

THIS IS NOT A SOLICITATION OF AN ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL THIS DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. THE INFORMATION IN THIS DISCLOSURE STATEMENT IS SUBJECT TO CHANGE. THIS DISCLOSURE STATEMENT IS NOT AN OFFER TO SELL ANY SECURITIES AND IS NOT SOLICITING AN OFFER TO BUY ANY SECURITIES.

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Dated: June 13~~8~~, 2025

¹ The last four digits of AFH Air Pros, LLC's tax identification number are 1228. Due to the large number of debtor entities in these chapter 11 cases, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the claims and noticing agent at <https://www.veritaglobal.net/AirPros>. The mailing address for the debtor entities for purposes of these chapter 11 cases is: 150 S. Pine Island Road, Suite 200, Plantation, Florida 33324.

IMPORTANT INFORMATION ABOUT THIS DISCLOSURE STATEMENT²

THIS DISCLOSURE STATEMENT WAS COMPILED FROM INFORMATION OBTAINED FROM NUMEROUS SOURCES BELIEVED TO BE ACCURATE TO THE BEST OF THE DEBTORS' KNOWLEDGE, INFORMATION, AND BELIEF. NO GOVERNMENTAL AUTHORITY HAS PASSED ON, CONFIRMED, OR DETERMINED THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED HEREIN.

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THE STATEMENTS CONTAINED HEREIN ARE MADE AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED. THE DELIVERY OF THE DISCLOSURE STATEMENT AND PLAN SHALL NOT BE DEEMED OR CONSTRUED TO CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AT ANY TIME AFTER THE DATE HEREOF. HOLDERS OF CLAIMS OR INTERESTS SHOULD NOT CONSTRUE THE CONTENTS OF THE DISCLOSURE STATEMENT OR PLAN AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL, OR TAX ADVICE. THEREFORE, EACH SUCH HOLDER SHOULD CONSULT WITH ITS OWN LEGAL, BUSINESS, FINANCIAL, AND TAX ADVISORS AS TO ANY SUCH MATTERS CONCERNING THE PLAN AND THE TRANSACTIONS CONTEMPLATED THEREBY.

NO PARTY IS AUTHORIZED TO GIVE ANY INFORMATION WITH RESPECT TO THE DISCLOSURE STATEMENT AND PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. NO REPRESENTATIONS CONCERNING THE DEBTORS OR THE VALUE OF THEIR PROPERTY HAVE BEEN AUTHORIZED BY THE DEBTORS OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. ANY INFORMATION, REPRESENTATIONS, OR INDUCEMENTS MADE TO OBTAIN AN ACCEPTANCE OF THE PLAN OTHER THAN, OR INCONSISTENT WITH, THE INFORMATION CONTAINED HEREIN SHOULD NOT BE RELIED UPON BY ANY HOLDER OF A CLAIM OR INTEREST. THE DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016(b) AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NONAPPLICABLE BANKRUPTCY LAWS. THE DISCLOSURE STATEMENT AND PLAN HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), AND THE SEC HAS NOT PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

² Capitalized terms used but not defined in this disclaimer shall have the meaning ascribed to them elsewhere in this Disclosure Statement.

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EXHIBITS

EXHIBIT A Plan

EXHIBIT B Disclosure Statement Order

EXHIBIT C Committee Settlement Term Sheet

EXHIBIT D Liquidation Analysis

I. INTRODUCTION

AFH Air Pros, LLC and certain of its affiliates as debtors and debtors in possession (collectively, the “Debtors”) submit this disclosure statement (this “Disclosure Statement”), pursuant to section 1125 of the Bankruptcy Code, to Holders of Claims against and Interests in the Debtors in connection with the solicitation of votes for acceptance of the Second Amended Chapter 11 Plan of Liquidation of AFH Air Pros, LLC and its Debtor Affiliates dated June 12th, 2025 (as subsequently amended, modified, or supplemented, the “Plan”).³ A copy of the Plan is attached hereto as Exhibit A and incorporated herein by reference.

II. OVERVIEW OF PLAN STRUCTURE

As described further herein, during these Chapter 11 Cases the Debtors obtained approval to sell substantially all of their operating assets through six separate transactions with six Stalking Horse Purchasers (as defined herein). The Plan provides for the orderly wind down of the Debtors and liquidation of all of the Debtors’ assets not sold during these Chapter 11 Cases. In accordance with the Plan Administration Agreement and the Litigation Trust Agreement, as applicable, and the provisions set forth in the Plan, (a) the Litigation Trustee will pursue prosecution and recovery of the Litigation Trust Claims, review and reconcile applicable Claims of Litigation Trust Beneficiaries (in accordance with the terms of the Plan and the Litigation Trust Agreement), and make distributions from the proceeds of the Litigation Trust Assets to the Litigation Trust Beneficiaries, and (b) the Plan Administrator will make distributions to Holders of certain Allowed Claims, consistent with the priority of claim provisions of the Bankruptcy Code, with proceeds of the Remaining Assets of the Debtors’ Estates.

This Disclosure Statement includes, among other things, a discussion of the Debtors’ history, businesses, assets, results of operations, and historical financial information, the successful marketing and sale process during these Chapter 11 Cases, and a summary and description of the Plan. ALL HOLDERS OF CLAIMS AND INTERESTS, TO THE EXTENT APPLICABLE, ARE ENCOURAGED TO READ THE PLAN AND THIS DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

The Debtors are the proponents of the Plan within the meaning of section 1129 of the Bankruptcy Code. The Plan contemplates and is predicated upon the deemed substantive consolidation of the Estates for voting, confirmation, and distribution purposes as more fully described in Article VII.C.10 hereof. The Plan also implements a settlement among the Debtors, the Lenders, and the Creditors Committee as described herein and in the Committee Term Sheet attached hereto as Exhibit C.

³ Capitalized terms used but not otherwise defined in this Disclosure Statement shall have the meaning ascribed to such terms in the Plan. The summary of the Plan provided herein is qualified in its entirety by reference to the Plan. In the case of any inconsistency between this Disclosure Statement and the Plan, the Plan governs.

III. EXECUTIVE SUMMARY

A. Chapter 11 Overview and this Disclosure Statement

The commencement of a case under chapter 11 of the Bankruptcy Code creates an estate that comprises all of the legal and equitable interests of the debtor as of the date the chapter 11 case is commenced. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a “debtor in possession.”

Consummating a chapter 11 plan is the principal objective of a chapter 11 case. A bankruptcy court’s confirmation of a plan binds the debtor, any person acquiring property under the plan, any creditor or equity interest holder of the debtor, and any other entity as may be ordered by the bankruptcy court. Subject to certain limited exceptions, the order issued by a bankruptcy court confirming a plan provides for the treatment of the debtor’s liabilities in accordance with the terms of the confirmed plan.

The Debtors are seeking to obtain Bankruptcy Court approval of the Plan. Before soliciting acceptances of the 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 regarding acceptance of the Plan and to share such disclosure statement with all holders of claims or interests whose votes on the Plan are being solicited. This Disclosure Statement is being submitted in accordance with these requirements.

B. Voting on the Plan

This Disclosure Statement, which is accompanied by a Ballot or Ballots to be used for voting on the Plan, is being distributed to the Holders of Claims or Interests in those Classes that are entitled to vote to accept or reject the Plan. The procedures and instructions for voting and related deadlines are set forth in the exhibits annexed to the Disclosure Statement Order, which is attached hereto as **Exhibit B**.

The Disclosure Statement Order is incorporated herein by reference and should be read in conjunction with this Disclosure Statement in formulating a decision to vote to accept or reject the Plan.

THE DISCUSSION OF THE SOLICITATION AND VOTING PROCESS SET FORTH IN THIS DISCLOSURE STATEMENT IS ONLY A SUMMARY. REFER TO THE DISCLOSURE STATEMENT ORDER FOR A MORE COMPREHENSIVE DESCRIPTION OF THE SOLICITATION AND VOTING PROCESS.

1. Holders of Claims Entitled to Vote on the Plan

Your ability to vote on, and your distribution under, the Plan, if any, depends on what type of Claim or Interest you hold. Each category of Holders of Claims or Interests, as set forth in Article III of the Plan pursuant to section 1122(a) of the Bankruptcy Code, is referred to as a “Class”. Under the provisions of the Bankruptcy Code, not all holders of claims against or interests in a debtor are entitled to vote on a chapter 11 plan. The table in section C of this

Article III provides a summary of the status and voting rights of each Class (and, therefore, of each Holder within such Class absent an objection to the Holder's Claim or Interest) under the Plan.

As shown in the table, the Debtors are soliciting votes to accept or reject the Plan only from Holders of Claims in Classes 3 and 4 (collectively, the "Voting Classes"). The Debtors are not soliciting votes from Holders of Claims or Interests in Classes 1, 2, 5, 6, or 7 because such Classes are deemed to accept or deemed to reject the Plan.

2. Third Party "Opt-Out" Provisions of Ballots

As provided in the Solicitation and Voting Procedures, certain Holders of Claims in the Voting Classes may opt out of the Third-Party Release set forth in Article X.D of the Plan. If you are a Holder of such a Claim and receive a notice that includes an "opt-out" provision, you may wish to review the Plan and seek legal advice concerning the effects of the Third-Party Release on your Claim. As to Holders of Claims in a Voting Class, under the terms of the Plan, each such Holder shall be deemed to have consented to the Third-Party Release unless such Holder (a) votes to accept the Plan and completes the Opt-Out Form so it is received by the Claims and Noticing Agent by the Voting Deadline, (b) votes to reject the Plan and completes the Opt-Out Form so it is received by the Claims and Noticing Agent by the Voting Deadline, or (b) if such Holder chooses not to vote on the Plan, such Holder completes the rest of the Ballot and completes the Opt-Out Form, so it is received by the Claims and Noticing Agent by the Voting Deadline.

3. Voting Record Date

The Voting Record Date is June 23, 2025. The Voting Record Date is the date on which it will be determined which Holders of Claims or Interests in the Voting Classes are entitled to vote to accept or reject the Plan and whether Claims or Interests have been properly assigned or transferred under Bankruptcy Rule 3001(e) such that an assignee or transferee, as applicable, can vote to accept or reject the Plan as the Holder of a Claim or Interest.

4. Ballots Not Counted

No Ballot will be counted toward Confirmation if, among other things: (1) it is illegible or contains insufficient information to permit the identification of the Holder of the Claim; (2) it was transmitted by means other than as specifically set forth in the Ballots; (3) it was cast by an entity that is not entitled to vote on the Plan; (4) it was cast for a Claim listed in the Debtors' Schedules as contingent, unliquidated, or disputed for which the applicable Bar Date has passed and no proof of claim was timely filed; (5) it was cast for a Claim that is subject to an objection pending as of the Voting Record Date (unless temporarily allowed in accordance with the Disclosure Statement Order); (6) it was sent to the Debtors, the Debtors' agents/representatives (other than the Claims and Noticing Agent) or the Debtors' financial or legal advisors instead of the Claims and Noticing Agent; (7) it is unsigned; or (8) it is not clearly marked to either accept or reject the Plan or it is marked both to accept and reject the Plan. Please refer to the Disclosure Statement Order for additional requirements with respect to voting to accept or reject the Plan.

5. Voting Deadline

**THE VOTING DEADLINE IS
JULY 28, 2025, AT 4:00 P.M. (PREVAILING EASTERN TIME).**

ANY BALLOT RECEIVED AFTER THE VOTING DEADLINE OR THAT IS OTHERWISE NOT IN COMPLIANCE WITH THE DISCLOSURE STATEMENT ORDER WILL NOT BE COUNTED.

6. Voting Instructions

Detailed instructions regarding how to vote on the Plan are contained on the Ballots distributed to Holders of Claims that are entitled to vote on the Plan. For your vote to be counted, your Ballot must be properly completed, executed, and delivered as directed, so that your Ballot including your vote is **actually received** by the Debtors' claims, noticing, and balloting agent, Kurtzman Carson Consultants, LLC dba Verita Global (the "Claims and Noticing Agent") by the Voting Deadline.

To vote, complete, sign, and date your ballot and return it promptly by one of the following two methods:

Electronically, Via Ballot Portal.

- **Submit your Ballot via upload through the Claims and Noticing Agent's online portal, by visiting <https://www.veritaglobal.net/airpros> (the "Ballot Portal") and following the instructions to submit your Ballot.**
- **In order to submit a Ballot through the E-Ballot Portal, you must use the Unique E-Ballot ID# assigned to your claim. Please complete and submit an electronic Ballot for each E-Ballot ID# you receive.**
- **Creditors who cast a Ballot using the E-Ballot Portal should NOT also submit a paper Ballot.**
- **The Claims and Noticing Agent's Ballot Portal is the sole manner in which Ballots will be accepted via electronic or online transmission. Ballots submitted by facsimile, email, or other means of electronic transmission will not be counted.**

OR

Via Paper Ballot (if applicable).

- **Complete, sign, and date your ballot and return it (with an original signature) promptly via first-class mail (or in the enclosed reply envelope provided), overnight courier, or hand delivery to:**

**Air Pros Ballot Processing
c/o KCC d/b/a Verita
222 N. Pacific Coast Highway, Suite 300
El Segundo, CA 90245**

- **If you would like to coordinate hand delivery of your Ballot, please send an email to AirProsInformation@VeritaGlobal.com and provide the anticipated date and time of your delivery.**

C. Summary of Treatment of Claims and Interests and Description of Recoveries under the Plan

The following table provides a summary of the anticipated recovery⁴ to Holders of Claims or Interests under the Plan. Any estimates of Claims or Interests in this Disclosure Statement may vary from the final amounts allowed by the Bankruptcy Court. Your ability to receive distributions under the Plan depends upon the ability of the Debtors to obtain confirmation of the Plan and meet the conditions necessary to consummate the Plan.

THE PROJECTED RECOVERIES SET FORTH IN THE TABLE BELOW ARE ESTIMATES ONLY AND THEREFORE ARE SUBJECT TO CHANGE. FOR A COMPLETE DESCRIPTION OF THE DEBTORS' CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS, REFERENCE SHOULD BE MADE TO THE ENTIRE PLAN.

Class	Claims/Interests	Plan Treatment	Voting Rights	Projected Amount of Allowed Claims/Interests	Projected Plan Recovery
1	Other Priority Claims	Unimpaired	Deemed to Accept	\$313,000	100%
2	Other Secured Claims	Unimpaired	Deemed to Accept	\$5,000	100%
3	Prepetition Lender Secured Claims	Impaired	Entitled to Vote	\$126 million	100%
4	General Unsecured Claims ⁵	Impaired	Entitled to Vote	\$155 million	Up to 1% or more depending on recoveries from Litigation Trust Claims
5	Subordinated Claims	Impaired	Deemed to Reject	\$0	N/A
6	Intercompany Claims	Impaired	Deemed to Reject	Unknown	0%
7	Interests in the Debtors	Impaired	Deemed to Reject	Unknown	0%

⁴ The recoveries set forth below may change based upon changes in the amounts of Claims that are Allowed, as well as other factors related to the liquidation of the Debtors' assets.

⁵ For the avoidance of doubt, General Unsecured Claims include the Prepetition Lender Deficiency Claim.

D. Combined Hearing

The Bankruptcy Court has scheduled the Combined Hearing for ~~August 6, 2025~~, at **1:00 p.m. (prevailing Eastern Time)** to consider final approval of this Disclosure Statement and confirmation of the Plan. The Combined Hearing may be adjourned from time to time without further notice.

Objections to confirmation must be filed and served on the Debtors and certain other parties as set forth in the Disclosure Statement Order by no later than ~~July 28, 2025~~, at **4:00 p.m. prevailing Eastern Time** in accordance with the notice of the Combined Hearing that accompanies this Disclosure Statement and the Disclosure Statement Order attached hereto as Exhibit B and incorporated herein by reference.

E. Contact Information

If you have any questions regarding this Disclosure Statement or the Plan, please contact the Debtors' Claims and Noticing Agent by calling (866) 927-7076 (toll free for U.S. and Canadian-based parties) or +1 (310) 751-2650 (for international parties) or using the "Submit an Inquiry" link on the Verita website: <https://www.veritaglobal.net/airpros/inquiry>. You may access documents and case information at <https://www.veritaglobal.net/airpros>.

Copies of the Plan, this Disclosure Statement, and any other publicly filed documents in the Chapter 11 Cases are available upon written request to the Claims and Noticing Agent as set forth above or by downloading the exhibits and documents from the website of the Claims and Noticing Agent at <https://www.veritaglobal.net/airpros>.

IV. THE DEBTORS' CORPORATE HISTORY, STRUCTURE, AND BUSINESS OVERVIEW

A. Overview of the Debtors' Businesses


As of the Petition Date and prior to the sales of the Debtors' business units as described herein, Air Pros was a professional home services provider offering a wide range of solutions for residential and commercial clients, specializing in HVAC (heating, ventilation, and air conditioning) installation, repair, maintenance, and air quality solutions, ensuring optimal comfort and efficiency for its customers. Certain of the Debtors' business units and locations offered additional services that complemented the HVAC business, including plumbing and electrical services, as well as home warranties.




Air Pros was founded in 2017 in Fort Lauderdale, Florida, by Anthony Perera and grew to over 700 employees, more than 600 vehicles, and hundreds of thousands of customers across eight states – Florida, Georgia, Alabama, Mississippi, Louisiana, Texas, Colorado, and Washington – establishing Air Pros and its affiliated business units as a well-known name in the industry.




B. Operational Structure



The Debtors expanded their business through a series of acquisitions in Florida, Georgia, Louisiana, Washington, Colorado, and Texas. The Debtors operated through nine business units, which allowed the company to expand its footprint across the country and provide localized services in various regions. By acquiring established HVAC and home service businesses, the Debtors retained local expertise while also providing corporate resources and standards of service. This strategy enabled the company to maintain a balance of community-focused operations and broad industry capabilities.

An overview of each of the Debtors' business units prior to the sales is set forth in the following table.

Business Unit	History and Overview of Operations
<p data-bbox="282 1108 394 1178"><i>Air Pros Legacy</i></p> 	<p data-bbox="516 699 1425 947"><u>Service Areas.</u> The original Air Pros business (“<u>Air Pros Legacy</u>”) serves the Florida market and operates across seven offices, including Davie, Boca, Orlando, Fort Meyers, Tampa, and Ocala. The Air Pros (Legacy) business unit also includes the “Personalized Power and Air” and “Personalized Power Systems” brand in Boca Raton, Florida; the “Jack Rabbit Air Conditioning” brand in Tampa, Florida; and the “Drain Genie” brand in Miami, Florida.</p> <p data-bbox="516 984 1425 1163"><u>Services.</u> Air Pros (Legacy) provides installation, maintenance, and repair services, with a focus on HVAC. HVAC services comprise more than 75% of the business. The Boca Raton location also provides electrical services and residential generator solutions, including installation, repair, and maintenance.</p> <p data-bbox="516 1201 1425 1304"><u>Call Center.</u> All locations under the Air Pros (Legacy) business unit, other than Boca Raton, utilize a call center in Orlando to manage the customer experience and interactions.</p> <p data-bbox="516 1341 1425 1703"><u>Founding and Acquisitions.</u> The Air Pros (Legacy) business unit is the founding business unit of the Debtors, which began in 2017 in Fort Lauderdale, Florida. Air Pros (Legacy) subsequently expanded its operations by opening additional locations and by acquiring the assets of Florida-based HVAC businesses, including (a) Blue Star Heating & Air, LLC (August 2019), (b) Louis Bruno, LLC (December 2019), (c) Promaster Air Conditioning, LLC (March 2020), (d) A&D Electrical & HVAC-R (March 2020), (e) Summers Heating and Cooling, Inc. (May 2020), and (f) Universal Restoration, Inc. (October 2022).</p>

Business Unit	History and Overview of Operations
<p data-bbox="245 453 431 516">One Source Home Service</p> 	<p data-bbox="516 237 1425 342"><u>Service Areas.</u> One Source Home Service (“<u>One Source</u>”) is based in Colorado Springs, Colorado and serves Colorado Springs, Pueblo, and surrounding areas.</p> <p data-bbox="516 380 1425 485"><u>Services.</u> One Source specializes in HVAC services, which comprises approximately 85% of the business, as well as plumbing and electrical services.</p> <p data-bbox="516 522 1425 585"><u>Call Center.</u> One Source utilizes a local call center to support operations and enhance customer experience.</p> <p data-bbox="516 623 1425 873"><u>Founding and Acquisitions.</u> One Source was founded in 2012 and acquired by the Debtors in September 2020 through the acquisition of the assets of One Source Home Services, LLC. The Debtors previously acquired the assets of Climate Solutions, Co. in January 2020 and operated in Colorado under Air Pros Colorado. After acquiring One Source, all of the Debtors’ business in Colorado is conducted under One Source.</p>
<p data-bbox="201 1068 477 1100">Hansen Super Techs</p> 	<p data-bbox="516 911 1425 1016"><u>Service Areas.</u> Hansen Super Techs (“<u>Hansen</u>”) is based in Mobile, Alabama and serves the surrounding Gulf Coast areas of Alabama, Mississippi, and Florida.</p> <p data-bbox="516 1054 1425 1159"><u>Services.</u> Hansen specializes in HVAC services, which comprises approximately 75% of the business, as well as plumbing and electrical services.</p> <p data-bbox="516 1197 1425 1260"><u>Call Center.</u> Hansen utilizes a local call center to support operations and enhance customer experience.</p> <p data-bbox="516 1297 1425 1402"><u>Founding and Acquisitions.</u> Hansen was founded in 2006 and acquired by the Debtors in November 2021 through the acquisition of the assets of C&P Hansen Heating and Cooling, Inc.</p>
<p data-bbox="238 1562 440 1625">Doug’s Service Company</p> 	<p data-bbox="516 1440 1425 1503"><u>Service Areas.</u> Doug’s Service (“<u>Doug’s</u>”) is based in Houma, Louisiana serving Thibodaux, Houma, and surrounding areas.</p> <p data-bbox="516 1541 1425 1604"><u>Services.</u> Doug’s provides HVAC, electrical, and plumbing services, with HVAC accounting for approximately 62% of the business.</p> <p data-bbox="516 1642 1425 1705"><u>Call Center.</u> Doug’s utilizes a regional call center to support operations and enhance customer experience.</p> <p data-bbox="516 1743 1425 1848"><u>Founding and Acquisitions.</u> Doug’s was founded in 1988 and acquired by the Debtors in February 2022 through the acquisition of the assets of Doug’s Service Company.</p>

Business Unit	History and Overview of Operations
<p>Air Force Heating & Air</p> 	<p><u>Service Areas.</u> Air Force Heating and Air (“<u>Air Force</u>”), operated through AFH Air Pros, LLC, is based in LaGrange, Georgia with six locations across LaGrange, Columbus, and Marietta, Georgia as well as Auburn and Opelika, Alabama. Approximately 68% of the Air Force business is attributable to the main office at 100 Corporate Park E. Drive, LaGrange, Georgia, which is the principal place of business for AFH Air Pros, LLC.</p> <p><u>Services.</u> Air Force offers a mix of HVAC and plumbing services, with HVAC services accounting for approximately 92% of the business.</p> <p><u>Call Center.</u> Air Force utilizes a regional call center to support operations and enhance customer experience.</p> <p><u>Founding and Acquisitions.</u> Air Force was founded in 2000 and acquired by the Debtors in July 2022 through the acquisition of the assets of LaGrange Airforce Heating and Air, LLC and West Georgia Indoor Comfort, LLC.</p>
<p>Dallas Plumbing & Air Conditioning</p> 	<p><u>Service Areas.</u> Dallas Plumbing and Air Conditioning (“<u>Dallas Plumbing</u>”) is based in Dallas, Texas and provides services to the Dallas-Fort Worth region and throughout the North Texas area.</p> <p><u>Services.</u> Dallas Plumbing provides both HVAC and plumbing services, with each comprising approximately 50% of the business.</p> <p><u>Call Center.</u> Dallas Plumbing utilizes the Orlando call center to support operations and enhance customer experience.</p> <p><u>Founding and Acquisitions.</u> Dallas Plumbing was founded in 1903 and acquired by the Debtors in July 2022 through the acquisition of the assets of Dallas Plumbing Company.</p>
<p>Dream Team Heating & Air</p> 	<p><u>Service Areas.</u> Dream Team Heating & Air (“<u>Dream Team</u>”) is based in in Denham Springs, Louisiana and serves Baton Rouge and surrounding areas.</p> <p><u>Services.</u> Dream Team offers HVAC and electrical services, with HVAC accounting for approximately 92% of the business.</p> <p><u>Call Center.</u> Dream Team utilizes a regional call center to support operations and enhance customer experience.</p> <p><u>Founding and Acquisitions.</u> Dream Team was founded in 2019 and acquired by the Debtors in July 2022.</p>

Business Unit	History and Overview of Operations
<p data-bbox="240 422 440 489">CM Heating & Cooling</p> 	<p data-bbox="516 237 1429 415"><u>Service Areas.</u> CM Heating & Cooling (“<u>CM</u>”) is based in Everett, Washington and serves the greater Everett area, extending to the perimeter of Seattle, from its main office in Everett, Washington and additional locations in Lynwood, Washington and Vernon, Washington.</p> <p data-bbox="516 453 1429 554"><u>Services.</u> CM offers installation and maintenance services for HVAC, plumbing, and electrical, with HVAC comprising approximately 85% of the business.</p> <p data-bbox="516 592 1429 659"><u>Call Center.</u> CM utilizes a local call center to support operations and enhance customer experience.</p> <p data-bbox="516 697 1429 798"><u>Founding and Acquisitions.</u> CM was founded in 1983 and acquired by the Debtors in August 2022 through the acquisition of the assets of C.M. Heating Inc.</p>
<p data-bbox="233 1039 446 1178">East Coast Mechanical Air Conditioning & Plumbing</p> 	<p data-bbox="516 842 1429 982"><u>Service Areas.</u> East Coast Mechanical (“<u>ECM</u>”) has one location in Boynton Beach, Florida from which it serves the South Florida area, including Palm Beach County, Broward County, Martin County, and St. Lucie County.</p> <p data-bbox="516 1020 1429 1192"><u>Services.</u> ECM’s focus is on HVAC installation, repair, and maintenance, which accounts for approximately 59% of ECM’s business. ECM also offers whole home warranties to consumers under its Home Services Program, which accounts for approximately 30–40% of ECM’s business.⁶</p> <p data-bbox="516 1230 1429 1297"><u>Call Center.</u> ECM utilizes a local call center to support operations and enhance customer experience.</p> <p data-bbox="516 1335 1429 1436"><u>Founding and Acquisitions.</u> ECM was founded in 1985 and acquired by the Debtors in December 2022 through the acquisition of 100% of the membership interests in East Coast Mechanical, LLC.</p>

Air Pros Solutions Holdings, LLC (“Holdings”), the Debtors’ ultimate parent company, owns 100% of the membership interests in Air Pros Solutions, LLC (“Solutions”), which is also a Delaware limited liability company. Solutions, in turn, owns 100% of the membership interests in each of the Debtors’ subsidiary affiliates, except for Air Pros Washington, LLP (“AP”

⁶ Additional information regarding the ECM Home Services Program is set forth in the *Motion of the Debtors For Entry of an Order Authorizing the Debtors to Honor Prepetition Obligations to Customers and Otherwise Continue Customer Programs in The Ordinary Course of Business*, filed contemporaneously herewith.

Washington”), which is a limited liability partnership in which Solutions is the 99.9% partner and Air Pros, LLC is a .1% partner.

In addition, all the subsidiaries of Solutions that are limited liability companies are member-managed LLCs with the exceptions of Air Pros West, LLC (“AP West”) and Air Pros Texas LLC (“AP Texas”), which are manager-managed. Although AP West and AP Texas are manager-managed, Solutions is the sole manager of each. Additionally, Solutions is the Administrative Partner of AP Washington.

As of the Petition Date, the membership interests in Holdings, the Debtors’ ultimate parent entity, were owned and controlled as follows:

Member of Holdings	Membership Interest
Capital Finance Opportunities 1901C, LLC	9.74%
C.M. Heating Inc.	3.40%
West Georgia Indoor Comfort, LLC	0.88%
C&P Hansen Heating and Cooling, Inc.	8.50%
AKAA Family, LLLP	75.19%
Doug’s Service Company	1.07%
Robert Daniel Blalock	0.73%
Dream Team Services, LLC	0.26%
Universal Restoration, Inc.	0.23%
TOTAL	100.00%

The corporate organizational structure of the Debtors, including the jurisdiction of formation of each Debtor and their respective members and managers, as applicable, as of the Petition Date is set forth in the *Declaration of Andrew D.J. Hede in Support of Chapter 11 Petitions and First Day Pleadings* [Docket No. 8] filed on the Petition Date.

C. Corporate Governance and Management

In March 2022, the Debtors’ founder and then-CEO, Anthony Perera, transitioned to the role of Chief Growth Officer, overseeing the Debtors’ strategy and operations management teams to facilitate market expansion and sales goals, including a focus on growth and acquisition strategies. As of and since the Petition Date, the day-to-day operations of the Debtors are overseen by the Chief Operating Officer, Brian Smith.

In January 2024, Lawrence Hirsh was appointed as an independent manager on the board of managers of Solutions effective as of January 31, 2024. As of and since the Petition Date, Mr. Hirsh is the sole manager of Solutions and Holdings.

D. Prepetition Secured Credit Facility

As of the Petition Date, the Debtors were indebted to the Prepetition Secured Parties (as defined below) in an amount not less than \$250,394,360.17, including principal, accrued and

unpaid interest, and certain fees owing under the Prepetition Loan Documents, but excluding certain other fees, expenses and other amounts owing under the Prepetition Loan Documents.

Pursuant to that certain Credit Agreement, dated as of October 31, 2022 (as amended, restated, supplemented or otherwise modified from time to time prior to the Petition Date, the “Prepetition Credit Agreement” and, collectively with any other agreements executed or delivered in connection therewith, and all other “Loan Documents” as defined therein, each as may be amended, restated, supplemented, or otherwise modified from time to time, the “Prepetition Loan Documents”), among Air Pros Solutions Holdings, LLC (“Holdings”), Air Pros Solutions, LLC (“Borrower”) and the Subsidiary Guarantors (as defined in the Prepetition Credit Agreement, together with Holdings and the Borrower, the “Prepetition Loan Parties”), the Lenders (as defined in the Prepetition Credit Agreement, the “Prepetition Lenders”), and Alter Domus (US) LLC, as disbursing agent and collateral agent (in such capacity, the “Prepetition Agent” and, together with the Prepetition Lenders, the “Prepetition Secured Parties”), the Prepetition Lenders agreed to extend certain loans and make other financial accommodations to the Prepetition Loan Parties. The Prepetition Credit Agreement provides for a senior secured term loan facility with an aggregate outstanding principal balance, as of the Petition Date, of approximately \$196,906,883 million (the “Prepetition Term Loan Facility”) and a revolving credit facility with an aggregate outstanding principal balance, as of the Petition Date, of approximately \$23.5 million (the “Prepetition Revolving Facility”, and together with the Prepetition Term Loan Facility, the “Prepetition Credit Facility”). The Prepetition Revolving Facility includes an additional \$11 million of prepetition revolving loans funded under that certain Second Amendment to Credit Agreement, dated as of November 25, 2024, and a further \$2.5 million of prepetition revolving loans funded during the week leading up the Petition Date under that certain Third Amendment to Credit Agreement, dated as of March 13, 2025 (such additional financing, the “Prepetition Bridge Financing”). All liabilities and other obligations of the Debtors arising under the Prepetition Loan Documents and applicable law and all other “Obligations” (as defined in the Prepetition Credit Agreement) shall collectively be referred to herein as the “Prepetition Obligations”. As of the Petition Date, the Prepetition Obligations were not less than approximately \$250,394,360, including principal, accrued and unpaid interest and certain additional fees due under the Prepetition Loan Documents, but excluding certain other fees and expenses (including reasonable attorneys’, accountants’, appraisers’, and financial advisors’ fees and expenses that are chargeable or reimbursable under the Prepetition Loan Documents) and other amounts then due under the Prepetition Loan Documents and applicable law.

Pursuant to that certain Guarantee and Collateral Agreement dated as of October 31, 2022 (the “Prepetition Guarantee and Collateral Agreement”) and other Security Documents (as defined in the Prepetition Credit Agreement, and as amended, restated, supplemented or otherwise modified from time to time prior to the Petition Date, the “Prepetition Security Documents”), by and among each of the Prepetition Loan Parties and the Prepetition Agent, each Prepetition Loan Party granted to the Prepetition Agent, in its capacity as collateral agent, for the benefit of itself and the other Prepetition Secured Parties, to secure the Prepetition Obligations, a security interest in and continuing lien (the “Prepetition Liens”) on substantially all of the Prepetition Loan Parties’ assets and properties (including Cash Collateral). All “Collateral,” as defined in the Prepetition Credit Agreement, granted or pledged by the Prepetition Loan Parties

pursuant to any Prepetition Security Document or any other Prepetition Loan Document shall collectively be referred to herein as the “Prepetition Collateral”.⁷

V. EVENTS LEADING TO THE CHAPTER 11 FILINGS

A. Operational and Integration Challenges

Since completing multiple acquisitions, the business experienced a series of ongoing operational and integration challenges that negatively impacted operations and financial performance. After acquiring several new business units in an approximately 15-month period, the Debtors were not able to fully integrate their various business units. Many of the operating practices of the legacy Air Pros business were not applied to acquired business units. Combined with other challenges, the businesses underperformed. For example, each business unit had an individualized operating model, which led to lack of controls, different operating philosophies and margins, and a lack of economies of scale.

Additionally, the Debtors’ level of indebtedness made it more difficult to satisfy the Debtors’ obligations, resulting in defaults on, and acceleration of, such indebtedness. In addition, dedicating a substantial portion of the Debtors’ cash flow from operations to debt service obligations reduced the availability of such cash flow to complete various initiatives to fully integrate the acquired business units, fund working capital, fund capital expenditures, and support other general corporate requirements and to carry out other aspects of their businesses.

B. 2023 Enterprise Marketing Process

As a result of the operational and integration challenges, in July 2023, the Debtors retained Jefferies LLC (“Jefferies”) to assist with exploring strategic transactions, including by marketing the Debtors for sale as a going concern enterprise. As a part of that process, Jefferies launched a sale process in August 2023 and approached potential strategic buyers and sponsors. Although several parties expressed initial interest, the marketing process for the Debtors’ businesses at that time did not result in any viable transactions.

C. Changes in Corporate Management

On January 31, 2024, the Prepetition Agent delivered to the Debtors notice that (i) certain events of default had occurred under the Prepetition Loan Documents and were continuing, and (ii) the Prepetition Agent exercised its voting rights granted under the Prepetition Loan Documents to remove Anthony Perera as manager of Solutions and appoint Lawrence Hirsh as the sole manager of Solutions. Mr. Perera initially remained as the manager of Holdings.

⁷ All of the Debtors are Guarantors under the Prepetition Guarantee and Collateral Agreement. As contemplated and required by the Prepetition Loan Documents, Debtor East Coast Mechanical, LLC, which was acquired by Solutions pursuant to that certain Membership Interest Purchase Agreement dated December 1, 2022, guaranteed the obligations under the Prepetition Loan Documents pursuant to an Assumption Agreement dated August 1, 2023, in favor of the Prepetition Agent, and ECM became a Guarantor and Grantor under the Prepetition Guarantee and Collateral Agreement.

Additionally, the Debtors retained Accordion Partners, LLC (“Accordion”) as financial advisor in March 2024, and Andrew D.J. Hede was retained as Chief Restructuring Officer of each of the Debtors in September 2024.

In October 2024, Mr. Perera resigned from his role as sole manager of Holdings and from all positions with the Debtors. Upon his resignation, the Debtors retained Mr. Perera as a consultant pursuant to a Consulting Agreement to assist the Debtors in preparing the Chapter 11 Cases and facilitating the marketing and sale process. Contemporaneous with Mr. Perera’s resignation, the majority member of Holdings appointed Mr. Hirsh as the sole manager of Holdings. The Consulting Agreement with Mr. Perera expired by its terms prior to the Petition Date. Accordingly, as of the Petition Date, Mr. Hirsh was the sole manager of Holdings and Solutions, and Mr. Perera was no longer an officer, director, manager, or employee of the Debtors.

D. Evaluation of Strategic Alternatives and the Break-Up Marketing Process

Following the appointment of Mr. Hirsh and the retention of Accordion, the Debtors, together with their advisors, considered several strategic alternatives to address the Debtors continued operational and integrational challenges. Among other things, the Debtors evaluated a long-term operational and financial turnaround, additional capital investment from strategic investors, restructuring of existing debt, and a sale of the Debtors’ businesses in one or a series of transactions. After evaluating the alternatives, the Debtors concluded that the best path forward to maximize the value of the Debtors’ assets was a sale of the businesses.

Accordingly, in October 2024, with the support of the Debtors’ Prepetition Secured Lenders, the Debtors re-engaged Jefferies to assist the Debtors in pursuing and evaluating value maximizing transactions, including a potential break-up sale of the Debtors. Through this process, Jefferies marketed the Debtors’ businesses and solicited interest from parties for one or more of the Debtors’ business units. As discussed further in Article VI.I below, through this most recent process, the Debtors received several formal offers that served as stalking horse bids for the Debtors’ assets and resulted in the sales of the Debtors’ business units to the Stalking Horse Purchasers.

E. Postpetition Financing and Use of Cash Collateral

As described in greater detail in Article VI.C hereof, the Debtors commenced the Chapter 11 Cases with the support of the Prepetition Lenders with the goal of consummating the sales of the Debtors’ assets. To that end, the Prepetition Lenders agreed to provide the Debtors with a senior secured priming and superpriority debtor-in-possession credit facility in an aggregate principal amount not to exceed \$20 million, which includes up to \$10 million of new money term loans.

VI. MATERIAL DEVELOPMENTS AND EVENTS OF THE CHAPTER 11 CASES

A. The Debtors’ Bankruptcy Filings and “First-Day” Relief

On the Petition Date, each of the Debtors filed a voluntary chapter 11 bankruptcy petition. Also on the Petition Date, the Debtors filed several motions and applications seeking

customary relief intended to facilitate a smooth transition for the Debtors into the Chapter 11 Cases and to minimize disruptions to the Debtors' business operations (the "First-Day Motions"), including:

- a Notice of Designation as Complex Chapter 11 Cases [Docket No. 2];
- a motion for authority to jointly administer the Debtors' Chapter 11 Cases [Docket No. 3];
- a motion for authority to maintain a consolidated creditor matrix, to redact personally identifiable information of individual creditors, and to provide electronic notice to customers [Docket No. 7];
- a motion to extend the time for the Debtors to file their schedules of assets and liabilities and statements of financial affairs [Docket No. 9];
- an application to retain Kurtzman Carson Consultants, LLC dba Verita Global as the Debtors' claims, noticing, solicitation, and administrative agent [Docket No. 10];
- a motion for authority to continue using the Debtors' prepetition bank accounts, business forms, cash management system, and corporate card program [Docket No. 11];
- a motion to continue honoring prepetition obligations to customers and customer programs in the ordinary course of business [Docket No. 12];
- a motion for authority to (a) maintain existing insurance policies, pay all premiums, and renew or enter into new policies, (b) continue insurance premium financing program, and (c) maintain surety bond program, pay all obligations in connection therewith, and renew or obtain new surety bonds [Docket No. 13];
- a motion for authority to pay prepetition taxes and regulatory fees in the ordinary course of business [Docket No. 14];
- a motion to prohibit utility providers from discontinuing, altering, or refusing services and for other related relief [Docket No. 15];
- a motion for authority to honor prepetition employee wage and withholding obligations [Docket No. 16]; and
- a motion for approval of debtor-in-possession financing from the DIP Lenders and authority to use cash collateral [Docket No. 17].

The Bankruptcy Court held hearings on March 18, 2025, and April 14, 2025, to consider the relief requested in the First Day Motions. The Bankruptcy Court granted each First Day Motion, several of which were first granted on interim basis and then on a final basis [Docket Nos. 4, 30–32, 38–44, 85, 188–192].

B. Other Procedural and Administrative Motions

Shortly after the Petition Date, the Debtors also filed several additional motions and applications for retention of professionals including:

- an application to retain Greenberg Traurig, LLP as counsel for the Debtors [Docket No. 58], which was granted by the Bankruptcy Court [Docket No. 218].
- a motion for authority to retain Accordion Partners, LLC to provide the Debtors with a CRO and additional personnel and designating Andrew D.J. Hede as CRO [Docket No. 59], which was granted by the Bankruptcy Court [Docket No. 219];
- a motion for authority to pay non-bankruptcy professionals and advisors in the ordinary course of business [Docket No. 94], which was granted by the Bankruptcy Court [Docket No. 224]; and
- an application to retain Jefferies LLC as the Debtors' investment banker [Docket No. 114], which was granted by the Bankruptcy Court [Docket No. 250].

C. Approval of the DIP Facility

Recognizing their need for liquidity, the Debtors, with the assistance of their professionals, initiated an arm's-length process and careful evaluation of the available alternatives. Specifically, and in the face of insufficient cash-on-hand, the Debtors and their advisors determined that the Debtors would require postpetition financing to support their operational needs and chapter 11 activities. The Debtors also determined that negotiating a debtor-in-possession financing facility with the Prepetition Secured Parties was the most cost effective and expedient way to secure sufficient funding during the Chapter 11 Cases.

As noted above, on the Petition Date, the Debtors filed a motion seeking approval to obtain debtor-in-possession financing in the amount of up to \$20,000,000, including a roll up of \$10,000,000 of outstanding debt under the Prepetition Credit Agreement, and authorization to use cash collateral [Docket No. 17]. On March 18, 2025, the Bankruptcy Court granted the motion on an interim basis, which allowed the Debtors to immediately borrow \$4,000,000 of new money term loans under the DIP Facility. [Docket No. 32]. On April 23, 2025, the Bankruptcy Court granted the motion on a final basis, which allowed the Debtors to borrow the full amount under the DIP Facility [Docket No. 255].

D. Schedules and Statements

As noted above, on the Petition Date, the Debtors filed a motion seeking entry of an order extending the deadline to file their schedules of assets and liabilities, schedules of executory contracts, and unexpired leases, and statements (collectively, the "Schedules and Statements") [Docket No. 9]. On March 19, 2025, the Bankruptcy Court entered an order extending the deadline for the Debtors to file the Schedules and Statements through and including April 14, 2025 [Docket No. 38]. The Debtors filed their Schedules and Statements with the Bankruptcy Court on April 13, 2025. The Schedules and Statements are incorporated herein by reference. If

you would like to view the Schedules and Statements, you may do so by visiting:
<https://www.veritaglobal.net/airpros>.

E. Appointment of Creditors' Committee

On March 31, 2025, the U.S. Trustee appointed the Creditors' Committee [Docket No. 111]. The Creditors' Committee is currently comprised of: Chadwick Jay Setchell, Despedida Holdings, Inc., HVAC Success, Inc., Jack Denton, Jeffrey D. Tauzin, LaGrange Air Force Heating & Air, LLC, and West Georgia Indoor Comfort, LLC. On April 21, 2025, the Bankruptcy Court entered an order authorizing the retention of Pachulski Stang Ziehl & Jones LLP as counsel to the Creditors' Committee [Docket No. 233], and on April 22, 2025, the Bankruptcy Court entered an order authorizing the retention of Province, Inc. as its financial advisor [Docket No. 239].

F. Key Employee Incentive and Retention Plans

On March 27, 2025, the Debtors filed a motion seeking authority to implement a key employee incentive plan (the "KEIP") and a key employee retention plan (the "KERP") [Docket No. 90]. The Bankruptcy Court entered an order approving the KEIP and the KERP on April 23, 2025 [Docket No. 253].

The Debtors determined that it was necessary to adopt the KEIP to incentivize continued operational performance during the Chapter 11 Cases and maximize the going concern value of the Debtors' assets. The KEIP is comprised of a non-executive KEIP (the "Non-Executive KEIP") for certain of the Debtors' non-executive employees and an executive KEIP (the "Executive KEIP") for the Debtors' Chief Operating Officer. Subject to achieving certain specified financial and operational targets, the maximum aggregate payments under the Non-Executive KEIP will not exceed \$694,000, and the maximum payments under the Executive KEIP will not exceed \$600,000. Payments under the Non-Executive KEIP will be made on June 30, 2025, or such earlier date as the Debtors deem appropriate. In addition, the Executive KEIP provides for (a) a monthly payment of \$25,000 if certain monthly performance targets are achieved, and (b) an additional sale incentive payment upon completion of the Debtors' sale process (as described more fully herein) based on the total gross proceeds achieved in the sale of the Debtors' assets.

Under the KERP, the Debtors identified certain non-insider and non-senior management employees critical to the Debtors' business operations (the "KERP Participants"). The payments under the KERP total a maximum aggregate amount of \$174,000 and range from 8% to 17% of such KERP Participant's base compensation. Payments under the KERP were calculated for each KERP Participant by analyzing the degree to which the employee is critical to maintaining successful operations, the risk that such employee would voluntarily leave the Debtors or be recruited by a competitor of the Debtors, the difficulty of replacing the employee, and the employee's possession of irreplaceable proprietary knowledge. Payments under the KEIP will be made on June 30, 2025, or such earlier date as the Debtors deem appropriate based on the circumstances of the Chapter 11 Cases.

G. Claims Bar Dates

On April 22, 2025, the Debtors filed a motion seeking to set deadlines for filing proofs of claim [Docket No. 244]. On April 29, 2025, the Bankruptcy Court entered an order approving the motion [Docket No. 283] and set the following bar dates:

- *General Bar Date:* June 23, 2025, at 11:59 p.m. (prevailing Eastern Time). The General Bar Date is the last date for persons or entities, other than governmental units, to file Proofs of Claim against the Debtors on account of claims (as defined in section 101(5) of the Bankruptcy Code) arising, or deemed to have arisen, prior to the Petition Date, including, for the avoidance of doubt, claims arising under section 503(b)(9) of the Bankruptcy Code.
- *Government Bar Date:* September 12, 2025, at 11:59 p.m. (prevailing Eastern Time). The Government Bar Date is the last date for governmental units, as defined in section 101(27) of the Bankruptcy Code, to file Proofs of Claim against the Debtors on account of claims arising, or deemed to have arisen, prior to the Petition Date.
- *Rejection Damages Bar Date:* The later of (a) the General Bar Date, (b) 11:59 p.m. (prevailing Eastern Time) on the day that is 30 days after the later of (x) the order authorizing rejection of any unexpired lease or executory contract or (y) the effective date of rejection of any unexpired lease or executory contract, or (c) such other date, if any, as the Bankruptcy Court may fix in the order authorizing such rejection.

H. 341 Meeting

On April 22, 2025, the U.S. Trustee held and concluded a telephonic meeting of creditors pursuant to section 341 of the Bankruptcy Code (the “341 Meeting”) at which the U.S. Trustee and creditors had the opportunity to question the Debtors under oath concerning the Debtors’ acts, conduct, property, and the administration of the Chapter 11 Cases.

I. Sale of Substantially all of the Debtors’ Assets

Prior to filing these Chapter 11 Cases, the Debtors undertook two sale processes as described in Article V hereof. The most recent marketing process, which began in October 2024, culminated with the Debtors’ entry into six stalking horse asset purchase agreements (the “Stalking Horse APAs”) for the sale of all nine of the Debtors’ business units to six separate stalking horse purchasers (each, a “Stalking Horse Purchaser”) as follows:

Stalking Horse Purchaser	Business Unit(s)	Cash Purchase Price ⁸
Buddy's Heating & Cooling, L.L.C., Southern Air of Thibodaux, LLC, and Hansen Super Techs, LLC	1. Doug's Service Company 2. Dream Team Heating & Air 3. Hansen Super Techs	\$26,000,000
East Coast Mechanical Home Services LLC	East Coast Mechanical (ECM)	\$38,000,000
Columbia Home Services LLC	Dallas Plumbing & Air Conditioning	\$22,500,000
Reliance US Holdings II Inc.	1. CM Heating & Cooling 2. Air Force Heating & Air	\$55,900,000
Any Hour LLC	One Source Home Service	\$11,500,000 ⁹
Air Today Holdings L.L.C.	Air Pros Legacy	\$2,000,000

On March 18, 2025, the Debtors filed a motion [Docket No. 34, and as amended at Docket No. 55] (the "Bidding Procedures Motion") seeking, among other things, approval of (i) bidding procedures in connection with the sale of substantially all of the Debtors' assets, (ii) the Debtors' entry into the stalking horse purchase agreements and related bid protections, and (iii) the sale of such assets to the Buyer or other successful bidder.

On April 14, 2025, the Bankruptcy Court entered an order [Docket No. 193] (the "Bidding Procedures Order") (i) establishing bidding procedures relating to the sale of the Debtors' assets, (ii) approving the Debtors' entry into the Stalking Horse APAs and related bid protections, (iii) establishing procedures relating to the assumption and assignment of certain executory contracts and unexpired leases, (iv) approving the form and manner of notice of the sales, auction, and the hearing to approve the sales, and (v) scheduling a hearing on May 19, 2025 (the "Sale Hearing") to consider approval of the proposed sales. The Bidding Procedures Order fixed May 5, 2025, at 4:00 p.m. (prevailing Eastern Time) as the deadline for the submission of bids for the Debtors' assets.

In accordance with the Bidding Procedures Order, on May 7, 2025, the Debtors filed a notice with respect to each of the Stalking Horse APAs indicating that: (i) the Debtors did not

⁸ The following summaries of the purchase price of each Stalking Horse APA are solely to the cash portion of the purchase price without any adjustments, which may be contained in each respective Stalking Horse APA. Each Stalking Horse APA also provided for assumption of certain liabilities in connection with the sale.

⁹ As discussed further herein, the One Source Asset Purchase Agreement was subsequently amended to reduce the cash purchase price to \$1,375,000.

receive any Qualified Bids (as defined in the Bidding Procedures Order) by the bid deadline; (ii) the auction was cancelled; and (iii) the Debtors designated each Stalking Horse Purchaser as the Successful Bidder (as defined in the Bidding Procedures Order) [Docket Nos. 310–316].

Prior to the Sale Hearing, the One Source Buyer alleged certain breaches of the One Source Asset Purchase Agreement. The Debtors dispute the alleged breaches of the One Source Asset Purchase Agreement. The applicable Debtors and the One Source Buyer agreed to amend the One Source Asset Purchase Agreement to, among other things, modify the purchase price thereunder to \$1,375,000.

On May 19, 2025, the Bankruptcy Court entered the Sale Orders [Docket Nos. 388–393], which approved the sales of the Debtors’ assets pursuant to the Stalking Horse APAs. As of the date of this Disclosure Statement, ~~several~~five of the six sales have closed [Docket Nos. 437, 438, 446, 447, and 454], and the Debtors expect the ~~rest of the~~remaining sales to close prior to the Effective Date. Pursuant to the Sale Orders and the Creditors’ Committee Settlement (discussed further herein), the proceeds from the sales of the Debtors’ assets will be used to fund certain expenses under the Plan, including the Wind Down Expense Fund and the Initial Litigation Trust Funding Cash Amount, and the balance of the sale proceeds will be distributed to the DIP Secured Parties and the Prepetition Secured Parties, as applicable, on account of their Secured Claims.

J. Creditors’ Committee Settlement

Prior to the Sale Hearing, the Debtors, the Creditors’ Committee, and the Lenders agreed to a global resolution of the Creditors’ Committee’s issues in these Chapter 11 Cases, which is implemented through the terms of the Plan. The terms of the Creditors’ Committee Settlement are set forth in the Committee Term Sheet attached hereto as Exhibit C.¹⁰ Among other things, the Creditors’ Committee Settlement provides for the following:

- Litigation Trust Beneficiaries. The Plan shall establish the Litigation Trust for the benefit of Holders of certain Allowed unsecured Claims, including the Prepetition Lender Deficiency Claim.
- Litigation Trustee. The Creditors’ Committee shall select the Litigation Trustee.
- Litigation Trust Claims. The Litigation Trust Assets shall include the Litigation Trust Claims comprised of certain Causes of Action of the Debtors and their Estates, specifically excluding Causes of Action against certain Released Debtor D&Os and other Released Parties.
- Trust Funding Amount. The Litigation Trust shall be funded with \$1,000,000 in cash plus any unused amount of the \$850,000 in the Approved Budget with respect to Creditors’ Committee Professionals.

¹⁰ To the extent of any conflict or inconsistency among the description of the Creditors’ Committee Settlement in this Disclosure Statement, the terms of the Committee Settlement Term Sheet, and the Plan, the Plan shall control in all respects.

Subject to the Creditors' Committee's fiduciary duties and so long as consistent with the Committee Settlement Term Sheet, the Creditors' Committee agrees to cooperate in the formulation of the Plan and related documents and to support the Plan.

K. Prepetition Litigation Matters

In the ordinary course of business, the Debtors are parties to certain lawsuits, legal proceedings, collection proceedings, and claims arising out of their business operations. The Debtors cannot predict with certainty the outcome of these lawsuits, legal proceedings, and claims.

With certain exceptions, the filing of the Chapter 11 Cases operates as a stay with respect to the commencement or continuation of litigation against the Debtors that was or could have been commenced before the commencement of the Chapter 11 Cases. In addition, the Debtors' liability with respect to litigation stayed by the commencement of the Chapter 11 Cases generally is subject to treatment under the Plan, including the release and injunction provisions, upon the Effective Date of the Plan, with certain exceptions.

VII. THE PLAN

THIS ARTICLE OF THE DISCLOSURE STATEMENT IS INTENDED ONLY TO PROVIDE A SUMMARY OF THE KEY TERMS, STRUCTURE, CLASSIFICATION, TREATMENT, AND IMPLEMENTATION OF THE PLAN, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE ENTIRE PLAN AND EXHIBITS TO THE PLAN. ALTHOUGH THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT INCLUDE SUMMARIES OF THE PROVISIONS CONTAINED IN THE PLAN AND IN DOCUMENTS REFERRED TO THEREIN, THIS DISCLOSURE STATEMENT DOES NOT PURPORT TO BE A PRECISE OR COMPLETE STATEMENT OF ALL RELATED TERMS AND PROVISIONS AND SHOULD NOT BE RELIED ON FOR A COMPREHENSIVE DISCUSSION OF THE PLAN. INSTEAD, REFERENCE IS MADE TO THE PLAN AND ALL SUCH DOCUMENTS FOR THE FULL AND COMPLETE STATEMENTS OF SUCH TERMS AND PROVISIONS. THE PLAN ITSELF (INCLUDING ATTACHMENTS) AND THE PLAN SUPPLEMENT WILL CONTROL THE TREATMENT OF HOLDERS OF CLAIMS AND INTERESTS UNDER THE PLAN. TO THE EXTENT THERE ARE ANY INCONSISTENCIES BETWEEN THIS SECTION OF THE DISCLOSURE STATEMENT AND THE PLAN (INCLUDING ANY ATTACHMENTS TO THE PLAN) AND THE PLAN SUPPLEMENT, THE PLAN AND PLAN SUPPLEMENT, AS APPLICABLE, SHALL GOVERN.

A. Administrative Claims, DIP Lender Claims, and Priority Tax Claims

1. Administrative Claims

Except with respect to Administrative Claims that are otherwise addressed in Article II of the Plan, and except to the extent that an Administrative Claim has already been paid during the Chapter 11 Cases or a Holder of an Allowed Administrative Claim and the applicable Debtor(s)

agree to less favorable treatment, each Holder of an Allowed Administrative Claim shall be paid in full in Cash the unpaid portion of its Allowed Administrative Claim on the latest of: (a) the Effective Date if such Administrative Claim is Allowed as of the Effective Date; (b) the date such Administrative Claim is Allowed or as soon as reasonably practicable thereafter; and (c) the date such Allowed Administrative Claim becomes due and payable, or as soon thereafter as is reasonably practicable; provided that Allowed Administrative Claims that arise in the ordinary course of the Debtors' businesses shall be paid in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements and/or arrangements governing, instruments evidencing, or other documents relating to such transactions.

Except as otherwise provided in Article II.A of the Plan and except with respect to Administrative Claims that are otherwise addressed in Article II of the Plan, requests for payment of Allowed Administrative Claims must be Filed and served pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order no later than the Administrative Claims Bar Date.

Holders of Administrative Claims that are required to, but do not, File and serve a request for payment of such Administrative Claims by the Administrative Claims Bar Date shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtors or their property and such Administrative Claims shall be deemed discharged as of the Effective Date, unless the Bankruptcy Court orders otherwise. Objections to such requests, if any, must be Filed and served on the Debtors and the requesting party by the Claims Objection Bar Date.

In accordance with section 503(b)(1)(D) of the Bankruptcy Code, taxing authorities are not required to file a request for payment of their Administrative Claims as a condition of such Administrative Claims being Allowed. The Debtors will pay any such taxes, to the extent Allowed, that arose after the Petition Date in the ordinary course of business.

2. Professional Compensation

i. Final Fee Applications and Payment of Professional Fee Claims

All final requests for payment of all Professional Fee Claims incurred during the period from the Petition Date through the Effective Date shall be Filed no later than the Professional Fee Claims Bar Date, provided, however, that nothing herein alters (i) the ability of a Professional to be paid its Professional Fee Claims (for which final requests for payment are Filed by the Professional Fee Claims Bar Date) on a monthly basis pursuant to the Complex Case Procedures and the monthly compensation procedures provided for therein, or (ii) the ability of an Ordinary Course Professional to be paid, or the authority of the Debtors to pay Ordinary Course Professionals, pursuant to the terms of the OCP Order, and such Ordinary Course Professionals shall not be required to file requests for payment of Professional Fee Claims unless such requests are required under the OCP Order. All such final requests will be subject to approval by the Bankruptcy Court after notice and a hearing in accordance with the procedures established by the Bankruptcy Code, Bankruptcy Rules, Complex Case Procedures, and prior orders of the Bankruptcy Court, and once approved by the Bankruptcy Court, shall be promptly paid from the Professional Fee Escrow Account up to the full Allowed amount;

provided, to the extent that funds held in the Professional Fee Escrow Account are insufficient to satisfy all Allowed Professional Fee Claims, such deficiency shall be paid as set forth in Article II.B.2 of the Plan.

ii. Professional Fee Escrow Account

All Debtors' Professionals shall provide to the Debtors a good faith estimate for their accrued and unpaid Professional Fee Claims through the Effective Date within five days prior to the Effective Date; provided that such estimate shall not be deemed to limit the amount of, or otherwise be a basis for disallowance of, such Professional Fee Claims.

On or prior to the Effective Date, the Debtors shall establish and fund the Professional Fee Escrow Account with Cash equal to the Professional Fee Reserve Amount. The Professional Fee Escrow Account shall be held in trust solely for Allowed Professional Fee Claims and maintained by the Plan Administrator. Such funds shall not be considered property of the Estates. In full and complete satisfaction of the Allowed Professional Fee Claims (other than any Committee Professionals Excess Amount), each Holder of such Professional Fee Claims (other than any Committee Professionals Excess Amount) shall be paid in Cash by the Plan Administrator as soon as reasonably practicable after such Professional Fee Claims are Allowed.

When all Allowed Professional Fee Claims (other than any Committee Professionals Excess Amount) have been paid in full, (i) the Committee Professionals Remaining Amount, if any, shall be transferred to the Litigation Trust, and (ii) any amount remaining in the Professional Fee Escrow Account after transfer of the Committee Professionals Remaining Amount to the Litigation Trust shall vest in the Wind Down Debtors, in each case without any further action or order of the Bankruptcy Court.

To the extent that funds held in the Professional Fee Escrow Account are insufficient to satisfy all Allowed Professional Fee Claims, such Professionals shall have an Allowed Professional Fee Claim for any such deficiency, and the Plan Administrator shall pay in Cash the full unpaid amount of such Allowed Professional Fee Claim of the Debtors' Professionals from the Remaining Assets or the proceeds thereof; provided, however, that any Committee Professionals Excess Amount shall solely be payable from the Litigation Trust, and neither the Creditors' Committee Professionals nor the Litigation Trust shall have any recourse to the Wind Down Estates or the Remaining Assets or their proceeds on account of any Committee Professionals Excess Amount; provided, further, under no circumstances shall the aggregate amount of Allowed Professional Fee Claims of the Creditors' Committee Professionals exceed the sum of (i) the Committee Professionals DIP Budget Amount and (ii) the Initial Litigation Trust Funding Cash Amount.

3. DIP Lender Claims

As of the Effective Date, the DIP Lender Claims shall be Allowed and deemed to be Allowed Claims in the full amount outstanding on the Effective Date under the DIP Credit Agreement, the DIP Order, and the other DIP Loan Documents, including principal, all interest accrued and unpaid thereon through and including the date of payment, all accrued and unpaid fees, prepayment premiums, expenses, and noncontingent indemnification obligations payable

under the DIP Credit Agreement, and all other amounts constituting obligations under the DIP Credit Agreement. The DIP Lender Claims and all Liens securing such DIP Lender Claims shall, at the option of the DIP Lenders and the Debtors, (i) be satisfied in full in Cash on the Effective Date, (ii) be waived and released by the DIP Lenders, or (iii) receive such other treatment agreed to by the DIP Lenders and the Debtors.

4. Priority Tax Claims

Pursuant to section 1129(a)(9)(C) of the Bankruptcy Code, unless otherwise agreed by the Holder of an Allowed Priority Tax Claim and the applicable Debtor, each Holder of an Allowed Priority Tax Claim will receive, at the option of the applicable Debtor, in full satisfaction of its Allowed Priority Tax Claim that is due and payable on or before the Effective Date, either (i) Cash equal to the amount of such Allowed Priority Tax Claim on the Effective Date or (ii) otherwise treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code.

5. Statutory Fees

All fees payable to the U.S. Trustee through the Effective Date pursuant to 28 U.S.C. § 1930 shall be paid on or as soon as practicable after the Effective Date. The Debtors, for periods accruing prior to the Effective Date, and the Wind Down Debtors and Litigation Trust (with respect to disbursements made by the Litigation Trustee from the Litigation Trust), for periods accruing on and after the Effective Date, shall be liable to pay Statutory Fees to the U.S. Trustee in accordance with 28 U.S.C. § 1930 until the earliest to occur of the particular Debtors' case being converted to a case under chapter 7, dismissed, or closed; provided, for the avoidance of doubt, the Debtors and the Wind Down Debtors shall be solely liable to pay Statutory Fees on account of the payment of the Litigation Trust Funding Amount to the Litigation Trust. The Wind Down Debtors shall File post-confirmation quarterly reports, or any pre-confirmation monthly operating reports not Filed as of the Combined Hearing, in conformance with the U.S. Trustee Guidelines, which reports shall include a separate schedule of disbursements made by the Litigation Trust during the applicable period. All Statutory Fees that are paid by the Wind Down Debtors on account of disbursements made by the Litigation Trust shall be reimbursed by the Litigation Trust to the Wind Down Debtors. The U.S. Trustee shall not be required to File a request for payment of its quarterly fees, which shall be deemed an Administrative Claim against the Debtors and their Estates.

B. Classification and Treatment of Claims and Interests

1. Summary of Classification

All Claims and Interests are classified in the Classes set forth below in accordance with section 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or an Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest qualifies within the description of such other Classes. A Claim or an Interest is classified in a particular Class for the purpose of receiving distributions under the Plan only to the extent that

such Claim or Interest is an Allowed Claim or Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

The classification of Claims and Interests pursuant to the Plan is as follows:

Class	Claims and Interests	Status	Voting Rights
1	Other Priority Claims	Unimpaired	Deemed to Accept
2	Other Secured Claims	Unimpaired	Deemed to Accept
3	Prepetition Lender Secured Claims	Impaired	Entitled to Vote
4	General Unsecured Claims	Impaired	Entitled to Vote
5	Subordinated Claims	Impaired	Deemed to Reject
6	Intercompany Claims	Impaired	Deemed to Reject
7	Interests in the Debtors	Impaired	Deemed to Reject

2. Treatment of Claims and Interests

Each Holder of an Allowed Claim or Allowed Interest, as applicable, shall receive under the Plan the treatment described below in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, such Holder's Allowed Claim or Allowed Interest, except to the extent different treatment is agreed to by the Debtors, the Wind Down Debtors, or the Litigation Trustee, as applicable, and the Holder of such Allowed Claim or Allowed Interest. Unless otherwise indicated, the Holder of an Allowed Claim or Allowed Interest, as applicable, shall receive such treatment on the later of the Effective Date and the date such Holder's Claim or Interest becomes an Allowed Claim or Allowed Interest or as soon as reasonably practicable thereafter.

i. Class 1 – Other Priority Claims

Classification: Class 1 consists of Other Priority Claims.

Treatment: In full and final satisfaction of each Allowed Other Priority Claim (unless the applicable Holder agrees to a less favorable treatment), each Holder thereof will receive payment in full in Cash or other treatment rendering such Claim Unimpaired.

Voting: Class 1 is Unimpaired. Holders of Class 1 Claims are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan.

ii. Class 2 – Other Secured Claims

Classification: Class 2 consists of Other Secured Claims.

Treatment: In full and final satisfaction of each Allowed Other Secured Claim (unless the applicable Holder agrees to a less favorable treatment), each Holder thereof will receive at the

option of the Debtors or the Wind Down Debtors, as applicable: (a) payment in full in Cash, payable on the later of the Effective Date and the date that is 10 Business Days after the date on which such Other Secured Claim becomes an Allowed Other Secured Claim, in each case, or as soon as reasonably practicable thereafter, (b) delivery of the collateral securing any such Claim, or (c) such other treatment rendering such Claim Unimpaired.

Voting: Class 2 is Unimpaired. Holders of Class 2 Claims are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan.

iii. **Class 3 – Prepetition Lender Secured Claims**

Classification: Class 3 consists of all Prepetition Lender Secured Claims.

Allowance: The Prepetition Lender Secured Claims shall be Allowed in the aggregate amount of the Prepetition Lender Secured Claims Allowed Amount.

Treatment: In full and final satisfaction of each Prepetition Lender Secured Claim (unless the applicable Holder agrees to a less favorable treatment), and in consideration for the Prepetition Lenders' consent to the funding of the Litigation Trust Funding Amount and the Wind Down Expense Fund from Cash that constitutes Prepetition Collateral, each Holder of an Allowed Prepetition Lender Secured Claim shall receive its Pro Rata share of the Remaining Assets Net Proceeds.

Voting: Class 3 is Impaired. Holders of Allowed Prepetition Lender Secured Claims under Class 3 are entitled to vote to accept or reject the Plan.

iv. **Class 4 – General Unsecured Claims**

Classification: Class 4 consists of all General Unsecured Claims, including the Prepetition Lender Deficiency Claim.

Treatment: In full and final satisfaction of each General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive its Pro Rata share of the Litigation Trust Interests.

Voting: Class 4 is Impaired. Holders of Allowed Class 4 General Unsecured Claims are entitled to vote to accept or reject the Plan.

v. **Class 5 – Subordinated Claims**

Classification: Class 5 consists of all Subordinated Claims.

Treatment: Subordinated Claims will be cancelled, released, and extinguished as of the Effective Date, and will be of no further force or effect, and each Holder of a Subordinated Claim will not receive any distribution on account of such Subordinated Claim.

Voting: Class 5 is Impaired. Holders of Class 5 Claims are deemed to have rejected the Plan under section 1126(g) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan.

vi. **Class 6 – Intercompany Claims**

Classification: Class 6 consists of all Intercompany Claims.

Treatment: Holders of Intercompany Claims shall not receive a distribution on account of such Intercompany Claims.

Voting: Holders of Class 6 Claims are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Class 6 Claims are not entitled to vote to accept or reject the Plan.

vii. **Class 7 – Interests in the Debtors**

Classification: Class 7 consists of all Interests in the Debtors.

Treatment: On the Effective Date, (i) all Interests, other than Intercompany Interests, shall be deemed cancelled, extinguished, and of no further force or effect; and (ii) all Intercompany Interests shall, at the option of the Wind Down Debtors, (a) be deemed canceled, extinguished and of no further force or effect, or (b) be reinstated for administrative convenience solely to the extent necessary to maintain the Debtors' corporate structure post-Effective Date, provided that the Holders of Interests shall not be entitled to receive or retain any property on account of such Interest.

Voting: Class 7 is Impaired. Holders of Class 7 Interests are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan

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

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of the Combined Hearing by acceptance of the Plan by at least one Impaired Class of Claims, determined without including any acceptances of the Plan by any insider. The Debtors shall seek confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class(es) of Claims and Interests. The Debtors reserve the right to modify the Plan in accordance with Article XII of the Plan to the extent, if any, that confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by modifying the treatment applicable to a Class of Claims to render such Class of Claims Unimpaired to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules.

4. Elimination of Vacant Classes

Any Class of Claims or Interests that does not have a Holder of an Allowed Claim or Allowed Interest or a Claim or Interest temporarily Allowed by the Bankruptcy Court as of the

date of the Combined Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

5. Voting Classes; Presumed Acceptance by Non-Voting Classes

If a Class of Claims or Interests is eligible to vote and no Holder of Claims or Interests, as applicable, in such Class votes to accept or reject the Plan, the Plan shall be presumed accepted by such Class.

6. Subordinated Claims and Interests

The allowance, classification, and treatment of all Allowed Claims and Allowed Interests and their respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtors reserve the right to re-classify any Allowed Claim or Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

C. Means for Implementation of the Plan

1. Plan Administrator

On the Effective Date, the Plan Administrator shall be appointed without any further action and shall succeed to such powers as would have been applicable to the Debtors' officers, directors, and shareholders, and the Wind Down Debtors shall be authorized to be (and, upon the conclusion of the Wind Down, shall be) dissolved by the Plan Administrator. All Remaining Assets not distributed on the Effective Date shall vest in the Wind Down Debtors and shall be managed and liquidated by the Plan Administrator in accordance with the provisions of the Plan and the Plan Administration Agreement.

Following the Effective Date, in the event of the resignation or removal, liquidation, dissolution, death or incapacity of the Plan Administrator, a successor Plan Administrator shall be selected in accordance with the terms of the Plan Administration Agreement.

On and after the Effective Date, the Plan Administrator shall be deemed to be, and shall serve as, the representative of each of the Wind Down Debtors' Estates pursuant to section 1123(b)(3)(B) of the Bankruptcy Code and shall have all the rights and powers set forth in the Plan Administration Agreement, including, without limitation (and except as otherwise provided in the Plan Administration Agreement), the powers of a trustee under sections 704 and 1106 of the Bankruptcy Code and Bankruptcy Rule 2004, including the right to:

- (a) effect all actions and execute all agreements, instruments and other documents necessary to implement the provisions of the Plan and the Plan Administration Agreement;
- (b) liquidate the Remaining Assets, reconcile any Disputed Claims (other than Disputed General Unsecured Claims) and distribute the proceeds of the Remaining Assets in accordance with the Plan and the Plan Administration Agreement; and
- (c) employ and compensate professionals and other agents in accordance with the Plan Administration Agreement.

2. Fees and Expenses of the Plan Administrator

Except as otherwise ordered by the Bankruptcy Court, all reasonable fees or expenses of the Plan Administrator (including, without limitation, the reasonable fees and expenses of professionals retained by the Plan Administrator) shall be paid from the Remaining Assets and the proceeds thereof in accordance with the Plan Administration Agreement.

3. Wind Down

After the Effective Date, pursuant to the Plan, the Plan Administrator shall effectuate the Wind Down without any further approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, provided that the Plan Administrator shall not effectuate the Wind Down in a manner inconsistent with (i) any express requirements of the Plan Administration Agreement or the Plan or (ii) the Approved Budget. The Wind Down (as determined for federal income tax purposes) shall occur in an expeditious but orderly manner after the Effective Date.

4. Vesting of Assets

Except as otherwise provided in the Plan, or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, on the Effective Date, all Remaining Assets shall vest in each applicable Wind Down Debtor free and clear of all Liens, Claims, charges, or other encumbrances. On and after the Effective Date, except as otherwise provided in the Plan, each Wind Down Debtor may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

5. Preservation of Causes of Action

Except for any Cause of Action against a Person that is expressly waived, relinquished, exculpated, released, compromised under the Plan or Final Order, transferred to the Litigation Trust pursuant to and in accordance with the Plan, or settled in the Plan or a Final Order, in accordance with section 1123(b) of the Bankruptcy Code, the Wind Down Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date and such rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the

Effective Date. The Wind Down Debtors may pursue such Causes of Action, as appropriate, in the Wind Down Debtors' sole discretion. No Person may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against it as any indication that the Wind Down Debtors will not pursue any and all available Causes of Action against it. Unless a Cause of Action against a Person is expressly waived, relinquished, exculpated, released, compromised, transferred to the Litigation Trust pursuant to and in accordance with the Plan, or settled under the Plan, the Debtors or Wind Down Debtors, as applicable, expressly reserve all Causes of Action for later adjudication, 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 Causes of Action upon, after, or as a consequence of, entry of the Confirmation Order or Consummation. In accordance with section 1123(b)(3) of the Bankruptcy Code, except as otherwise provided herein, any Causes of Action that a Debtor may hold against any Entity shall vest in the Wind Down Debtors. The Wind Down Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action, and to decline to do any of the foregoing without the consent or approval of any third party or further notice to, or action, order, or approval of, the Bankruptcy Court. For the avoidance of doubt, the Plan Administrator shall have standing to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action on behalf of the Wind Down Debtors and their Estates.

6. Dissolution of the Wind Down Debtors

If at any time the Plan Administrator determines that the expense of administering the Wind Down Debtors and any Remaining Assets is likely to exceed the value of the assets remaining to be administered, the Plan Administrator may reserve any amount necessary to close the Chapter 11 Cases and dissolve and otherwise wind down the Wind Down Debtors.

Upon a certification to be Filed with the Bankruptcy Court by the Plan Administrator of completion of all its duties under the Plan and entry of a final decree closing the last of the Chapter 11 Cases, the Wind Down Debtors shall be deemed to be dissolved without any further action by the Wind Down Debtors or Plan Administrator, including, but not limited to, the filing of any documents with the secretary of state for the state in which the Debtors are formed or any other jurisdiction. Notwithstanding the foregoing, the Plan Administrator shall have authority to take all necessary actions to dissolve the Wind Down Debtors in, and withdraw the Wind Down Debtors from, applicable states.

7. Cancellation of Interests in the Debtors

On the Effective Date, unless the Plan Administrator elects to reinstate any Intercompany Interests, all existing Interests in each of the Debtors shall be retired, cancelled, extinguished, and/or discharged in accordance with the terms of the Plan. Except as otherwise provided in the Plan Supplement, on the Effective Date: (1) the obligations of the Debtors under any certificate, share, note, bond, indenture, purchase right, option, warrant, or other instrument or document, directly or indirectly, evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors giving rise to any Claim or Interest shall be cancelled as to the Debtors

and (2) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, purchase rights, options, warrants or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtors shall be released and discharged.

8. Creditors' Committee Settlement

Pursuant to section 1123(b)(3)(A) of the Bankruptcy Code and Bankruptcy Rule 9019, the Plan effectuates the Creditors' Committee Settlement. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the Creditors' Committee Settlement, effective as of the Effective Date, and the Bankruptcy Court's finding that the Creditors' Committee Settlement is in the best interests of the Debtors, their Estates, and the Holders of Claims and Interests, and is fair, equitable, and reasonable.

9. Effectuating Documents; Further Transactions

On and after the Effective Date, the Plan Administrator is authorized to and may issue, execute, deliver, file, or record such contracts, securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement and further evidence the terms and conditions of the Plan and the transactions contemplated thereby, in each case, in the name of and on behalf of the Wind Down Debtors, without the need for any approvals, authorization, or consents except those expressly required pursuant to the Plan. In connection with the foregoing, the Plan Administrator shall complete any remaining Wind Down activities of the Wind Down Debtors.

10. Deemed Substantive Consolidation

The Plan contemplates and is predicated upon the deemed substantive consolidation of the Estates for voting, confirmation, and distribution purposes. Accordingly, on the Effective Date, (a) all Intercompany Claims between the Debtors shall be eliminated; (b) all assets and liabilities of the Debtors shall be merged or treated as if they were merged with the assets and liabilities of Holdings; (c) any principal obligation of a Debtor and any guarantee thereof by another Debtor shall be deemed to be a single principal obligation of Holdings; (d) each Claim Filed or to be Filed against any Debtors' Estate shall be deemed Filed only against Holdings and shall be deemed a single Claim against and a single principal obligation of Holdings for distribution purposes, which, to the extent such Claim is Allowed, be paid from the Wind Down Estate or Litigation Trust, as applicable; and (e) any joint or several liability of the Debtors shall be deemed a single principal obligation of Holdings. On the Effective Date, and in accordance with the terms of the Plan and the consolidation of the assets and liabilities of the Debtors, all Claims based upon guarantees of collection, payment, or performance made by one Debtor (other than Holdings) as to the principal obligations of another Debtor shall be released and of no further force and effect.

~~The Plan also provides for the deemed substantive consolidation of the Estates for voting purposes, including tabulating votes to accept or reject the Plan. Accordingly, the Debtors will tabulate each Ballot as a vote to accept or reject the Plan as to each Debtor.~~

The substantive consolidation effected pursuant to the Plan (a) shall not affect the rights of any Holder of a Secured Claim, provided, for the avoidance of doubt, the Prepetition Lender Deficiency Claim shall be a single General Unsecured Claim against Holdings; and (b) shall not, and shall not be deemed to, prejudice Causes of Action, including Litigation Trust Claims (subject to the releases set forth in Article X of the Plan), which shall survive entry of a substantive consolidation order, as if there had been no substantive consolidation.

~~Absent the consent of affected creditors, the Debtors will bear the burden at the Combined Hearing of establishing a prima facie case for the deemed substantive consolidation of their respective Estates. Accordingly, the Debtors will, to the extent necessary, adduce evidence at the Combined Hearing to justify the deemed substantive consolidation in accordance with the standards established by applicable case law. Such evidence may include, without limitation, (a) administrative costs of reconciling and administering vast numbers of claims across each of the Debtor Entities would significantly erode the total potential recovery for all creditors, likely result in lower recoveries than those available to creditors when the Debtors' Estates are substantively consolidated, and could materially diminish the limited pool of funds available for distribution to Holders of Allowed Claims; (b) evidence indicating that Creditors have dealt with the Debtors as a single, consolidated enterprise, both before and after the Petition Date, (c) the Debtors' central management, and (d) the Debtors' prepetition employed an integrated cash management system of bank accounts.~~

The Plan also provides for the deemed substantive consolidation of the Estates for voting purposes, including tabulating votes to accept or reject the Plan. Accordingly, the Debtors will tabulate each Ballot as a vote to accept or reject the Plan as to each Debtor.

Bankruptcy courts have the power to substantively consolidate various estates under their general equitable powers under section 105(a) of the Bankruptcy Code. *Reider v. FDIC (In re Reider)*, 31 F.3d 1102, 1107–08 (11th Cir. 1994). Additionally, section 1123(a)(5) of the Bankruptcy Code expressly provides that a plan may provide for the consolidation of a debtor with one or more persons. 11 U.S.C. § 1123(a)(5)(C). Courts in the Eleventh Circuit consider the following factors: (1) the presence or absence of consolidated financial statements; (2) the unity of interests and ownership between various corporate entities; (3) the existence of parent and intercorporate guarantees on loans; (4) the degree of difficulty in segregating and ascertaining individual assets and liabilities; (5) the existence of transfers of assets without formal observance of corporate formalities; (6) the commingling of assets and business functions; (7) the profitability of consolidation at a single physical location; (8) the parent owning the majority of the subsidiary's stock; (9) the entities having common officers or directors; (10) the subsidiary being grossly undercapitalized; (11) the subsidiary transacting business solely with the parent; and (12) the entities disregarding the legal requirements of the subsidiary as a separate organization. *Reider*, 31 F.3d at 1107–08; *Eastgroup Props. v. Southern Motel Assoc., Ltd.*, 935 F.2d 245, 249250 (11th Cir. 1991).

The Debtors believe that substantive consolidation is necessary in these Chapter 11 Cases for the following reasons, among others:

- Consolidated Financial Statements; Intercompany Transfers. The Debtors' have historically maintained consolidated financial statements and an integrated cash management system, which includes regular intercompany transfers. As described in the Debtors' motion requesting authority to, among other things, continue to use of their cash management system [Docket No. 11], the Debtors maintain a single corporate concentration account in the name of Air Pros, LLC into which funds were swept daily from certain accounts of other operating Debtors. Although the Debtors have maintained records of these intercompany transactions since the Petition Date, the Debtors did not historically reconcile these transactions in a manner that would allow them to determine the net balances owed by one Debtor to another Debtor.
- Unity of Interests; Parent Ownership of Subsidiaries; Commingling of Business Functions. The Debtors share a unity of ownership and interests. All of the Debtors (except for Holdings) are owned and controlled by Air Pros Solutions, LLC, which is wholly owned by Holdings. Many of the Debtors also historically shared certain management and services through a centralized corporate office maintained by Debtor Air Pros Solutions, LLC, which housed its accounting, billing and collections, corporate compliance, information technology, legal, and marketing functions.
- Parent and Intercompany Guarantees on Loans. The Debtors are jointly and severally liable under the Prepetition Loan Documents and the DIP Loan Documents as either a borrower or guarantor and, accordingly, all Debtors have pledged substantially all of their assets as security for their obligations under the Prepetition Loan Documents and the DIP Loan Documents.
- Difficulty in Segregating and Ascertaining Individual Assets and Liabilities. As discussed in Article V.I of this Disclosure Statement, the Debtors have obtained approval to sell substantially all of their assets pursuant to the Stalking Horse APAs. Pursuant to the Sale Orders, as well as the Prepetition Loan Documents and the DIP Loan Documents, the proceeds of the sales have been or will be remitted to the DIP Secured Parties and the Prepetition Secured Parties, except for amounts necessary to fund the administration of these Chapter 11 Cases through the Effective Date, as well as the Wind Down Cash Amount and the Initial Litigation Trust Funding Amount. It would be administratively impossible to segregate and ascertain the individual assets and liabilities to be administered and dealt with under the Plan for several reasons:
 - First, other than the Litigation Trust Funding Amount, the Litigation Trust Assets are comprised entirely of the Litigation Trust Claims (i.e., certain Causes of Action of the Debtors' Estates). The Litigation Trust Claims will include (i) certain Designated Causes of Action, such as claims for breach of fiduciary duty, corporate waste, gross mismanagement, and fraud, against former officers and directors of the Debtors (excluding the Released Debtor D&Os), and (ii) Assigned Causes of Action, which will include Avoidance Actions and other commercial

tort claims of the Debtors and their Estates.¹¹ Because of the nature of the Litigation Trust Claims, many of which are based upon collective injury to the Debtors as an enterprise, it would be impossible to apportion the value of these Causes of Action among the Debtors. Accordingly, all Holders of General Unsecured Claims will benefit from sharing pro rata in the recoveries from these Claims without the unnecessary and prohibitively expensive exercise of attempting to apportion value among the Debtors.

○ Second, all Remaining Assets (i.e., those assets of the Estates that are not be transferred to the Litigation Trust) constitute DIP Collateral and/or Prepetition Collateral, and the net proceeds thereof (after satisfaction of certain administrative and priority Claims) will be used to satisfy the DIP Lender Claims and Prepetition Lender Claims. Accordingly, the expense that would be incurred to allocate the value of the Remaining Assets among the Debtors, to the extent doing so would be possible, is materially outweighed by the benefit of substantive consolidation. Moreover, the Plan is supported by the Prepetition Lenders and DIP Lenders, the primary beneficiaries of the administration of the Remaining Assets.

● Common Officers and Directors. Prior to the Petition Date, each of the Debtors historically had the same executive leadership team, including Anthony Perera (Chief Executive Officer, before transitioning to Chief Growth Officer), Robert Dipietro (Chief Executive Officer), and Richard Outram (Chief Financial Officer). As of the Petition Date, Brian Smith is the Chief Operating Officer of each of the Debtors (other than Holdings) and Andrew Hede is the Chief Restructuring Officer of all of the Debtors. Lawrence Hirsh is the sole manager of Holdings and Air Pros Solutions, LLC, which is in turn the sole manager of each of the Debtor subsidiaries that is a limited liability company and the Administrative Partner of Air Pros Washington, LLP. Accordingly, the Debtors have substantial overlap of core management, including officers, directors, and managing members.

The Plan shall serve as, and shall be deemed to be, a motion for entry of an order substantively consolidating the Debtors' Chapter 11 Cases. If no objection to substantive consolidation is timely filed and served by any Holder of an Impaired Claim affected by the Plan as provided herein on or before the deadline to object to Confirmation of the Plan, or such other date as may be fixed by the Bankruptcy Court, substantive consolidation of the Chapter 11 Cases may be approved by the Bankruptcy Court (which may be the Confirmation Order). If any such objections are timely filed and served, a hearing with respect to the substantive consolidation of the Chapter 11 Cases and the objections thereto shall be scheduled by the Bankruptcy Court, which hearing may, but is not required to, coincide with the Combined Hearing.

¹¹ Additional details regarding the Assigned Causes of Action will be set forth in the Plan Supplement.

Absent the consent of affected creditors, the Debtors will bear the burden at the Combined Hearing of establishing a prima facie case for the deemed substantive consolidation of their respective Estates. Accordingly, the Debtors will, to the extent necessary, adduce evidence at the Combined Hearing to justify the deemed substantive consolidation in accordance with the standards established by applicable case law.

Alternatively, if the Bankruptcy Court were to determine that substantive consolidation is not appropriate, the administrative costs of reconciling and administering the Debtors' assets, including Causes of Actions, and vast numbers of claims across each of the Debtor Entities would significantly and materially erode the value of the Estates and may render the Estates administratively insolvent, which could result in conversion of the Chapter 11 Cases to cases under chapter 7, or dismissal of the Chapter 11 Cases, in which case Holders of Unsecured Claims would not receive any recovery on account of their Claims. The Debtors therefore submit that substantive consolidation is in the best interests of the Debtors, their Estates, and stakeholders.

11. Insurance Policies

Insurance Policies Remain In Force. Up to and including their policy expiration date(s), all Insurance Policies in effect as of the Effective Date shall remain in full force and effect according to their terms and the coverage obligations of the insurers and third-party administrators under such Insurance Policies shall continue following the Effective Date (including any obligations to pay, defend, and process insured claims).

D&O Insurance Policies; Employment Practice Liability Policies; Similar Policies. Nothing contained in this Plan shall affect or impair the rights of any non-Debtor insured persons covered under any D&O Liability Insurance Policy, employment practices, or similar liability Insurance Policies (including, without limitation, policies for the benefit of the Debtors' directors, officers, employees, members, managers, or similar persons who served in such capacity either before or after the Petition Date).

12. Exemption From Certain Transfer Taxes and Fees

To the maximum extent provided by section 1146(a) of the Bankruptcy Code, any transfers of property pursuant hereto shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents pursuant to such transfers of property without the payment of any such tax, recordation fee, or governmental assessment.

13. Final Decree

At any time following the Effective Date, the Plan Administrator or Litigation Trustee, as applicable, shall be authorized to file a motion for entry of a final decree closing the Chapter 11 Cases. As soon as reasonably practicable following the Effective Date, the Plan Administrator shall file a motion to close all of the Chapter 11 Cases except for the lead case of AFH Air Pros,

LLC, Case No. 25-10356 (PMB) (the “Remaining Case”), which shall remain open for administrative purposes pending further order of the Bankruptcy Court. The Plan Administrator and Litigation Trustee shall confer in good faith prior to either party filing a motion for entry of a final decree closing the Remaining Case.

D. The Litigation Trust

1. Creation of the Litigation Trust

On the Effective Date, the Debtors and the Litigation Trustee, in its capacity as such, shall execute the Litigation Trust Agreement and shall take all steps necessary to establish the Litigation Trust in accordance with the Plan and the terms of the Litigation Trust Agreement, which shall be for the benefit of the Litigation Trust Beneficiaries. The Litigation Trust shall be governed by the terms of the Litigation Trust Agreement and the Plan and administered by the Litigation Trustee. The powers, rights, responsibilities, and compensation of the Litigation Trustee shall be specified in the Litigation Trust Agreement. The Litigation Trustee, acting on behalf of the Litigation Trust, shall hold and distribute the Litigation Trust Assets in accordance with the Plan and the Litigation Trust Agreement for the benefit of the Litigation Trust Beneficiaries.

2. Transfer of Litigation Trust Assets to the Litigation Trust

i. Transfer Free and Clear

On the Effective Date, the Debtors shall irrevocably transfer and/or assign, and shall be deemed to irrevocably transfer and/or assign, to the Litigation Trust all of their right, title, and interest in and to all of the Litigation Trust Assets (other than the Committee Professionals Remaining Amount, if any, which shall be funded as provided in Article V.B.2 of the Plan), and in accordance with section 1141 of the Bankruptcy Code, the Litigation Trust Assets shall automatically and irrevocably vest in the Litigation Trust free and clear of all Claims, Liens, and Interests, subject only to the Litigation Trust Interests. Notwithstanding anything herein to the contrary, the transfer of the Litigation Trust Assets to the Litigation Trust shall not diminish, and fully preserves, any defenses a Debtor would have if such Litigation Trust Assets had been retained by the Debtors.

ii. Litigation Trust Funding Amount

The Initial Litigation Trust Cash Amount shall be funded by the Debtors or the Wind Down Debtors on or before the Effective Date. The Committee Professionals Remaining Amount, if any, shall promptly be funded by the Plan Administrator, on behalf of the Wind Down Debtors, after the payment of all Allowed Professional Fee Claims of the Creditors’ Committee Professionals.

The Litigation Trust Funding Amount shall be used solely to fund the administration of the Litigation Trust, including all Litigation Trust Expenses, and to fund distributions to the Litigation Trust Beneficiaries consistent with the Litigation Trust Proceeds Waterfall and in accordance with the Plan and the Litigation Trust Agreement. Other than with respect to the Litigation Trust Funding Amount, no party, including without limitation the Debtors, the Wind

Down Debtors, the DIP Lenders, and the Prepetition Lenders, shall have any responsibility to fund the Litigation Trust.

iii. **Certain Tax Consequences**

Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary, the Litigation Trust is intended to be treated as a “liquidating trust” for U.S. federal income tax purposes pursuant to Treasury Regulation section 301.7701-4(d), and the Litigation Trustee will take this position on the Litigation Trust’s tax return accordingly. The Litigation Trust Beneficiaries shall be treated as the grantors of the Litigation Trust and as the deemed owners of the Litigation Trust Assets pursuant to Sections 671 through 679 of title 26 of the United States Code (the “Internal Revenue Code”) and any analogous provision of state or local law and shall be taxed on their respective share of the Litigation Trust’s taxable income (including both ordinary income and capital gains) pursuant to Section 671 of Internal Revenue Code and any analogous provision of state or local law. The Litigation Trustee shall file all tax returns required to be filed with any governmental agency consistent with this position, including, but not limited to, any returns required of grantor trusts pursuant to Treasury Regulation § 1.671-4(a). The Litigation Trustee also will annually send to each holder of a Litigation Trust Interest a separate statement regarding the receipts and expenditures of the Litigation Trust as relevant for United States federal income tax purposes and will instruct all such holders to use such information in preparing their United States federal income tax returns or to forward the appropriate information to such holder’s underlying beneficial holders with instructions to utilize such information in preparing their United States federal income tax returns. The Litigation Trustee shall also file (or cause to be filed) any other statement, return or disclosure relating to the Litigation Trust that is required by any governmental unit. For U.S. federal income tax purposes, the transfer of assets to the Litigation Trust will be deemed to occur as (a) a first-step transfer of the Litigation Trust Assets to the Litigation Trust Beneficiaries and, to the extent the Litigation Trust Assets are allocable to Disputed General Unsecured Claims, to the Disputed Unsecured Claims Reserve, and (b) a second-step transfer by such Litigation Trust Beneficiaries and, to the extent relevant with respect to the Disputed Unsecured Claims Reserve, to the Litigation Trust in exchange for Litigation Trust Interests. As a result, the transfer of the Litigation Trust Assets to the Litigation Trust may be a taxable transaction to the Debtors, and the Debtors may recognize gain or loss equal to the difference between the tax basis and fair value of such assets. As soon as reasonably practical after the transfer of the Litigation Trust Assets to the Litigation Trust, the Litigation Trustee shall make a good faith valuation of the Litigation Trust Assets. This valuation shall be made available from time to time to the Litigation Trust Beneficiaries, as relevant for tax reporting purposes. Each of the Debtors, Litigation Trustee, and the Litigation Trust Beneficiaries shall take consistent positions with respect to the valuation of the Litigation Trust Assets, and such valuations shall be utilized for all U.S. federal income tax purposes. The Litigation Trust shall in no event be dissolved later than five years from the creation of such Litigation Trust unless the Bankruptcy Court, upon motion within the six-month period prior to the fifth anniversary (or within the six-month period prior to the end of an extension period), determines that a fixed period extension (not to exceed five years with a private letter ruling from the IRS or an opinion of counsel satisfactory to the Litigation Trustee that any further extension would not adversely affect the status of the trust as

a Litigation Trust for United States federal income tax purposes) is necessary to facilitate or complete the recovery and liquidation of the Litigation Trust Assets.

With respect to amounts, if any, in a reserve for Disputed General Unsecured Claim, it is expected that such account will be treated as a “disputed ownership fund” governed by Treasury Regulation Section 1.468B-9, that any appropriate elections with respect thereto shall be made, and that such treatment will also be applied to the extent possible for state and local tax purposes. Under such treatment, a separate federal income tax return shall be filed with the IRS for such disputed claims reserve and will be subject to tax annually on a separate entity basis. Any taxes (including with respect to interest, if any, earned in the account, or any recovery on the portion of assets allocable to such account in excess of the disputed claims reserve’s basis in such assets) imposed on such account shall be paid out of the assets of the respective account (and reductions shall be made to amounts disbursed from the account to account for the need to pay such taxes). Litigation Trust Beneficiaries will be bound by such election, if made by the Litigation Trustee, and, as such, will, for U.S. federal income tax purposes (and, to the extent permitted by law, for state and local income tax purposes), report consistently therewith.

The Litigation Trustee may withhold and pay to the appropriate tax authority all amounts required to be withheld pursuant to the Internal Revenue Code or any provision of any foreign, state, or local tax law with respect to any payment or distribution to the Litigation Trust Beneficiaries. All such amounts withheld and paid to the appropriate tax authority (or placed in escrow pending resolution of the need to withhold) shall be treated as amounts distributed to such Litigation Trust Beneficiaries for all purposes of the Litigation Trust Agreement.

The Litigation Trustee shall be authorized to collect such tax information from Litigation Trust Beneficiaries (including, without limitation, social security numbers or other tax identification numbers) as the Litigation Trustee deems necessary to administer the Litigation Trust consistent with the terms of the Plan, the Confirmation Order, and the Litigation Trust Agreement. In order to receive distributions under the Plan, all Litigation Trust Beneficiaries shall be required to identify themselves to the Litigation Trustee and provide tax information and the specifics of their holdings, to the extent the Litigation Trustee deems appropriate, in the manner and in accordance with the procedures established from time to time by the Litigation Trustee for these purposes.

This identification requirement generally applies to all holders, including those who hold their Claims in “street name.” The Litigation Trustee may refuse to make a distribution to any Litigation Trust Beneficiary who fails to timely furnish such information and may treat such holder’s Litigation Trust Interests as disputed until such information is provided; provided, however, that upon the delivery of such information by a Litigation Trust Beneficiary, the Litigation Trustee shall make the distribution to which the holder is entitled, without additional interest caused by the delay; provided further, that if such information is not furnished to the Litigation Trustee within three months of the original request, no further distributions shall be made to such holder; provided further, that if the Litigation Trustee fails to withhold in respect of amounts received or distributable to any such holder and is subsequently held liable for the amount of such withholding, such holder shall reimburse the Litigation Trustee for such liability to the extent the amounts were actually distributed to such holder.

3. Administration of the Litigation Trust

i. In General

The Litigation Trust shall be administered by the Litigation Trustee pursuant to the Plan and in accordance with the terms and conditions of the Litigation Trust Agreement. In the event of any inconsistency solely between Article V.C of the Plan and the Litigation Trust Agreement, the Litigation Trust Agreement shall control, with the Plan controlling in all other cases. All compensation for the Litigation Trustee and other costs of administration for the Litigation Trust shall be paid by the Litigation Trust in accordance with the Plan and the Litigation Trust Agreement. The Litigation Trust Agreement generally will provide for, among other things: (a) the automatic and irrevocable transfer of the Litigation Trust Assets to the Litigation Trust, free and clear of any Claims, Liens, Interests, charges, or other encumbrances, (b) the payment of the expenses of the Litigation Trust from the Litigation Trust Funding Amount, including, without limitation, the cost of pursuing the Litigation Trust Claims; (c) the retention of counsel, accountants, financial advisors, or other professionals and the payment of their reasonable compensation; (d) the investment of Cash by the Litigation Trustee within certain limitations, including those specified in the Plan; (e) the orderly liquidation of the Litigation Trust Assets; and (f) liquidation of any Litigation Trust Claims, which may include the prosecution, settlement, abandonment, or dismissal of any such Litigation Trust Claims, in the Litigation Trustee's discretion subject to the terms and conditions of the Litigation Trust Agreement.

ii. Powers and Duties of the Litigation Trustee

In furtherance of and consistent with the purpose of the Litigation Trust and the Plan, and subject to the terms of the Litigation Trust Agreement, the Litigation Trustee, for the benefit of the Litigation Trust, shall (a) hold the Litigation Trust Assets for the benefit of the Litigation Trust Beneficiaries, (b) make distributions of the Litigation Trust Assets as provided in the Litigation Trust Agreement and in accordance with the Litigation Trust Proceeds Waterfall, and (c) have the power and authority to commence, prosecute, resolve, and abandon any Litigation Trust Claims. The Litigation Trustee shall be responsible for all decisions and duties with respect to the Litigation Trust and the Litigation Trust Assets, except as otherwise provided in the Litigation Trust Agreement. In all circumstances, the Litigation Trustee shall act in the best interests of the Litigation Trust Beneficiaries.

Subject to the provisions of the Litigation Trust Agreement, the Litigation Trustee may settle, compromise, abandon, or withdraw any Litigation Trust Claim on any grounds or terms it deems reasonable, without further order of the Bankruptcy Court. Subject to the terms of the Litigation Trust Agreement and Article VIII.B of the Plan, the Litigation Trustee may also settle or compromise any Disputed General Unsecured Claim or withdraw any objection thereto, on any grounds or terms he or she deems reasonable, without further order of the Bankruptcy Court.

The Litigation Trustee, on behalf of the Litigation Trust, may employ, without further order of the Bankruptcy Court, professionals to assist in carrying out its duties hereunder and may compensate and reimburse the reasonable expenses of those professionals without further

order of the Bankruptcy Court from the Litigation Trust Assets in accordance with the Plan and the Litigation Trust Agreement.

iii. Litigation Trust Claims

Other than Retained Causes of Action and Causes of Action against an Entity that are waived, relinquished, exculpated, compromised, transferred, or settled pursuant to the Plan, the Confirmation Order, or by another Bankruptcy Court order, on the Effective Date, all Litigation Trust Claims shall be irrevocably transferred to, automatically vested in, and/or retained by the Litigation Trust; provided, however, that nothing in this sentence shall waive or otherwise impair any defenses to any Claims asserted in these Chapter 11 Cases. Following the Effective Date, except as otherwise expressly provided herein or the Litigation Trust Agreement, the Litigation Trustee shall retain and shall have the exclusive right and authority to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Litigation Trust Claims and to decline to do any of the foregoing, as the Litigation Trustee may determine is in the best interest of the Litigation Trust and Litigation Trust Beneficiaries, and without further notice to or action, order, or approval of the Bankruptcy Court. If the Litigation Trustee initiates an adversary proceeding in Bankruptcy Court, such proceeding shall be governed by the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and all other applicable law. No Entity may rely on the absence of a specific reference in the Plan to any Cause of Action against them as any indication that the Debtors, the Wind Down Debtors, or the Litigation Trustee, as applicable, will not pursue any and all available Causes of Action against them. No preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion (judicial, equitable, or otherwise), or laches shall apply to such Causes of Action upon, after, or as a consequence of, Confirmation or the Effective Date.

In connection with the transfer of the Litigation Trust Claims to the Litigation Trust, any attorney-client privilege, work-product privilege, or other privilege of immunity of any Debtor (but no other person) attaching to any documents or communications (whether written or oral) transferred to the Litigation Trust shall vest in the Litigation Trust and its representatives, and the Plan Administrator and the Litigation Trustee shall take all necessary actions to effectuate the transfer of such privileges. The Plan Administrator, on behalf of the Wind Down Debtors, and the Litigation Trustee, on behalf of the Litigation Trust, shall enter into a common interest agreement whereby the Wind Down Debtors will be able to share documents, information, or communications (whether written or oral) relating to the Litigation Trust Claims and General Unsecured Claims. The Litigation Trust shall preserve and protect all applicable privileges attaching to any such documents, information, or communications. Notwithstanding the foregoing or anything in the Plan, the Plan Administration Agreement, the Litigation Trust Agreement, or any other document, nothing herein shall be deemed to constitute a waiver of any privilege or any shared, joint, or common interest privilege or immunity held by the Debtors, the Wind Down Debtors, or any other person. All such privileges shall remain in the control of the Debtors or the Wind Down Debtors, as applicable, and the Debtors or the Wind Down Debtors, as applicable, retain the sole right to waive their own privileges. To the extent there is overlap of supporting documents, claims, defenses, legal theories or analyses between the Litigation Trust Claims, on the one hand, and any Causes of Action, defenses, claims or counterclaims retained by, or asserted against, the Wind Down Debtors, on the other hand, the Plan Administrator and

the Litigation Trustee shall cooperate with each other pursuant to principles of common interest with respect to privileges. The Plan Administrator and the Litigation Trustee may enter into such agreements as they deem necessary or appropriate to preserve confidential information while permitting the Litigation Trustee to use, as necessary to administer the Litigation Trust, such information and privilege. Absent such agreements, either the Litigation Trustee or the Wind Down Debtors may present the issue to the Bankruptcy Court for further determination or resolution.

iv. Litigation Trust Proceeds Waterfall

Any Litigation Trust Assets, including proceeds recovered from the successful prosecution or settlement of any Litigation Trust Claims, shall be distributed in accordance with the Litigation Trust Proceeds Waterfall and the Litigation Trust Agreement.

v. No Registration of Beneficial Interests in Litigation Trust

The Litigation Trust Interests have not been registered pursuant to the Securities Act of 1933, as amended (the “Securities Act”), or any state securities law and shall not be listed for public trading on any securities exchange. The rights of the holders of Litigation Trust Interests are not intended to be “securities” under applicable laws, but the Debtors does not represent or warrant that such rights will not be securities or will be entitled to exemption from registration under applicable securities laws. If the Litigation Trust Interests are deemed to be “securities”, the issuance of the Litigation Trust Interests under the Plan shall be exempt from registration as provided by section 1145 of the Bankruptcy Code and by other applicable law requiring registration of securities. The Litigation Trust shall not be required to file reports with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), on account of any transfer. No transfer of a Litigation Trust Interest that causes the Litigation Trust to be required to file reports with the Securities and Exchange Commission pursuant to Sections 13 or 15(d) of the Exchange Act shall be permitted and any such transfer shall be void ab initio. In order to prevent the Litigation Trust from becoming subject to such reporting requirements, the Litigation Trustee may impose certain transfer restrictions designed to maintain the Litigation Trust as non-reporting entity, and the Litigation Trust Agreement may be amended from time to time to make such changes as are deemed necessary or appropriate to ensure that the Litigation Trust is not subject to registration and/or reporting requirements of the Securities Act, the Exchange Act, the Trust Indenture Act of 1939, as amended, or the Investment Company Act of 1940, as amended.

E. Treatment of Executory Contracts and Unexpired Leases

1. Assumption and Rejection of Executory Contracts and Unexpired Leases

Except as otherwise provided in the Plan, or in any contract, instrument, release, indenture, or other agreement or document entered into in connection with the Plan, as of the Effective Date, each Debtor will be deemed to have rejected each Executory Contract or Unexpired Lease to which such Debtor is a party, unless such Executory Contract or Unexpired Lease (i) was previously assumed, assumed and assigned, or rejected; (ii) was

previously expired or terminated pursuant to its own terms; or (iii) is the subject of a motion or notice to assume or reject Filed on or before the Confirmation Date.

The Confirmation Order shall constitute an order of the Bankruptcy Court under sections 365 and 1123(b) of the Bankruptcy Code approving the rejections described above as of the Effective Date.

2. Claims Based on Rejection of Executory Contracts or Unexpired Leases

Claims based on the rejection of the Debtors' Executory Contracts or Unexpired Leases pursuant to the Plan or Confirmation Order must be Filed by no later than 11:59 p.m. (prevailing Eastern Time) on the day that is 30 days after the Effective Date. For the avoidance of doubt, nothing herein shall be deemed to modify any other prior deadlines to file a Claim on account of the rejection of Executory Contracts or Unexpired Leases other than pursuant to the Plan and Confirmation Order.

Any Claims arising from the rejection of an Executory Contract or Unexpired Lease that are not Filed within such time, unless otherwise ordered by the Bankruptcy Court, will be automatically Disallowed, forever barred from assertion, and shall not be enforceable against, as applicable, the Debtors, the Estates, or property of the Estates, without the need for any objection by the Debtors, the Wind Down Debtors, or Plan Administrator or further notice to, or action, order, or approval of the Bankruptcy Court or any other Entity, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary. Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims.

3. Insurance Policies

Insurance Policies shall not be considered Executory Contracts for purposes of Article VI of the Plan. As set forth in Article IV.K of the Plan, the Insurance Policies shall remain in full force and effect following the Effective Date.

F. Reserves

If the Plan Administrator determines that they are required, or that it is necessary, to establish any of the reserves set forth in Article VII of the Plan, the Plan Administrator shall administer such reserves in the manner established by Article VII of the Plan; provided, however, that the Litigation Trustee (and not the Plan Administrator) shall in all events establish and maintain the Litigation Trust Expense Fund and Disputed Unsecured Claims Reserve in accordance with Articles VII.D and VII.E of the Plan, respectively, and the Litigation Trust Agreement.

1. Establishment of Reserve Accounts

The Plan Administrator and the Litigation Trustee, as applicable, shall establish each of the Reserve Accounts, to the extent required or necessary, by either establishing a segregated account or establishing book entry accounts, in the sole discretion of the Plan Administrator and the Litigation Trustee, as applicable.

2. Undeliverable Distribution Reserve

i. Deposits

If a distribution to any Holder of an Allowed Claim is returned to the Wind Down Debtors or Litigation Trustee, as applicable, as undeliverable or is otherwise unclaimed, such distribution shall be deposited in a segregated, interest-bearing account, designated as an “Undeliverable Distribution Reserve”, for the benefit of such Holder until such time as such distribution becomes deliverable, is claimed or is deemed to have been forfeited in accordance with Article VII.B.2 of the Plan.

ii. Forfeiture

Any Holder of an Allowed Claim that does not assert a Claim pursuant to this Plan for an undeliverable or unclaimed distribution within three months after the first distribution is made to such Holder shall be deemed to have forfeited its claim for such undeliverable or unclaimed distribution and shall be forever barred and enjoined from asserting any such claim for the undeliverable or unclaimed distribution against any Debtor, Wind Down Debtor, Estate, the Litigation Trustee, or their respective properties or assets unless the Bankruptcy Court orders otherwise. In such cases, any Cash or other property held by the Wind Down Debtors or Litigation Trustee in the Undeliverable Distribution Reserve for distribution on account of such claims for undeliverable or unclaimed distributions, including the interest that has accrued on such undeliverable or unclaimed distribution while in the Undeliverable Distribution Reserve, without any further action or order of the Court shall promptly be transferred to or vest in the Wind Down Debtors or Litigation Trust, as applicable, notwithstanding any federal or state escheat laws to the contrary. To the extent that a Holder of an Allowed Claim is deemed to have forfeited any undeliverable or unclaimed distribution, the Plan Administrator and Litigation Trustee, as applicable, shall have no obligation to make any further distributions or reserves on account of such Allowed Claim.

iii. Disclaimer

The Wind Down Debtors, the Litigation Trustee, the Plan Administrator, and their respective agents and attorneys are under no duty to take any action to attempt to locate any Claim Holder; provided that in their sole discretion, the Plan Administrator or Litigation Trustee may periodically publish notice of unclaimed distributions.

iv. Distribution From Reserve

Within 15 Business Days after the Holder of an Allowed Claim satisfies the requirements of the Plan such that the distribution attributable to its Claim is no longer an undeliverable or

unclaimed distribution (provided that satisfaction occurs within the time limits set forth in this Article VII.B of the Plan), the Plan Administrator or Litigation Trustee, as applicable, shall distribute out of the Undeliverable Distribution Reserve the amount of the undeliverable or unclaimed distribution attributable to such Claim, without interest.

3. Wind Down Expense Fund

The Plan Administrator shall maintain a reserve (the “Wind Down Expense Fund”) in an amount as is reasonably necessary to pay the costs and expenses incurred or expected to be incurred by the Wind Down Debtors and the Plan Administrator in connection with administering the Wind Down Debtors and performing the duties set forth in the Plan and the Plan Administration Agreement (the “Wind Down Expenses”), including, without limitation, paying the fees and expenses of the Plan Administrator and professionals retained by the Plan Administrator, in each case subject to the Approved Budget. The Wind Down Expense Fund shall be funded by the Debtors with the Wind Down Cash Amount prior to the Effective Date. To the extent that the Wind Down Cash Amount is insufficient to satisfy in full all Wind Down Expenses, the Wind Down Expense Fund shall be further funded from the proceeds of the Remaining Assets.

The Plan Administrator, on behalf of the Wind Down Debtors, may borrow money or raise capital on such terms as determined by the Plan Administrator to fund the Wind Down Expense Fund. Except for purposes of funding the Wind Down Expense Fund, the Wind Down Debtors shall not incur any debt.

4. Litigation Trust Expense Fund

The Litigation Trustee shall maintain a reserve funded from the Litigation Trust Funding Amount (the “Litigation Trust Expense Fund”) in an amount as is reasonably necessary to pay the costs and expenses incurred or expected to be incurred by the Litigation Trust and Litigation Trustee in connection with administering the Litigation Trust Assets and performing the duties set forth in the Plan and the Litigation Trust Agreement (the “Litigation Trust Expenses”), including, without limitation, (i) paying the fees and expenses of the Litigation Trustee, and attorneys, advisors, and professionals retained by the Litigation Trust and/or Litigation Trustee, and (ii) pursuant to Article II.E of the Plan, reimbursement of all Statutory Fees that are paid by the Wind Down Debtors on account of disbursements made by the Litigation Trust.

5. Disputed Unsecured Claims Reserve

The Litigation Trustee may establish, for the benefit of each Holder of a Disputed General Unsecured Claim the Disputed Unsecured Claims Reserve in an amount equal to the Pro Rata share of distributions that would have been made to the Holder of such Disputed Claim if it were an Allowed Claim in an amount equal to the lesser of (i) the liquidated amount set forth in the filed Proof of Claim relating to such Disputed Claim or if no Proof of Claim has been filed the liquidated amount set forth in the Schedules, (ii) the amount in which the Disputed Claim has been estimated by the Bankruptcy Court pursuant to section 502 of the Bankruptcy Code as constituting and representing the maximum amount in which such Claim may ultimately become an Allowed Claim, or (iii) such other amount as may be agreed upon by the Holder of such

Disputed Claim and the Litigation Trustee. Amounts held in the Disputed Unsecured Claims Reserve shall be retained by the Litigation Trustee for the benefit of Holders of Disputed General Unsecured Claims pending determination of their entitlement thereto under the terms of the Plan. No payments or distributions shall be made with respect to all or any portion of any such Disputed Claim pending the entire resolution thereof by Final Order or agreement between the Litigation Trustee and the Holder of the applicable Disputed Claim.

At such time as a Disputed General Unsecured Claim becomes an Allowed Claim, the Litigation Trustee shall distribute to the Holder thereof the distributions, if any, to which such Holder is then entitled under the Plan. Such distribution, if any, shall be made as soon as reasonably practicable after the date that the order or judgment of the Bankruptcy Court Allowing such Disputed Claim becomes a Final Order or the effective date of the relevant agreement between the Litigation Trustee and the Holder of the applicable Disputed Claim.

If a Disputed General Unsecured Claim is Disallowed, in whole or in part, the Litigation Trustee shall distribute amounts held in the Disputed Unsecured Claims Reserve with respect to such Claim (or, if Disallowed in part, the amounts held in the Disputed Unsecured Claims Reserve with respect to the Disallowed portion of such Claim) in accordance with the Plan.

G. Procedures for Resolving Contingent, Unliquidated, and Disputed Claims

1. Allowance of Claims

After the Effective Date, the Wind Down Debtors and Litigation Trust, as applicable, shall have and retain all rights and defenses the applicable Debtor had with respect to any Claim immediately before the Effective Date. Except as expressly provided in the Plan or in any order entered in the Chapter 11 Cases before the Effective Date (including the Confirmation Order), no Claim shall become an Allowed Claim unless and until such Claim is deemed Allowed under the Plan or the Bankruptcy Code, or the Bankruptcy Court has entered a Final Order, including the Confirmation Order (when it becomes a Final Order), in the Chapter 11 Cases allowing such Claim.

2. Claims Administration Responsibilities

Except as otherwise specifically provided in the Plan and notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, after the Effective Date, the Plan Administrator shall have the sole authority to File and prosecute objections to Claims, other than General Unsecured Claims, and shall have the sole authority, without any further notice to or action, order, or approval by the Bankruptcy Court, to (1) settle, compromise, withdraw, litigate to judgment, or otherwise resolve objections to any and all such Claims, regardless of whether such Claims are in a Class or otherwise; (2) settle, compromise, or resolve any such Disputed Claim; and (3) administer and direct the adjustment of the Claims Register to reflect any such settlements or compromises.

Except as otherwise specifically provided in the Plan and Litigation Trust Agreement and notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, after the Effective Date, the Litigation Trustee shall have the sole authority to File and prosecute objections to General Unsecured Claims, other than Prepetition Lender Deficiency Claim, and

shall have the sole authority, without any further notice to or action, order, or approval by the Bankruptcy Court, to (1) settle, compromise, withdraw, litigate to judgment, or otherwise resolve objections to any and all such General Unsecured Claims; (2) settle, compromise, or resolve any Disputed General Unsecured Claim; and (3) administer and direct the adjustment of the Claims Register to reflect any such settlements or compromises.

To the extent a Claim is Filed against the Debtors that asserts Claims in more than one Class or asserting multiple priorities, the Plan Administrator and Litigation Trustee shall cooperate in good faith on an efficient method to address, object to, or otherwise administer such Claim.

3. Estimation of Claims

Before, on, or after the Effective Date, the Debtors or the Plan Administrator (and after the Effective Date, as to General Unsecured Claims (other than Prepetition Lender Deficiency Claim) only, the Litigation Trustee) may (but are not required to) at any time request that the Bankruptcy Court estimate any Claim pursuant to applicable law, including, without limitation, pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any party previously has objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction under 28 U.S.C. §§ 157 and 1334 to estimate any such Claim, including during the litigation of any objection to any Claim or during the pendency of any appeal relating to such objection. Notwithstanding any provision to the contrary in the Plan, a Claim that has been expunged from the Claims Register, but that either is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars, unless otherwise ordered by the Bankruptcy Court. If the Bankruptcy Court estimates any Claim, such estimated amount shall constitute a maximum limitation on such Claim for all purposes under the Plan (including for purposes of distributions and discharge) and may be used as evidence in any supplemental proceedings, and the Debtors, Plan Administrator, or Litigation Trustee, as applicable, may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim. Each of the foregoing Claims and objection, estimation, and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

4. Adjustment to Claims Without Objection

Any Claim that has been paid or satisfied, or any Claim that has been amended or superseded, may be adjusted or expunged on the Claims Register as directed by the Plan Administrator or Litigation Trustee, as applicable, without an objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

5. Time to File Objections to Claims

Any objections to Claims shall be Filed on or before the Claims Objection Bar Date.

6. Disallowance of Claims

Any Claims held by Entities from which property is recoverable under sections 542, 543, 550, or 553 of the Bankruptcy Code or that is a transferee of a transfer avoidable under sections 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, shall be deemed Disallowed pursuant to section 502(d) of the Bankruptcy Code, and Holders of such Claims may not receive any distributions on account of such Claims until such time as such Causes of Action against that Entity have been settled or a Bankruptcy Court order with respect thereto has been entered and all sums due, if any, to the Debtors by that Entity have been turned over or paid to the Debtors, the Wind Down Debtors, or Litigation Trust, as applicable.

Except as otherwise provided herein or as agreed to by the Debtors, the Plan Administrator, or Litigation Trustee, as applicable, all Proofs of Claim Filed after the applicable Bar Date shall be deemed Disallowed and expunged as of the Effective Date without any further notice to or action, order, or approval of the Bankruptcy Court, and Holders of such Claims may not receive any distributions on account of such Claims, unless such late Proof of Claim has been deemed timely Filed by a Final Order.

7. Amendments to Claims

On or after the Effective Date, a Claim may not be amended without the prior authorization of the Bankruptcy Court, or by agreement with the Plan Administrator or Litigation Trustee, as applicable, and any such amended Claim shall be deemed Disallowed in full and expunged without any further notice to or action, order, or approval of the Bankruptcy Court to the maximum extent provided by applicable law, unless otherwise ordered by the Bankruptcy Court, and the Holder of any such amended Claim shall not receive any distributions on account of such Claims unless such amended Claim has been deemed Allowed by a Final Order.

8. No Postpetition Interest on Claims

Unless otherwise specifically provided for in an order of the Bankruptcy Court, the Plan, or the Confirmation Order, or required by applicable bankruptcy law, postpetition interest shall not accrue or be paid on any Claims, and no Holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any such Claim.

H. Provisions Governing Distributions

1. Timing and Calculation of Amounts to Be Distributed

Unless otherwise provided in the Plan, on the Effective Date (or, if a Claim is not an Allowed Claim on the Effective Date, on the date that such Claim becomes Allowed or as soon as reasonably practicable thereafter), each Holder of an Allowed Claim or Interest shall receive the full amount of the distributions that the Plan provides for Allowed Claims and Interests in each applicable Class. If any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims,

distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Article VII.E of the Plan. Except as otherwise provided in the Plan, Holders of Claims shall not be entitled to interest, dividends, or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date.

2. Delivery of Distributions and Undeliverable or Unclaimed Distributions

i. Delivery of Distributions in General

Except as otherwise provided in the Plan, distributions to Holders of Allowed Claims or Interests shall be made to Holders of record as of the Distribution Record Date by the Plan Administrator or the Litigation Trustee, as applicable: (1) to the signatory set forth on any Proof of Claim Filed by such Holder or other representative identified therein (or at the last known addresses of such Holder if no Proof of Claim is Filed or if the Debtors, Plan Administrator, or Litigation Trustee, as applicable, have been notified in writing of a change of address); (2) at the addresses set forth in any written notices of address changes delivered to the Plan Administrator or Litigation Trustee, as applicable, after the date of any related Proof of Claim; (3) at the addresses reflected in the Schedules if no Proof of Claim has been Filed and the Plan Administrator or Litigation Trustee, as applicable, has not received a written notice of a change of address; or (4) on any counsel that has appeared in the Chapter 11 Cases on such Holder's behalf. Subject to this Article IX, distributions under the Plan on account of Allowed Claims shall not be subject to levy, garnishment, attachment, or like legal process, so that each Holder of an Allowed Claim shall have and receive the benefit of the distributions in the manner set forth in the Plan. The Debtors, the Wind Down Debtors, the Plan Administrator, the Litigation Trust, the Litigation Trustee, and each of their respective professionals, agents, employees, and officers shall not incur any liability whatsoever on account of any distributions under the Plan except for actual fraud, gross negligence, knowing violation of law, or willful misconduct.

All distributions on account of Allowed DIP Lender Claims and Allowed Prepetition Lender Claims shall be made to or at the direction of the DIP Agent and the Prepetition Agent, as applicable, for further distribution to the DIP Lenders and Prepetition Lenders, as applicable, in accordance with the Plan and the DIP Credit Agreement and Prepetition Credit Agreement, as applicable, and shall be deemed completed when made to or at the direction of the DIP Agent and Prepetition Agent, as applicable.

ii. Minimum Distributions

Holders of Allowed Claims entitled to distributions of \$150 or less shall not receive distributions.

iii. Undeliverable Distributions and Unclaimed Property

If any distribution to any Holder is returned as undeliverable, no distribution to such Holder shall be made unless and until the Plan Administrator or Litigation Trustee, as applicable, is notified in writing by the Holder of such Holder's then current address, at which time such distribution shall be made to such Holder without interest; provided, that such distributions shall

be deemed unclaimed property under section 347(b) of the Bankruptcy Code unless such Holder has timely asserted a Claim pursuant to Article VII.B of the Plan for an undeliverable or unclaimed distribution. After such time, all unclaimed property or interests in property shall revert to the Wind Down Debtors or Litigation Trust, as applicable, without need for a further order by the Bankruptcy Court (notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws to the contrary), and the Claim of any Holder to such property or Interest in property shall be discharged and forever barred.

3. Tax Issues and Compliance with Tax Requirements

In connection with the Plan, to the extent applicable, the Debtors, the Plan Administrator, and the Litigation Trustee shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Plan Administrator and the Litigation Trustee shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate.

Property deposited into the various Claim distribution accounts described elsewhere in the Plan (including the Professional Fee Escrow Account) will be subject to disputed ownership fund treatment under section 1.468B-9 of the United States Treasury Regulations. All corresponding elections with respect to such accounts shall be made, and such treatment shall be applied to the extent possible for state, local, and non-U.S. tax purposes. Under such treatment, a separate federal income tax return shall be filed with the IRS with respect to such accounts, any taxes (including with respect to interest, if any, or appreciation in property between the Effective Date and date of distribution) imposed on such accounts shall be paid out of the assets of such accounts (and reductions shall be made to amounts disbursed from such accounts to account for the need to pay such taxes).

4. Allocations

Distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claims (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claims, to any portion of such Claims for accrued but unpaid interest, if any, as Allowed herein.

5. Setoffs and Recoupment

The Plan Administrator or Litigation Trustee, as applicable, may, but shall not be required to, set off against or recoup any payments or distributions to be made pursuant to the Plan in respect of any Claims of any nature whatsoever that the Wind Down Debtors or Litigation Trust, as applicable, may have against the claimant, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release of any such Claim the

Wind Down Debtors or Litigation Trust, as applicable, may have against the Holder of such Claim.

6. No Distributions Pending Allowance

If an objection to a Claim or portion thereof is Filed, no payment or distribution provided under the Plan shall be made on account of such Claim or portion thereof unless and until such Disputed Claim becomes an Allowed Claim or unless otherwise determined by the Plan Administrator or the Litigation Trustee, as applicable.

7. Distributions After Allowance

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions shall be made to the Holder of such Allowed Claim in accordance with the provisions of the Plan. As soon as reasonably practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Plan Administrator or Litigation Trustee, as applicable, shall provide to the Holder of such Claim the distribution to which such Holder is entitled under the Plan as of the Effective Date, less any previous distribution (if any) that was made on account of the undisputed portion of such Claim, without any interest, dividends, or accruals to be paid on account of such Claim unless required under applicable bankruptcy law or as otherwise provided herein.

8. Claims Paid or Payable by Third Parties

i. Claims Paid by Third Parties

To the extent that the Holder of an Allowed Claim receives payment in full on account of such Claim from a party that is not a Debtor, Wind Down Debtor, or the Litigation Trustee, such Claim shall be Disallowed without an objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court. The Plan Administrator or Litigation Trustee, as applicable, shall file a notice of satisfaction or other pleading evidencing such satisfactions and serve the same on the affected Holder. To the extent a Holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Debtor, Wind Down Debtor, or the Litigation Trustee on account of such Claim, such Holder shall, within 14 days of receipt thereof, repay or return the distribution to the applicable Wind Down Debtor or Litigation Trustee, as applicable, to the extent the Holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan. The failure of such Holder to timely repay or return such distribution shall result in the Holder owing the Wind Down Debtors or Litigation Trustee, as applicable, annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the 14-day grace period specified above until the amount is repaid.

ii. Claims Payable by Third Parties

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' Insurance Policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such Insurance Policy. To the extent that one or more of the Debtors' insurers agrees to satisfy in full or in part a Claim (if and to the extent

adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, the applicable portion of such Claim may be expunged without an objection to such Claims having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court. The Plan Administrator or Litigation Trustee, as applicable, shall file a notice of satisfaction or other pleading evidencing such satisfactions and serve the same on the affected Holder.

iii. Applicability of Insurance Policies

Except as otherwise provided in the Plan, distributions to Holders of Allowed Claims shall be in accordance with the provisions of any applicable Insurance Policy. Notwithstanding anything herein to the contrary (including, without limitation, Article X of the Plan), nothing shall constitute or be deemed a release, settlement, satisfaction, compromise, or waiver of any Cause of Action that the Debtors or any other Entity may hold against any other Entity, including insurers under any policies of insurance or applicable indemnity, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

I. Settlement, Release, Injunction, and Related Provisions

1. Term of Injunctions or Stays

Unless otherwise provided in the Plan or the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

2. Release of Liens

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan, all Liens against the property of any Estates will be fully released, and all of the right, title and interest of any holder of such Liens, including any rights to any collateral thereunder, shall attach to and be enforceable solely against any net proceeds of sales or other liquidation of such assets. For the avoidance of doubt, all mortgages, deeds of trust, Liens, pledges or other security interests against any property of the Estates shall be fully released on the Effective Date without any further action of any party, including, but not limited to, further order of the Bankruptcy Court or filing updated schedules or statements typically filed pursuant to the Uniform Commercial Code. The DIP Agent and the Prepetition Agent shall execute and deliver all documents reasonably requested by the Plan Administrator to evidence the release of such mortgages, deeds of trust, Liens, pledges, and other security interests and shall authorize the Plan Administrator to file UCC-3 termination statements (to the extent applicable) with respect thereto.

3. Debtor Release

Notwithstanding anything contained in the Plan to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, on and after the Effective Date, each Released Party is deemed forever released by the Debtors, their respective Estates, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other entities who may purport to assert any cause of action, by, through, for, or because of the foregoing entities, from any and all Claims and Causes of Action, whether known or unknown, liquidated or unliquidated, fixed or contingent, matured or unmatured, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims asserted or assertable on behalf of the Debtors or their respective Estates, that the Debtors would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim against or Interest in the Debtors based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership, or operation thereof), any securities issued by the Debtors and the ownership thereof, the Debtors' in- or out-of-court restructuring efforts, any Avoidance Actions (but excluding Avoidance Actions brought as counterclaims or defenses to Claims asserted against the Debtors), any intercompany transaction, the DIP Loan Documents, the Prepetition Loan Documents, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Plan, the Plan Supplement, solicitation of votes on the Plan, the prepetition negotiation and settlement of Claims, the pursuit of confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date except for Claims related to any act or omission that is determined in a Final Order by a court of competent jurisdiction to have constituted criminal conduct, actual fraud, willful misconduct, knowing violation of law, gross negligence or bad faith, but in all respects such Released Parties shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan (collectively, the "Debtor Release"). Notwithstanding anything to the contrary in the foregoing, the Debtor Release does not release any post-Effective Date obligations of any party or Entity under the Plan or any document, instrument, or agreement (including any documents, instruments and agreements set forth in the Plan Supplement) executed to implement the Plan and shall not result in a release, waiver, or discharge of any of the Debtors' assumed indemnification provisions, if any, set forth in the Plan.

4. Release by Holders of Claims or Interests

Notwithstanding anything contained in the Plan to the contrary, as of the Effective Date, and to the fullest extent allowed by applicable law, each Releasing Party is deemed to have forever released, waived, and discharged each of the Released Parties from all Claims and Causes of Action, whether known or unknown, including any derivative claims asserted or assertable on behalf of the Debtors or their respective Estates, that such Entity would have been legally entitled to assert (whether individually or collectively) based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the

management, ownership, or operation thereof), any securities issued by the Debtors and the ownership thereof, the Debtors' in- or out-of-court restructuring efforts, any Avoidance Actions (but excluding Avoidance Actions brought as counterclaims or defenses to Claims asserted against the Debtors), any intercompany transaction, the DIP Loan Documents, Prepetition Loan Documents, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Disclosure Statement, the Plan, the Plan Supplement, solicitation of votes on the Plan, the prepetition negotiation and settlement of Claims, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of debt and/or securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, except for Claims related to any act or omission that is determined in a Final Order by a court of competent jurisdiction to have constituted actual fraud, willful misconduct, knowing violation of law or gross negligence, but in all respects such Released Parties shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan (the "Third-Party Release"); provided, however, the Third-Party Release does not release any post-Effective Date obligations of any party or Entity under the Plan, or any document, instrument, or agreement (including the Plan Documents and other documents, instruments, and agreements set forth in the Plan Supplement) executed to implement the Plan.

Notwithstanding anything to the contrary in the foregoing, any Holder of a Claim or Interest who did not (i) return a Ballot or opt-out election form or (ii) file an objection to the Third-Party Release, that believes that its individual circumstances related to its ability to return a Ballot or opt-out election form opting out of the Third-Party Release or to object to the Third-Party Release are such that it should not be deemed to have consented to such Third-Party Release as a result of such failure, may seek relief from the Bankruptcy Court to exercise its rights and claims free of the Third-Party Release by rebutting the presumption that its failure to return a Ballot or opt-out election form opting out of the Third-Party Release or to object to the Third-Party Release should be deemed to represent its consent to the Third-Party Release. Any party seeking such relief must, in any pleading regarding this provision filed with the Bankruptcy Court: (i) identify the claim(s) or types of claims the party wishes to pursue and (ii) identify the parties or the types of parties against such claims will be asserted.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Third-Party Release, which includes by reference each of the related provisions and definitions contained in the Plan, and, further, shall constitute the Bankruptcy Court's finding that the Third-Party Release is: (a) consensual; (b) essential to the confirmation of the Plan; (c) given in exchange for the good and valuable consideration provided by the Released Parties, including, without limitation, the Released Parties' contributions to facilitating the restructuring and implementing the Plan; (d) a good faith settlement and compromise of the Claims released by the Third-Party Release; (e) in the best interests of the Debtors and their respective Estates; (f) fair, equitable, and reasonable; (g) given and made after due notice and opportunity for

hearing; and (h) a bar to any of the Releasing Parties asserting any Claim or Cause of Action released pursuant to the Third-Party Release.

5. Exculpation

Notwithstanding anything contained in the Plan to the contrary, no Exculpated Party shall have or incur liability for, and each Exculpated Party is released and exculpated from, any Cause of Action or any Claim related to any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Disclosure Statement, the Plan, the Plan Supplement, solicitation of votes on the Plan, the pursuit of confirmation, the pursuit of Consummation or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place from the Petition Date through the Effective Date, except for Claims related to any act or omission that is determined in a Final Order by a court of competent jurisdiction to have constituted criminal conduct, actual fraud, willful misconduct, knowing violation of law, or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan.

Notwithstanding anything to the contrary in the foregoing, the exculpation set forth herein does not release or exculpate any Claim relating to any post-Effective Date obligations of any party or Entity under the Plan or any document, instrument, or agreement (including any documents, instruments and agreements set forth in the Plan Supplement) executed to implement the Plan.

6. Non-Discharge of the Debtors; Injunction

In accordance with section 1141(d)(3) of the Bankruptcy Code, the Plan does not discharge the Debtors. Section 1141(c) of the Bankruptcy Code nevertheless provides, among other things, that the property dealt with by the Plan is free and clear of all Claims and Interests against the Debtors. As a result, except as otherwise provided in the Plan or the Confirmation Order, all Entities who have held, hold, or may hold Claims, Interests, Causes of Action, or liabilities that: (a) are subject to compromise and settlement pursuant to the terms of the Plan; (b) have been released by the Debtors pursuant to the Plan; (c) are subject to exculpation pursuant to the Plan; or (d) are otherwise discharged, satisfied, stayed or terminated pursuant to the terms of the Plan, are permanently enjoined and precluded, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Wind Down Debtors, the Plan Administrator, the Litigation Trust, the Litigation Trustee, the Released Parties, or the Exculpated Parties: (1) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims, Interests, or Causes of Action; (2) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims, Interests, or Causes of Action; (3) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or Estates of such Entities on account of or in connection with or with respect to any such

Claims, Interests, or Causes of Action; (4) asserting any right of setoff (other than setoffs exercised prior to the Petition Date) or subrogation of any kind against any debt, liability, or obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any Claims, Causes of Action, or Interests; and (5) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims, Interests, or Causes of Action discharged, released, exculpated or settled pursuant to the Plan.

Any Entity injured by any willful violation of such injunction may seek actual damages and, in appropriate circumstances, may seek punitive damages from the willful violator.

7. Subordination Rights.

Any distributions under the Plan shall be received and retained free from any obligations to hold or transfer the same to any other Holder and shall not be subject to levy, garnishment, attachment, or other legal process by any Holder by reason of claimed contractual subordination rights. Any such subordination rights shall be waived, and the Confirmation Order shall constitute an injunction enjoining any Entity from enforcing or attempting to enforce any contractual, legal, or equitable subordination rights to property distributed under the Plan, in each case other than as provided in the Plan.

J. Conditions Precedent to Confirmation and the Effective Date

1. Conditions Precedent to Confirmation

It shall be a condition to confirmation of the Plan that the following conditions shall have been satisfied (or waived pursuant to the provisions of Article XI.C thereof):

- i. The Bankruptcy Court shall have entered an order, in form and substance reasonably acceptable to the Debtors, approving the Disclosure Statement with respect to the Plan as containing adequate information within the meaning of section 1125 of the Bankruptcy Code; and
- ii. The Plan, the Confirmation Order, and the Plan Documents shall be in a form and substance reasonably acceptable to the Debtors, the DIP Lenders, the Prepetition Lenders, and the Creditors' Committee.

2. Conditions Precedent to the Effective Date

It shall be a condition to the Effective Date that the following conditions shall have been satisfied (or waived pursuant to the provisions of Article XI.C thereof):

- i. The Bankruptcy Court shall have entered the Confirmation Order, in form and substance reasonably acceptable to the Debtors.
- ii. All authorizations, consents, and approvals required, if any, in

connection with the Plan's effectiveness shall have been obtained.

- iii. All actions, documents, certificates, and agreements necessary to implement the Plan shall have been effected or executed and delivered to the required parties and, to the extent required, filed with the applicable Governmental Units in accordance with applicable laws, and are in form and substance, acceptable to the Debtors.
- iv. All sale transactions approved pursuant to the Sale Orders shall have been consummated pursuant to the Sale Orders, the Asset Purchase Agreements, and any related sale documentation.
- v. All conditions precedent to the effectiveness of the Plan Administration Agreement shall have been satisfied or duly waived.
- vi. All conditions precedent to the effectiveness of the Litigation Trust Agreement, including the funding of the Initial Litigation Trust Funding Cash Amount, shall have been satisfied or duly waived.
- vii. All Allowed Professional Fee Claims approved by the Bankruptcy Court shall have been paid in full or amounts sufficient to pay any unpaid Allowed Professional Fee Claims (excluding any Committee Professional Excess Amount) after the Effective Date shall have been placed in the Professional Fee Escrow Account pending approval of the Professional Fee Claims by the Bankruptcy Court.
- viii. The Wind Down Expense Fund shall have been funded with the Wind Down Cash Amount.

3. Waiver of Conditions

The conditions to confirmation of the Plan and to the Effective Date of the Plan set forth in Article XI of the Plan may be waived only by consent of the Debtors and the Lenders without notice, leave, or order of the Bankruptcy Court or any formal action other than proceedings to confirm or consummate the Plan.

4. Substantial Consummation

"Substantial Consummation" of the Plan, as defined in 11 U.S.C. § 1101(2), shall be deemed to occur on the Effective Date.

VIII. CERTAIN RISK FACTORS TO CONSIDER PRIOR TO VOTING

Holders of Claims should read and consider carefully the risk factors set forth below before voting to accept or reject the Plan. Although there are many risk factors discussed below, these factors should not be regarded as constituting the only risks present in connection with the Debtors' businesses or the Plan and its implementation.

A. Non-Confirmation of the Plan

The occurrence or non-occurrence of any or all of the contingencies set forth in this Section VIII, and any others, could affect distributions available to holders of Allowed Claims under the Plan but will not necessarily affect the validity of the vote of the Impaired Classes to accept or reject the Plan or necessarily require a re-solicitation of the votes of holders of Claims in such Impaired Classes.

B. Classification Risk

The Debtors believe that the Plan has classified all Claims and Interests in compliance with the provisions of section 1122 of the Bankruptcy Code and applicable case law, but it is possible that a Holder of a Claim may challenge the classification of Claims, and that the Bankruptcy Court may determine that a different classification is required for the Plan to be confirmed. In that event, the Debtors intend, to the extent permitted by the Bankruptcy Code, the Plan, and the Bankruptcy Court, to make such reasonable modifications of the classifications under the Plan to permit confirmation and to use the Plan acceptances received for purposes of obtaining the approval of the reconstituted Class or Classes of which each accepting Holder ultimately is deemed to be a member. Any such reclassification could adversely affect the Class in which such Holder initially was a member, or any other Class under the Plan, by changing the composition of such Class and the vote required of that Class for approval of the Plan.

C. Claims Estimations

There can be no assurance that any estimated Claim amounts set forth in this Plan are correct. The actual Allowed amount of Claims likely will differ in some respect from the estimates. The estimated amounts are subject to certain risks, uncertainties, and assumptions. If one or more of these risks or uncertainties materialize, or if the underlying assumptions prove incorrect, the actual Allowed amount of Claims may vary from those estimated herein.

D. Administrative and Priority Claims

The Debtors have been paying their administrative expenses in the ordinary course and do not anticipate any outstanding Administrative Expense Claims, Priority Tax Claims, and Other Priority Claims following the claims reconciliation process.

Notwithstanding the foregoing, if the actual number and amount of such Claims exceeds the amount of Cash the Debtors have to satisfy all such Claims in full, then unless the Holders of such Claims consent to less than full payment, the Bankruptcy Court may deny confirmation of the Plan.

E. Conditions Precedent to Consummation; Timing

The Plan provides for certain conditions that must be satisfied (or waived) prior to the Effective Date. There can be no assurance that any or all of the conditions in the Plan will be satisfied (or waived). Accordingly, even if the Plan is confirmed by the Bankruptcy Court, there can be no assurance that the Plan will be consummated.

F. Certain Tax Considerations

There are a number of material income tax considerations, risks, and uncertainties associated with the Plan of liquidation of the Debtors described in this Disclosure Statement and set forth in the Plan.

THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. NOTHING HEREIN SHALL CONSTITUTE TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A HOLDER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE UNITED STATES FEDERAL, STATE AND LOCAL, AND APPLICABLE FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN.

G. The Litigation Trust Assets, Including the Litigation Trust Claims, May Not Result in Recovery

The principal Litigation Trust Assets are the Litigation Trust Claims. The outcome of litigation is inherently uncertain and, thus, there is no assurance that the Litigation Trust Claims will result in any proceeds distributable from the Litigation Trust. Moreover, to the extent the Litigation Trust realizes or obtains any Cash proceeds from the Litigation Trust Claims distributable under the Litigation Trust Agreement, the timing of any such distribution is uncertain.

H. Reductions to Estimated Creditor Recoveries Under the Litigation Trust

The Allowed amount of Claims in any Class could be greater than projected, which, in turn, could cause the amount of distributions to Creditors in such Class to be reduced substantially. The amount of Cash realized from the liquidation of the Litigation Trust Assets could be less than anticipated, which could cause the amount of distributions to Creditors to be reduced substantially. Additionally, any changes to any of the assumptions underlying the estimated Allowed amounts could result in material adjustments to recovery estimates provided herein or the actual distribution received by Creditors.

IX. CONFIRMATION OF THE PLAN

A. Requirements for Confirmation of the Plan

Among the requirements for confirmation of a plan pursuant to section 1129 of the Bankruptcy Code are: (1) the plan is accepted by all impaired classes of claims, or if rejected by an impaired class, the plan (a) is accepted by at least one impaired class and (b) "does not

discriminate unfairly” and is “fair and equitable” as to the rejecting impaired class(es); (2) the plan is feasible; and (3) the plan is in the “best interests” of holders of claims or interests.

At the Combined Hearing, the Bankruptcy Court will determine whether the Plan satisfies all of the requirements of section 1129 of the Bankruptcy Code. The Debtors believe that: (1) the Plan satisfies, or will satisfy, all of the necessary statutory requirements of chapter 11 for plan confirmation; (2) the Debtors have complied, or will have complied, with all of the necessary requirements of chapter 11 for plan confirmation; and (3) the Plan has been proposed in good faith.

B. Classification of Claims and Interests

Section 1123 of the Bankruptcy Code provides that a plan must classify the claims and interests of a debtor’s creditors and equity interest holders. In accordance with section 1123 of the Bankruptcy Code, the Plan divides Claims and Interests into Classes and sets forth the treatment for each Class (other than those claims which pursuant to section 1123 (a)(1) of the Bankruptcy Code need not be and have not been classified). The Debtors also are required under section 1122 of the Bankruptcy Code to classify Claims and Interests into Classes that contain Claims or Interests that are substantially similar to the other Claims or Interests in such Class.

The Bankruptcy Code also requires that a plan provide the same treatment for each claim or interest of a particular class unless the claim holder or interest holder agrees to a less favorable treatment of its claim or interest. The Debtors believe that the Plan complies with such standard. If the Bankruptcy Court finds otherwise, however, the Bankruptcy Court could deny confirmation of the Plan if the Holders of Claims or Interests affected do not consent to the treatment afforded them under the Plan.

A claim or interest is placed in a particular class only to the extent that the claim or interest falls within the description of that class and is classified in other classes to the extent that any portion of the claim or interest falls within the description of such other classes. A claim also is placed in a particular class for the purpose of receiving distributions pursuant to a plan only to the extent that such claim is an allowed claim in that class and such claim has not been paid, released, or otherwise settled prior to the effective date.

The Debtors believe that the Plan has classified all Claims and Interests in compliance with the provisions of section 1122 of the Bankruptcy Code and applicable case law. It is possible that a Holder of a Claim or Interest may challenge the Debtors’ classification of Claims or Interests and that the Bankruptcy Court may find that a different classification is required for the Plan to be confirmed. If such a situation develops, the Debtors intend, in accordance with the terms of the Plan, to make such permissible modifications to the Plan as may be necessary to permit its confirmation. Any such reclassification could adversely affect Holders of Claims by changing the composition of one or more Classes and the vote required of such Class or Classes for approval of the Plan.

EXCEPT AS SET FORTH IN THE PLAN, UNLESS SUCH MODIFICATION OF CLASSIFICATION MATERIALLY ADVERSELY AFFECTS THE TREATMENT OF A HOLDER OF A CLAIM AND REQUIRES RE-SOLICITATION, ACCEPTANCE OF

THE PLAN BY ANY HOLDER OF A CLAIM PURSUANT TO THIS SOLICITATION WILL BE DEEMED TO BE A CONSENT TO THE PLAN'S TREATMENT OF SUCH HOLDER OF A CLAIM REGARDLESS OF THE CLASS AS TO WHICH SUCH HOLDER ULTIMATELY IS DEEMED TO BE A MEMBER.

The amount of any Impaired Claim that ultimately is Allowed by the Bankruptcy Court may vary from any estimated Allowed amount of such Claim and, accordingly, the total Claims that are ultimately Allowed by the Bankruptcy Court with respect to each Impaired Class of Claims may also vary from any estimates contained herein with respect to the aggregate Claims in any Impaired Class. Thus, the actual recovery ultimately received by a particular Holder of an Allowed Claim may be adversely or favorably affected by the aggregate amount of Claims Allowed in the applicable Class.

The classification of Claims and Interests and the nature of distributions to members of each Class are summarized herein. The Debtors believe that the consideration, if any, provided under the Disclosure Statement and Plan to Holders of Claims reflects an appropriate resolution of their Claims taking into account the differing nature and priority (including applicable contractual subordination) of such Claims and Interests. The Bankruptcy Court must find, however, that a number of statutory tests are met before it may confirm the Disclosure Statement and Plan. Many of these tests are designed to protect the interests of holders of claims or interests who are not entitled to vote on a plan, or do not vote to accept a plan, but who will be bound by the provisions of a plan if it is confirmed by a bankruptcy court.

C. Impaired Claims or Interests

Pursuant to the provisions of the Bankruptcy Code, only classes of claims or interests that are "impaired" (as defined in section 1124) of the Bankruptcy Code under a plan may vote to accept or reject such plan. Generally, a claim or interest is impaired under a plan if the holder's legal, equitable, or contractual rights are changed under such plan. In addition, if the holders of claims or interests in an impaired class do not receive or retain any property under a plan on account of such claims or interests, such impaired class is deemed to have rejected such plan under section 1126(g) of the Bankruptcy Code and, therefore, such holders are not entitled to vote on such plan.

Holders of Claims in Classes 3 and 4 are Impaired and are entitled to vote on the Plan. Holders of Claims or Interests in Classes 5, 6, and 7 are Impaired and will not receive or retain any property on account of such Claims or Interests and, therefore, are deemed to reject, and are not entitled to vote on, the Plan. Holders of Claims in Classes 1 and 2 are Unimpaired and, therefore, are deemed to accept, and are not entitled to vote on, the Plan.

ACCORDINGLY, A BALLOT FOR ACCEPTANCE OR REJECTION OF THE DISCLOSURE STATEMENT AND PLAN IS BEING PROVIDED ONLY TO HOLDERS OF CLAIMS IN CLASSES 3 AND 4.

D. The Debtor Release, Third-Party Release, Exculpation, and Injunction Provisions.

Article X of the Plan provides for certain releases, injunctions, and exculpations, including a release of liens and a Third-Party Release of certain claims that may otherwise be asserted against the Released Parties as applicable. The releases, injunctions, and exculpations provided in the Plan are subject to objection by parties in interest and may not be approved. If the releases are not approved, certain Released Parties may withdraw their support for the Plan.

The Debtors believe that the releases, exculpations, and injunctions set forth in the Plan are appropriate because, among other things, the releases are narrowly tailored to the Debtors' Chapter 11 Cases, and each of the Released Parties has contributed value to the Debtors and aided in the sale process and formulation of the Plan, which facilitated the Debtors' ability to propose and pursue confirmation. The Debtors believe that each of the Released Parties has played an integral role in formulating the Plan and has expended significant time and resources analyzing and negotiating the issues presented by the Debtors' prepetition capital structure. The Debtors further believe that such releases, exculpations, and injunctions are a necessary part of the Plan. The Debtors will be prepared to meet their burden to establish the basis for the releases, exculpations, and injunctions for each of the Released Parties and each Exculpated Party as part of confirming the Plan.

In addition, the Debtors submit that the Third-Party Release is consensual as required under *Harrington v. Purdue Pharma L.P.*, 603 U.S. 204 (2024), because creditors are provided with the opportunity to opt out of the Third-Party Release. Courts in this district and others have found that such "opt-out" provisions demonstrate consent. *See, e.g.*, Case No. 24-55507 (PMB), *In re LaVie Care Ctrs.*, 2024 Bankr. LEXIS 2900 (Bankr. N.D. Ga., Dec. 5, 2024); *In re Evistacom, LLC*, Case No. 23-52696 (JWC) (Bankr. N.D. Ga., Nov. 15, 2023) [Docket No. 220]. Moreover, the Plan further provides a rebuttable presumption that any Holder of a Claim or Interest who does not return a Ballot or opt-out election form or file an objection to the Third-Party Release consents to the Third-Party Release, but such Holder has an opportunity to subsequently seek relief from the Third-Party Release if the Holder demonstrates facts and circumstances that its failure to return a Ballot or opt out of the Third-Party Release or to object to the Third-Party Release should not be deemed consent. Accordingly, the Debtors submit that the Third-Party Release is consensual and complies with applicable law.

E. Best Interests of Creditors and Liquidation Analysis

Even if a plan is accepted by the holders of each class of claims and interests, the Bankruptcy Code requires a bankruptcy court to determine that such plan is in the best interests of all holders of claims or interests that are impaired by that plan and that have not accepted such plan. The "best interests" test, as set forth in section 1129(a)(7) of the Bankruptcy Code, requires a bankruptcy court to find either that all members of an impaired class of claims or interests have accepted a plan or that a plan will provide a member who has not accepted a plan with a recovery of property of a value, as of the effective date of a plan, that is not less than the amount that such holder would recover if the debtor were liquidated under chapter 7 of the Bankruptcy Code.

To calculate the probable distribution to holders of each impaired class of claims and interests if the debtor was liquidated under chapter 7, a bankruptcy court must first determine the aggregate dollar amount that would be generated from a debtor's assets if its chapter 11 cases were converted to cases under chapter 7 of the Bankruptcy Code. To determine if a plan is in the best interests of each impaired class, the present value of the distributions from the proceeds of a liquidation of the debtor's unencumbered assets and properties, after subtracting the amounts attributable to the costs, expenses and administrative claims associated with a chapter 7 liquidation, must be compared with the value offered to such impaired classes under a plan. If the hypothetical liquidation distribution to holders of claims or interests in any impaired class is greater than the distributions to be received by such parties under a plan, then such plan is not in the best interests of the holders of claims or interests in such impaired class.

The Debtors believe that creditors will receive a better recovery under the Plan than they would in a hypothetical chapter 7 liquidation. Indeed, under the terms of the Prepetition Loan Documents, the DIP Loan Documents, the DIP Orders, and the sales as described herein, substantially all assets of the Debtors were encumbered by the liens of the Lenders and/or sold during these Chapter 11 Cases. Thus, in a hypothetical chapter 7 liquidation, there would not be any unencumbered assets available to pay claims of unsecured creditors, including creditors that hold Administrative Claims or Priority Claims. There would not even be assets available to pay the costs of administering the chapter 7 liquidation. On the other hand, under the terms of the Plan, the Prepetition Lenders have agreed to make the Litigation Trust Assets available for distributions to creditors pursuant to the Litigation Trust Proceeds Waterfall.

Moreover, in a chapter 7 liquidation, there would be additional costs and expenses that the Estates would incur as a result of liquidating the Estates in a chapter 7 case. The costs of liquidation under chapter 7 of the Bankruptcy Code would include the compensation of a trustee, as well as the costs of counsel and other professionals retained by the trustee. The Debtors believe such amount would exceed the amount of expenses that would be incurred in implementing the Plan and winding up the affairs of the Debtors. Conversion also would likely delay the liquidation process and ultimate distribution of the Assets. The Estates would also be obligated to pay all unpaid expenses incurred by the Debtors during the Chapter 11 Cases (such as compensation for professionals) that are allowed in the chapter 7 cases.

Accordingly, the Debtors believe that Holders of Allowed Claims would receive less than anticipated under the Plan if the Chapter 11 Cases were converted to chapter 7 cases, and therefore, the classification and treatment of Claims and Interests in the Plan satisfies section 1129(a)(7) of the Bankruptcy Code.

Attached hereto as Exhibit D and incorporated herein by reference is a liquidation analysis prepared by the Debtors with the assistance of the Debtors' advisors.

F. Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires that confirmation of a plan not be likely to be followed by the liquidation, or the need for further financial reorganization, of the debtors or any successor to the debtors (unless such liquidation or reorganization is proposed in a plan). Inasmuch as substantially all of the Debtors' Assets have principally been liquidated, for

purposes of this test, the Debtors have analyzed the ability of the Wind Down Debtors and Litigation Trust to meet their obligations under the Plan. Based on the Debtors' analysis, the Wind Down Debtors and Litigation Trust will have sufficient assets to accomplish its tasks under the Plan. Therefore, the Debtors believe that the liquidation of Remaining Assets and Litigation Trust Assets pursuant to the Plan will meet the feasibility requirements of the Bankruptcy Code.

G. Acceptance by Impaired Classes

The Bankruptcy Code requires, as a condition to confirmation, except as described in the following section, that each class of claims or equity interests impaired under a plan, accept the plan. A class that is not "impaired" under a plan is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such a class is not required.

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two-thirds in dollar amount and more than one-half in a number of allowed claims in that class, counting only those claims that have *actually* voted to accept or to reject the plan. Thus, a class of claims will have voted to accept a plan only if two-thirds in amount and a majority in number of the allowed claims in such class that vote on the plan actually cast their ballots in favor of acceptance.

Section 1126(d) of the Bankruptcy Code defines acceptance of a plan by a class of impaired equity interests as acceptance by holders of at least two-thirds in amount of allowed interests in that class, counting only those interests that have *actually* voted to accept or to reject the plan. Thus, a class of interests will have voted to accept a plan only if two-thirds in amount of the allowed interests in such class that vote on plan actually cast their ballots in favor of acceptance.

Pursuant to Article III.E of the Plan, if a Class contains Claims or Interests eligible to vote and no Holders of Claims or Interests eligible to vote in such Class vote to accept or reject the Plan, the Holders of such Claims or Interests in such Class shall be deemed to have accepted the Plan.

H. Confirmation Without Acceptance by All Impaired Classes

Section 1129(b) of the Bankruptcy Code allows a bankruptcy court to confirm a plan even if all impaired classes have not accepted it; *provided*, that the plan has been accepted by at least one impaired class. Pursuant to section 1129(b) of the Bankruptcy Code, notwithstanding an impaired class's rejection or deemed rejection of the plan, the plan will be confirmed, at the plan proponent's request, in a procedure commonly known as a "cramdown" so long as the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of claims or equity interests that is impaired under, and has not accepted, the plan.

If any Impaired Class rejects the Plan, the Debtors reserve the right to seek to confirm the Plan utilizing the "cramdown" provision of section 1129(b) of the Bankruptcy Code. To the extent that any Impaired Class rejects the Plan or is deemed to have rejected the Plan, the Debtors may request Confirmation of the Plan, as it may be modified from time to time, under

section 1129(b) of the Bankruptcy Code. The Debtors reserve the right to alter, amend, modify, revoke, or withdraw the Plan or any Plan Supplement document, including the right to amend or modify the Plan or any Plan Supplement document to satisfy the requirements of section 1129(b) of the Bankruptcy Code.

1. No Unfair Discrimination

The “unfair discrimination” test applies to classes of claims or interests that are of equal priority and are receiving different treatment under a plan. The test does not require that the treatment be the same or equivalent, but that treatment be “fair.” In general, bankruptcy courts consider whether a plan discriminates unfairly in its treatment of classes of claims or interests of equal rank (e.g., classes of the same legal character). Bankruptcy courts will take into account a number of factors in determining whether a plan discriminates unfairly. A plan could treat two classes of unsecured creditors differently without unfairly discriminating against either class.

2. Fair and Equitable Test

The “fair and equitable” test applies to classes of different priority and status (e.g., secured versus unsecured) and includes the general requirement that no class of claims receive more than 100% of the amount of the allowed claims in the class. As to the dissenting class, the test sets different standards depending upon the type of claims or equity interests in the class.

As a condition to the test, section 1129(b)(2) of the Bankruptcy Code provides that a plan is “fair and equitable” with respect to a dissenting impaired class of unsecured claims if the creditors in the class receive or retain property of a value equal to the allowed amount of their claims or, failing that, no creditor of lesser priority, or shareholder, receives any distribution under the plan. This requirement is sometimes referred to as the “absolute priority rule.”

The Debtors submit that if the Debtors “cramdown” the Plan pursuant to section 1129(b) of the Bankruptcy Code, the Plan is structured so that it does not “discriminate unfairly” and satisfies the “fair and equitable” requirement. With respect to the unfair discrimination requirement, all Classes under the Plan are provided treatment that is substantially equivalent to the treatment that is provided to other Classes that have equal rank. With respect to the fair and equitable requirement, and “absolute priority rule,” no Class under the Plan will receive more than 100% of the amount of Allowed Claims or Interests in that Class. The Debtors believe that the Plan and the treatment of all Classes of Claims or Interests under the Plan satisfy the foregoing requirements for nonconsensual Confirmation of the Plan.

X. RECOMMENDATION

The Debtors believe that the Plan is preferable to all other available alternatives and provides for a larger distribution to the Debtors’ creditors than would otherwise result in any other scenario. Accordingly, the Debtors recommend that Holders of Claims entitled to vote on the Plan vote to accept the Plan and support confirmation of the Plan.

[Remainder of page intentionally left blank]

Respectfully submitted, as of the date set forth above,

AFH Air Pros, LLC
on behalf of itself and all other Debtors

By: /s/ Andrew D.J. Hede

Name: Andrew D.J. Hede

Titles: Chief Restructuring Officer
and Authorized Person

Exhibit A

Plan of Liquidation

Exhibit B

Disclosure Statement Order

[To Follow]

Exhibit C

Committee Settlement Term Sheet

Exhibit D

Liquidation Analysis