IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
iSun, Inc., *et al.*,[1]	)	Case No. 24-11144 (TMH)
Debtors.	)	(Jointly Administered)

DISCLOSURE STATEMENT WITH RESPECT TO MODIFIED JOINT CHAPTER 11 PLAN OF LIQUIDATION OF ISUN, INC. AND ITS DEBTOR AFFILIATES

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

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[1] The Debtors in these Chapter 11 cases, along with the last four (4) digits of their federal tax identification numbers, are: (i) iSun, Inc. (0172) (ii) Hudson Solar Service, LLC (1635); (iii) Hudson Valley Clean Energy, Inc. (8214); (iv) iSun Corporate, LLC (4391); (v) iSun Energy, LLC (1676); (vi) iSun Industrial, LLC (4333); (vii) iSun Residential, Inc. (3525); (viii) iSun Utility, LLC (4411) ; (ix) Liberty Electric, Inc. (8485); (x) Peck Electric Co. (5229); (xi) SolarCommunities , Inc. (7316); and (xii) Sun CSA 36, LLC (7316). The Debtors' mailing address is: 400 Avenue D, Suite 10 Williston, Vermont 05495, with copies to Gellert Seitz Busenkell & Brown LLC, Attn: Michael Busenkell, 1201 N. Orange Street, Suite 300, Wilmington, DE 19801.

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DISCLAIMER

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT RELATES TO THE JOINT PLAN OF LIQUIDATION OF ISUN, INC., ISUN CORPORATE, LLC, ISUN ENERGY LLC, ISUN INDUSTRIAL, LLC, ISUN RESIDENTIAL, INC., ISUN UTILITY, LLC, LIBERTY ELECTRIC, INC., PECK ELECTRIC CO., SOLARCOMMUNITIES, INC., HUDSON SOLAR SERVICE, LLC, HUDSON VALLEY CLEAN ENERGY, INC., AND SUN CSA 36, LLC AND IS INCLUDED HEREIN FOR PURPOSES OF SOLICITING ACCEPTANCES OF THE PLAN AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. NO PERSON MAY GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT, REGARDING THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN.

ALL CREDITORS ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN, OTHER EXHIBITS ANNEXED OR REFERRED TO IN THE PLAN, AND THIS DISCLOSURE STATEMENT. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF, AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER THE DATE HEREOF.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016(C) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER LAWS GOVERNING DISCLOSURE OUTSIDE THE CONTEXT OF CHAPTER 11. THIS DISCLOSURE STATEMENT HAS BEEN NEITHER APPROVED NOR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "**SEC**"), NOR HAS THE SEC PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. PERSONS OR ENTITIES TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING SECURITIES OF OR CLAIMS AGAINST THE DEBTORS SHOULD EVALUATE THIS DISCLOSURE STATEMENT AND THE PLAN IN LIGHT OF THE PURPOSE FOR WHICH THEY WERE PREPARED.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, AND OTHER ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION, OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING NOR SHALL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST, OR EQUITY INTERESTS IN, THE DEBTORS.

THIS DISCLOSURE STATEMENT SUMMARIZES CERTAIN PROVISIONS OF THE PLAN, STATUTORY PROVISIONS, DOCUMENTS RELATED TO THE PLAN, EVENTS IN THE CHAPTER 11 CASES OF THE DEBTORS, AND FINANCIAL INFORMATION. THE DEBTORS ARE SOLELY RESPONSIBLE FOR ALL STATEMENTS IN THIS DISCLOSURE STATEMENT. THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTORS UNLESS OTHERWISE NOTED. ALTHOUGH THE DEBTORS BELIEVE THAT THE PLAN AND RELATED DOCUMENT SUMMARIES ARE FAIR AND ACCURATE, SUCH INFORMATION IS QUALIFIED TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF THE PLAN, SUCH DOCUMENTS OR ANY STATUTORY PROVISIONS THAT MAY BE REFERENCED THEREIN. THE DEBTORS BELIEVE THAT THE INFORMATION CONTAINED HEREIN IS CORRECT BUT MAKE NO REPRESENTATION WITH RESPECT TO ITS ACCURACY OR COMPLETENESS.

1. INTRODUCTION

1.1 *Purpose of Disclosure Statement.*

iSun, Inc., iSun Corporate, LLC, iSun Energy LLC, iSun Industrial, LLC, iSun Residential, Inc., iSun Utility, LLC, Liberty Electric, Inc., Peck Electric Co., SolarCommunities, Inc., Hudson Solar Service, LLC, Hudson Valley Clean Energy, Inc., and Sun CSA 36, LLC (collectively, the "**Debtors**" or the "**Company**"), provide this Disclosure Statement (the "**Disclosure Statement**") to the Office of the United States Trustee and to all of the Debtors' known Claimholders and Interestholders pursuant to section 1125(b) of Title 11 of the United States Code (the "**Bankruptcy Code**") for the purpose of soliciting acceptances of the *Modified Joint Chapter 11 Plan of Liquidation of iSun, Inc. and its Debtor Affiliates* (the "**Plan**"), which has been filed with the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**"). By Order dated [•] [•], 2024, the Disclosure Statement was approved by the Bankruptcy Court as containing "adequate information" under section 1125 of the Bankruptcy Code.

The Debtors strongly urge you to read this Disclosure Statement because it contains a summary of the Plan and important information concerning the Debtors' history and operations. The Disclosure Statement also provides information as to alternatives to the Plan. A copy of the Plan accompanies this Disclosure Statement as a separate document.

PLEASE NOTE THAT MUCH OF THE INFORMATION CONTAINED HEREIN HAS BEEN TAKEN, IN WHOLE OR IN PART, FROM INFORMATION CONTAINED IN THE DEBTORS' BOOKS AND RECORDS AND FROM MOTIONS AND OTHER PAPERS FILED WITH THE BANKRUPTCY COURT BY THE DEBTORS AND OTHER PARTIES-IN-INTEREST. ALTHOUGH THE DEBTORS HAVE ATTEMPTED TO BE ACCURATE IN ALL MATERIAL RESPECTS, THEY ARE UNABLE TO WARRANT OR REPRESENT THAT ALL OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS WITHOUT ERROR.

Unless otherwise defined herein, capitalized terms contained in this Disclosure Statement shall have the same meanings as ascribed to them in the Plan. All capitalized terms used in this Disclosure Statement and not defined herein or in the Plan, but that are defined in the Bankruptcy Code, shall have the respective meanings ascribed to them in the Bankruptcy Code. All capitalized terms used in this Disclosure Statement and not defined herein, in the Plan, or in the Bankruptcy Code, but that are defined in the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), shall have the respective meanings ascribed to them in the Bankruptcy Rules. Holders of Claims or Interests receiving this Disclosure Statement should carefully review the Plan in conjunction with their review of this Disclosure Statement.

PLEASE REVIEW THE PLAN IN ITS ENTIRETY IN DETAIL. NO REPRESENTATION CONCERNING THE DEBTORS OR THE VALUE OF THEIR ASSETS HAS BEEN AUTHORIZED BY THE BANKRUPTCY COURT OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT OR ANY OTHER DISCLOSURE STATEMENT APPROVED BY THE BANKRUPTCY COURT. THE DEBTORS ARE NOT RESPONSIBLE FOR ANY INFORMATION, REPRESENTATION OR INDUCEMENT

MADE TO OBTAIN YOUR ACCEPTANCE, WHICH IS OTHER THAN, OR INCONSISTENT WITH, INFORMATION CONTAINED HEREIN AND IN THE PLAN.

The purpose of this Disclosure Statement is to provide Claimholders and Interestholders, to the extent they are entitled to vote, with information determined by the Bankruptcy Court to be adequate to enable them to make an informed decision to vote to accept or reject the Plan.

1.2 *Brief Summary of the Plan*

The Plan provides for the wind down of the Debtors' affairs, continued liquidation of the Debtors' remaining assets to Cash, and the distribution of the net proceeds realized therefrom, in addition to Cash on hand on the Effective Date of the Plan, to creditors holding Allowed Claims as of the Record Date in accordance with the relative priorities established in the Bankruptcy Code. The Plan does not provide for a distribution to holders of Intercompany Claims, Subordinated Claims, or Interests, and their votes are not being solicited as each is deemed to reject the Plan. The Plan contemplates the appointment of a Liquidation Trustee, selected by the Creditors' Committee, to, among other things, receive the Liquidation Trust Assets, establish and maintain such operating, reserve, and trust accounts as are necessary and appropriate to carry out the terms of the Liquidation Trust and the Plan, including the Liquidation Trust Claims Reserve, invest Cash that is a Liquidation Trust Asset, pursue objections to, estimation of, and settlements of all Claims, regardless of whether any such Claim is listed on the Debtors' Schedules, other than Claims that are Allowed pursuant to the Plan, prosecute, settle, or abandon any Retained Causes of Action, calculate all distributions made under the Plan (unless otherwise provided in the Plan), and authorize and make, through the Distribution Agent, all distributions to be made under the Plan.

1.3 *Confirmation of Plan.*

1.3.1 ***Requirements***. The requirements for Confirmation of the Plan are set forth in detail in section 1129 of the Bankruptcy Code. The following summarizes some of the pertinent requirements:

(a) **Acceptance by Impaired Classes.** Except to the extent that the cramdown provisions of section 1129(b) of the Bankruptcy Code may be invoked, each Class of Claims must either vote to accept the Plan or be deemed to accept the Plan because the Claims or Interests of such Class are not Impaired.

(b) **Feasibility.** The Bankruptcy Court is required to find that the Plan is likely to be implemented and that parties required to perform or pay monies under the Plan will be able to do so.

(c) **"Best Interest" Test.** The Bankruptcy Court must find that the Plan is in the "best interest" of all Claimholders. To satisfy this requirement, the Bankruptcy Court must determine that each holder of a Claim against the Debtors: (i) has accepted the Plan; or (ii) will receive or retain under the Plan money or other property which, as of the Effective Date, has a value not less than the amount such holder would receive if the Debtors' property was liquidated under Chapter 7 of the Bankruptcy Code on such date.

(d) "**Cramdown" Provisions.** Under the circumstances which are set forth in detail in section 1129(b) of the Bankruptcy Code, the Bankruptcy Court may confirm the Plan even though a Class of Claims or Interests has not accepted the Plan, so long as one Impaired Class of Claims has accepted the Plan, excluding the votes of Insiders (as defined in the Bankruptcy Code), if the Plan is fair and equitable and does not discriminate unfairly against such non-accepting Classes. The Debtors will invoke the "cramdown" provisions of section 1129(b) of the Bankruptcy Code as to holders of General Unsecured Claims, Intercompany Claims, Subordinated Claims, and Interests since under the Plan, the Class in which such Classes reside are deemed to have rejected the Plan. Should any voting Class fail to accept the Plan, the Debtors will also invoke the "cramdown" provision as to such Class.

1.3.2 ***Procedure.*** To confirm the Plan, the Bankruptcy Court must hold a hearing to determine whether the Plan meets the requirements of section 1129 of the Bankruptcy Code (the "**Confirmation Hearing**"). The Bankruptcy Court has set **[•] [•], 2024 at [•]:[•] [•].m. Eastern Time**, for the Confirmation Hearing.

1.3.3 ***Objection to Confirmation.*** Any party-in-interest may object to Confirmation of the Plan and appear at the Confirmation Hearing to pursue such objection. The Bankruptcy Court has set **[•] [•], 2024 at 4:00 p.m. Eastern Time**, as the deadline for filing and serving upon Debtors' counsel and the United States Trustee's Office objections to Confirmation of the Plan. Objections to Confirmation must be filed with the Bankruptcy Court at the following address:

U.S. Bankruptcy Court for the District of Delaware
824 North Market Street
Wilmington, Delaware 19801

with a copy served upon counsel to the Debtors:

Gellert Seitz Busenkell & Brown LLC
Attn: Michael Busenkell, Esq.
1201 N. Orange St., 3rd Floor
Wilmington, Delaware 19801

and a copy served upon the Office of the United States Trustee:

United States Trustee
Attn: Timothy J. Fox, Esq.
844 King Street, Room 2207
Lockbox 35
Wilmington, DE 19801

1.3.4 ***Effect of Confirmation and Effective Date***. Except as otherwise provided in the Plan or in the Confirmation Order, upon the Effective Date, the Debtors and their Estates shall be deemed to have irrevocably transferred all Assets of the Estates, including, without limitation, the Retained Causes of Action and any proceeds therefrom, to the Liquidation Trust free and clear of Claims, Liens, Interests, encumbrances, and contractually imposed restrictions, except those expressly provided in the Plan, and such Assets of the Estates shall become the Liquidation Trust Assets. The Liquidation Trust Assets expressly exclude: (i) the Liquidation Trust Claims Reserve, except that any excess amounts in the Liquidation Trust Claims Reserve after the payment in full or other satisfaction of all Allowed Administrative Claims (other than Professional Fee Claims), Priority Tax Claims, Other Priority Claims, and Other Secured Claims shall become Liquidation Trust Assets; and (ii) the Professional Fee Claims Reserve, except that any excess amounts in the Professional Fee Claims Reserve after payment in full or other satisfaction of Allowed Professional Fee Claims, shall become Liquidation Trust Assets. Also on the Effective Date, the Liquidation Trustee shall be established for the purposes of, among other things, administering the Liquidation Trust and to authorize and make, through the Distribution Agent, distribution to holders of Allowed Claims provided for or contemplated in the Plan, and to authorize and make, through the Distribution Agent, distribution to holders of Beneficial Trust Interests provided for or contemplated under the Plan or Liquidation Trust Agreement. Confirmation serves to make the Plan binding upon the Debtors, all Creditors, Interestholders and other parties-in-interest, regardless of whether they cast a ballot ("**Ballot**") to accept or reject the Plan.

1.4 ***Voting on the Plan.***

1.4.1 ***Impaired Claims or Interest***. Pursuant to section 1126 of the Bankruptcy Code, only the holders of Claims in Classes "Impaired" by the Plan and receiving distributions or other treatment under the Plan may vote on the Plan. Pursuant to section 1124 of the Bankruptcy Code, a Class of Claims may be "Impaired" if the Plan alters the legal, equitable, or contractual rights of the holders of such Claims or Interests treated in such Class. Claimholders not Impaired by the Plan are deemed to accept the Plan and do not have the right to vote on the Plan. The Claimholders in any Class that will not receive any payment or distribution or retain any property pursuant to the Plan are deemed to reject the Plan and do not have the right to vote.

1.4.2 ***Eligibility***. In order to vote on the Plan, a Claimholder must have timely filed or been assigned a timely filed proof of Claim, unless its Claim is scheduled by the Debtors and is not identified as disputed, unliquidated or contingent on the Debtors' Schedules of Assets and Liabilities (the "**Schedules**"), and an objection or request for estimation of such Claim has not been filed on or before the Solicitation Date as set forth in the Disclosure Statement Approval Order. Claimholders having a Claim in more than one Class may vote in each Class in which they hold a separate Claim by casting a Ballot in each Class.

1.4.3 ***Binding Effect of Confirmed Plan***. Whether a Claimholder votes on the Plan or not, such Person will be bound by the terms of the Plan if the Plan is confirmed by the Bankruptcy Court. Absent some affirmative act constituting a vote, a Claimholder will not be included in the vote: (i) for purposes of accepting or rejecting the Plan; or (ii) for purposes of determining the number of Persons voting on the Plan.

1.4.4 ***Procedure***. Members of Classes 4 may vote to accept or reject the Plan. Classes 1, 2, and 3 are not Impaired by the Plan and are deemed, therefore, to accept the Plan. Classes 5, 6, 7, and 8 are Impaired by the Plan and are deemed to have rejected the Plan because the Claimholders and Interestholders in Classes 5, 6, 7, and 8 will receive no distributions under the Plan. In order for your vote to count, you must complete, date, sign and properly mail the enclosed Ballot (please note that envelopes have been included with the Ballot) to:

if by regular mail or by overnight delivery:

iSun, Inc., *et al.*
Ballot Processing
c/o Epiq Restructuring Administration LLC
P.O. Box 4422
Beaverton, OR 97076-4422

if by overnight delivery:

iSun, Inc., *et al.*
Ballot Processing
c/o Epiq Restructuring Administration LLC
10300 SW Allen Boulevard
Beaverton, OR 97005

Pursuant to Bankruptcy Rule 3017, the Bankruptcy Court has ordered that original Ballots for the acceptance or rejection of the Plan must be received by mail or overnight delivery by Epiq Restructuring Administration LLC (the "**Balloting Agent**") at the address set forth above on or before **4:00 p.m. Eastern Time on [•] [•], 2024** (the "**Voting Deadline**"). Once you have delivered your Ballot, you may not change your vote, except for cause shown to the Bankruptcy Court after notice and hearing.

The following types of Ballots <u>will not be</u> counted in determining whether the Plan has been accepted or rejected:

1. any Ballot received after the Voting Deadline;

2. any Ballot that is illegible or contains insufficient information to permit the identification of the claimant;

3. any Ballot cast by a Person or Entity that does not hold a Claim in a Class that is entitled to vote to accept or reject the Plan;

4. any Ballot cast for a Claim identified in the Schedules as unliquidated, contingent, or disputed for which no proof of claim was timely filed;

5. any Ballot cast for a Claim for which an objection or request for estimation has been filed on or before the Solicitation Date as set forth in the Disclosure Statement Approval Order;

6. any unsigned Ballot or Ballot that does not contain an original signature;

7. any Ballot transmitted to the Balloting Agent by facsimile or other means not specifically approved in the Disclosure Statement Approval Order;

8. any Ballot that is otherwise properly completed, executed, and timely returned, but does not indicate a vote to accept or reject the Plan or that indicates a vote to both accept and reject the Plan.

The following types of Ballots will be counted in determining whether the Plan has been accepted or rejected: whenever a creditor casts more than one Ballot voting the same Claim(s) before the Voting Deadline, the last Ballot received before the Voting Deadline shall be deemed to reflect the voter's intent, and thus, to supersede any prior Ballots.

1.5 ***Acceptance of the Plan.***

1.5.1 ***Claimholder Acceptance***. As a Claimholder, your acceptance of the Plan is important. In order for the Plan to be accepted by an Impaired Class of Claims, a majority in number and two-thirds in dollar amount of the Claims voting (of each Impaired Class of Claims) must vote to accept the Plan, or the Plan must qualify for "cramdown" of any non-accepting Class pursuant to section 1129(b) of the Bankruptcy Code. At least one impaired Class of Creditors, excluding the votes of Insiders, must actually vote to accept the Plan. You are urged to complete, date, sign and promptly mail the enclosed Ballot. Please be sure to complete the Ballot properly and legibly identify the exact amount of your Claim and the name of the Claimholder.

1.5.2 ***Cramdown Election***. If all Classes do not accept the Plan, but at least one Impaired Class votes to accept the Plan, excluding the votes of Insiders, the Debtors may attempt to invoke the "cramdown" provisions of the Bankruptcy Code. Cramdown may be an available remedy, because the Debtors believe that, with respect to each Impaired Class, the Plan is fair and equitable within the meaning of section 1129(b)(2) of the Bankruptcy Code and does not discriminate unfairly.

1.6 ***Sources of Information.***

The information contained in this Disclosure Statement has been obtained from the Debtors' books and records and from motions and other papers filed with the Bankruptcy Court by the Debtors and other parties-in-interest. Every reasonable effort has been made to present accurate information and such information is believed to be correct as of the date hereof. Any value given as to the Assets of the Debtors is based upon an estimation of such value. You are strongly urged to consult with your financial and legal advisors to understand fully the Plan and Disclosure Statement.

The financial information contained in this Disclosure Statement is given as of the date hereof, unless otherwise specified. The delivery of this Disclosure Statement does not, under any circumstance, imply that there has been no change in the facts set forth herein since such date. This Disclosure Statement is intended, among other things, to summarize the Plan and must be read in conjunction with the Plan and its exhibits. If any conflicts exist between the Plan and Disclosure Statement, the terms of the Plan shall control.

1.7 ***Additional Information.***

Should you have any questions regarding the Plan or this Disclosure Statement, or require clarification of any information presented herein, please contact:

Michael Busenkell, Esq.
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Wilmington, Delaware 19801
Telephone: (302) 425-5812
Email: mbusenkell@gsbblaw.com

2. THE DEBTORS

2.1 *Description of the Debtors.*

On June 3, 2024 (the "**Petition Date**"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the Bankruptcy Court. Each Debtor is authorized to operate its business and manage its properties as a debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On June 6, 2024, the Bankruptcy Court entered an order providing for the joint administration of the Debtors' chapter 11 cases.

The Debtors were one of the largest solar energy services and infrastructure deployment companies in the country. The Debtors' business targeted all solar markets, including residential, commercial, industrial and utility segments, and its services included solar, storage and electric vehicle infrastructure, design, development and professional services, engineering, procurement, installation, O&M, and storage (the "**Business**"). As of the Petition Date, the Debtors' full-time employees included 143 hourly employees, and 53 salaried employees.

2.2 *The Debtors' Operations and Financial Difficulties.*

2.2.1 *Corporate and Capital Structure.*

The Debtors are composed of twelve (12) separate entities, with iSun, Inc ("**iSun**") serving as the ultimate, publicly traded parent entity, and each of the other Debtors—iSun Corporate, LLC, a Delaware limited liability company ("**Corporate**"), iSun Energy LLC, a Delaware limited liability company ("**Energy**"), iSun Industrial, LLC, a Delaware limited liability company ("**Industrial**"), iSun Residential, Inc., a Delaware corporation ("**Residential**"), iSun Utility, LLC, a Delaware limited liability company ("**Utility**"), Liberty Electric, Inc., a New Hampshire corporation ("**Liberty**"), Peck Electric Co., a Vermont Corporation ("**Peck**"), Solar Communities, Inc., a Vermont Corporation ("**Solar**"), Hudson Solar Services, LLC, a New York limited liability company ("**Hudson Solar**"), Hudson Valley Clean Energy, Inc., a New York Corporation ("**Hudson Valley**"), and Sun CSA 36, LLC, a Delaware limited liability company ("**Sun CSA**")—each serving as a wholly owned direct or indirect subsidiary of iSun, Inc. Shares in iSun were listed on the NASDAQ stock exchange under the trading symbol "ISUN." On May 23, 2024, NASDAQ suspended trading of iSun, Inc.'s shares in preparation of delisting the shares. As of the Petition Date, iSun's stock traded over the counter at a price of $0.08 per share.

As of the Petition Date, the Debtors' capital structure consisted of (i) outstanding funded-debt obligations in the aggregate principal amount of approximately $10.5 million, consisting of approximately $9.5 million outstanding under that certain revenue loan (the **"Decathlon Loan"**) with Decathlon Growth Credit, LLC (together with its affiliates, successors, designees and assigns, "**Decathlon**") and approximately $1 million outstanding under that certain senior secured promissory note between the Debtors and Clean Royalties, LLC (the **"Bridge Loan"**); (ii) approximately [$920,000/$1.2 million] in various vehicle loans (the **"Vehicle Loans"**); (iii) approximately $1.13 million in term loans through NBT Bank (the **"NBT Loans"**); (iv) approximately $1.44 million outstanding under the Merchant Cash Advance Agreements (defined below); and (v) $34.3 million in unsecured trade debt, contract liabilities, and lease liabilities.

2.2.2 ***The Debtors' Debt Structure.***

The liens securing the Decathlon Loan are first priority, senior liens covering substantially all of the Debtors' assets, subject only to the permitted liens securing the Vehicle Loans and the NBT Loans; *provided, however*, that Decathlon has agreed to contractually subordinate itself to liens in favor of Clean Royalties securing the Bridge Loan.

2.2.3 ***Events Leading to the Filings.***

On January 19, 2021, the Debtors completed a business combination pursuant to which they acquired Energy. The business combination was an acquisition treated as a merger and reorganization and Energy became a wholly owned subsidiary of The Peck Company Holdings, Inc. Immediately prior to the business combination, the parent company changed its name to iSun, Inc.

On April 6, 2021, Utility, Adani Solar USA, Inc. (**"Adani"**), and Oakwood Construction Services, Inc. (**"Oakwood"**) entered into an assignment agreement pursuant to which Utility acquired all rights to the intellectual property of Oakwood and its affiliates. Oakwood was a utility-scale solar engineering, procurement, construction, development and design company and a wholly-owned subsidiary of Adani. The transaction included all of the intellectual property, project references, templates, client lists, agreements, forms and processes of Adani's U.S. solar business.

On September 8, 2021, iSun, Inc. entered into a merger agreement with iSun Residential Merger Sub, Inc., (the **"Merger Sub"**), a wholly-owned subsidiary of Residential (which was a wholly-owned subsidiary of iSun), SolarCommunities, Inc., d/b/a SunCommon (**"SunCommon"**), and SunCommon's shareholders, pursuant to which the Merger Sub merged with and into SunCommon (the **"Merger"**) with SunCommon as the surviving company in the Merger and SunCommon became a wholly-owned subsidiary of iSun Residential. The Merger was effective on October 1, 2021.

Since the above-mentioned business combinations, the Debtors generated losses, including net losses of approximately $19.4 million and $53.8 million for the years ended December 31, 2023 and 2022. As of the Petition Date, the Debtors were operating at a deficit of $250,000 per week, and were forecasting a loss of $10 million for 2024. The Debtors were unable to raise additional capital through debt or equity financing.

Increases in interest rates have had an adverse impact on the Debtors' business by increasing their cost of capital, which has increased their interest expense on variable rate indebtedness. Further, rising interest rates have negatively impacted the Debtors' ability to arrange financing for their customers on favorable terms to facilitate their customers' purchases of our solar energy systems. The majority of the Debtors cash flows to date have been from the sales of solar energy systems. Rising interest rates have had the effect of depressing the sales of solar energy systems because many consumers finance their purchases. As a result, increased interest rates have negatively affected the Debtors' costs and reduced their revenues, which have had an adverse effect on their business, financial condition, and results of operations.

In August 2023, England Securities LLC (**"England"**) was hired by the Debtors as their financial advisor to advise on strategic alternatives, and to help the Debtors find a financial or strategic partner that would help the company grow to the point that it was logical to remain public, and if not feasible, to consider going private. Around the time the engagement commenced, the Debtors received notice from a lender stating that the Company had breached a covenant. As a result, the emphasis of England's engagement became refinancing the lender to address the ongoing covenant breach and related short-selling of the Debtors' stock, which further impacted the Debtors' access to capital.

Throughout the fourth quarter of 2023, England identified three potential strategic alternatives: (i) the revenue-based Decathlon Loan with an effective interest rate of 23-25%, (ii) a merger of equals with another publicly traded solar installer, and (iii) a go-private transaction with Clean Royalties via a two-step tender offer and sale. England identified the Decathlon Loan as the best option for the company given the circumstances at the time.

Throughout 2024, England focused on obtaining a value maximizing transaction for the Debtors and their stakeholders, which may have taken the form of a recapitalization, merger, or take private transaction. During that process, the Debtors continued to struggle to generate free cash flow and the capital infusion was quickly depleted. As the Company's cash position continued to deteriorate, England was asked to (i) advise on filing for extension with regard to a NASDAQ delisting notice and (ii) canvas the market for additional strategic alternatives.

Upon a thorough search, England found two options: (i) a potential strategic transaction with another party and (ii) Clean Royalties' go-private proposal. The strategic transaction, however, ultimately did not move forward, leaving the Clean Royalties' offer as the only option available to the company.

On May 9, 2024, the Debtors received notice from Decathlon, of an "Event of Default" under the Decathlon Loan, with respect to (i) the Debtors' failure to deliver Deposit Account Control Agreements to the Prepetition Lender as required by the applicable loan agreement, (ii) the Debtors' incurrence of indebtedness not permitted under that loan agreement, and (iii) the Debtors' grant of liens on its assets in violation of that loan agreement. The notice stated that Decathlon demanded the immediate payment of all obligations owed by the Debtors it, including Decathlon's costs of collection.

At the same time, during a site visit by Clean Royalties, England, the Company, and Clean Royalties determined that the traditional M&A path was unrealistic due to the considerable obligations burdening the company. As a result, it was mutually agreed that a transaction via a 363-asset sale was the only viable option for the Debtors' business to continue as a going-concern. Accordingly, the Debtors secured a commitment from Clean Royalties, an entity affiliated with Siltstone Capital, LLC (**"Siltstone"**), to serve as the stalking horse bidder in a sale of substantially all of the Debtors' assets (the **"Stalking Horse Agreement"**). Siltstone is an energy-focused alternative investment and advisory firm based in Houston, Texas. Clean Royalties is also a small, recent shareholder of iSun, Inc., owning approximately 1% (615,000 shares) of its stock.

To facilitate the Sale, Clean Royalties (in such capacity, the **"DIP Lender"**) agreed to provide the Debtors with up to $4 million of new money capital. This included the $1 million Bridge Loan shortly before the Petition Date to ensure that the Debtors had sufficient run-way to prepare for these cases in an orderly and efficient manner and minimize the disruption to the Debtors and their businesses that is attended to the commencement of these cases. Clean Royalties also agreed to provide an incremental $3 million of new money through a senior secured priming debtor in possession financing facility (the **"DIP Facility"**), pursuant to which the Bridge Loan would be be rolled into the initial obligations under the DIP Facility as a condition to the initial borrowings under the DIP Facility. Decathlon consented to priming by the Bridge Lender and DIP Lender and consented to the DIP Facility.

2.2.4 ***The Debtors' Solicitation and Marketing Efforts and Sale of Assets.***

On June 7, 2024, the Debtors filed the *Debtors' Motion For Entry Of Orders (A) (I) Approving Bid Procedures In Connection With The Sale Of Substantially All Of The Debtors Assets, (II) Scheduling An Auction And A Sale Hearing, (III) Approving The Form And Manner Of Notice Thereof, (IV) Authorizing The Debtors To Enter Into The Stalking Horse Agreement, (V) Approving Procedures For The Assumption And Assignment Of Contracts And Leases, And (VI) Granting Related Relief; And (B) (I) Approving The Purchase Agreement; (II) Approving The Sale Of Substantially All Of The Debtors Assets Free And Clear; (III)Approving The Assumption And Assignment Of Contracts And Leases; And (IV) Granting Related Relief* [Dkt. No. 65] (the **"Sale Procedures Motion"**).

Pursuant to the Stalking Horse Agreement, Clean Royalties was designated as the stalking horse bidder with a credit bid of $10 million plus assumption of certain Assumed Liabilities (as defined in the Stalking Horse Agreement).

On July 3, 2024, the Court entered an *Order Approving Stipulation Among Debtors, CR, Decathlon and Committee Concerning Resolution of DIP and Bid Procedure Objections* [Dkt. No. 158], which, among other things, approved term sheets between the Debtors, the Creditors' Committee, Clean Royalties, and Decathlon, which provided for (i) certain amendments to the DIP Facility and Stalking Horse Agreement (the **"CR Term Sheet"**) and (ii) certain agreements with respect to treatment of claims and a plan of liquidation (the **"Wind-Down Term Sheet"**). On July 10, 2024, the Bankruptcy Court entered the *Order (A) (I) Approving Bid Procedures In Connection With The Sale Of Substantially All Of The Debtors Assets, (II) Scheduling An Auction And A Sale Hearing, (III) Approving The Form And Manner Of Notice Thereof, (IV) Authorizing The Debtors To Enter Into The Stalking Horse Agreement, (V) Approving Procedures For The Assumption And Assignment Of Contracts And Leases, And (VI)Granting Related Relief; And (B) (I) Approving The Purchase Agreement; (II) Approving The Sale Of Substantially All Of The Debtors Assets Free And Clear; (III) Approving The Assumption And Assignment Of Contracts And Leases; And (IV) Granting Related Relief* [Dkt. No. 183], approving the Sale Procedures Motion which fixed a bid deadline of July 22, 2024 at 4:00 p.m. (ET) for competing bids.

The Debtors received no bids other than the one submitted by Clean Royalties, and so Clean Royalties was selected as the prevailing bidder. The Debtors then filed the *Notice of Successful Bidder and Cancellation of Auction* [Dkt. No. 269] on July 23, 2024.

On August 23, 2024, the Bankruptcy Court entered the *Order (I) Approving the Sale of the Debtors' Assets Free and Clear; (II) Approving the Assumption and Assignment of Contracts and Leases; and (III) Granting Related Relief* [Dkt. No. 393], thereby approving the Stalking Horse Agreement with Clean Royalties, which closed on August 26, 2024 (the "**Closing Date**"). On August 28, 2024 the Debtors' filed the Debtor's Notice of Sale Closing and Report of Sale [Dkt. No. 414].

2.3 ***The Debtors' Bankruptcy Proceedings.***

2.3.1 ***Employment of Professionals***. The Debtors requested and obtained authority to employ the following professionals: (i) Gellert Seitz Busenkell & Brown, LLC as counsel; (ii) Novo Advisors, LLC as Chief Restructuring Officer; and (iii) England as financial advisor and investment banker.

2.3.2 ***The Creditors' Committee.*** On June 14, 2024, the Office of the United States Trustee (the "**U.S. Trustee**") appointed the Official Committee of Unsecured Creditors in the chapter 11 cases (as amended on August 16, 2024, the "**Creditors' Committee**"). The Creditors' Committee requested and obtained authority to employ the following professionals: (i) Seward & Kissel LLP to serve as counsel; (ii) Benesch, Friedlander, Coplan & Aronoff LLP to serve as Delaware co-counsel; and (iii) Dundon Advisers LLC to serve as financial advisor**.**

2.3.3 ***DIP Financing/Debtors' Use of Cash Collateral***. Clean Royalties in its capacity as lender (the "**DIP Lender**") entered into a multi-draw senior secured super-priority priming term loan debtor-in-possession credit facility with the Debtors (the "**DIP Facility**" and the commitments thereunder, the **"DIP Commitments"** and the loans made thereunder, the **"DIP Loans"**) (i) authorizing the Debtors to obtain post-petition financing on a secured, priming and super-priority basis pursuant to the terms and conditions thereof, up to a maximum aggregate amount of $5,000,000 and (ii) granting the DIP Lender securities interests in and liens on ("**DIP Liens**") all property and assets of the Debtors, of every kind whatsoever, tangible, intangible, real, personal or mixed, whether now owned or hereafter acquired or arising, wherever located. The Bankruptcy Court approved the DIP Facility by final order entered on July 9, 2024 [Dkt. No. 177] (the "**DIP Order**"), which incorporated the CR Term Sheet. To implement its proposed sale processes and continue to retain and inspire confidence in its business partners, the Debtors' access to liquidity was critical. The DIP Facility and the DIP Loans provided liquidity that the Debtors believed was necessary to conclude the sale processes on an expedited basis and wind down the Debtors' affairs.

2.3.4 ***Schedules and Bar Date***. On July 16 and 17, 2024 the Debtors filed their schedules of assets and liabilities and statements of financial affairs. On September 4, 2024, the Bankruptcy Court entered the Order *(I) Establishing Deadlines For Submitting Proofs of Claim, Including Requests for Payment Under Section 503(b)(9), (II) Approving the form and Manner for Submitting Such Proofs of Claim, (III) Establishing Deadline for Submitting Administrative Claims and (IV) Approving Notice Thereof* [Dkt. No. 434] (the **"Bar Date Order"**), which establish (i)

October 17, 2024 at 5:00 p.m. (ET) as the General Bar Date for prepetition claims, including all priority claims and claims arising under section 503(b)(9) of the Bankruptcy Code, (ii) April 15, 2025 at 5:00 p.m. (ET) as the Governmental Bar Date for all governmental units holding prepetition claims, and (iii) October 17, 2024 at 5:00 p.m. (ET) as the Administrative Claims Bar Date for claims arising under sections 503(b)(1) through (8) and 507(a)(2) of the Bankruptcy Code for claims that arose on or after the Petition Date but on or before August 16, 2024.

2.4 ***Claims Against the Debtors.*** The Claims against the Debtors consist of the following:

2.4.1 ***Administrative Claims.*** The amount of Administrative Claims filed against the Debtors to date is approximately $[•]. The Debtors estimate that a maximum of approximately $[0.00] of Administrative Claims will be allowed and unpaid as of the Effective Date of the Plan.

2.4.2 ***Professional Fee Claims.*** The Debtors estimate that a maximum of approximately $[•] of Professional Fee Claims will be allowed and unpaid as of the Effective Date of the Plan.

2.4.3 ***Section 503(b)(9) Claims.*** The amount of 503(b)(9) Claims filed against the Debtors to date is approximately $[•]. Many 503(b)(9) Claims filed against the Debtors are duplicative, erroneously classified, paid, unsupportable and/or for contingent/unliquidated amounts and will be the subject of claims objections filed by the Debtors or Liquidation Trustee. The Debtors estimate that a maximum of approximately $[•] of 503(b)(9) Claims will be allowed and unpaid as of the Effective Date of the Plan.

2.4.4 ***DIP Facility Claim.*** The amount of DIP Facility Claims filed against the Debtors is $0.00 and have been satisfied pursuant to the terms of the Sale Order.

2.4.5 ***Secured Tax Claims.*** The amount of Secured Tax Claims filed against the Debtors to date is approximately $[•]. Many Secured Tax Claims filed against the Debtors are duplicative, erroneously classified, paid, unsupportable and/or for contingent/unliquidated amounts and will be the subject of claims objections filed by the Debtors or Liquidation Trustee. The Debtors estimate that a maximum of approximately $[0.00] of Secured Tax Claims will be allowed and unpaid as of the Effective Date of the Plan

2.4.6 ***Other Secured Claims.*** The amount of Other Secured Claims filed against the Debtors to date is approximately $[•]. Many Other Secured Claims filed against the Debtors are duplicative, erroneously classified, paid, unsupportable and/or for contingent/unliquidated amounts and will be the subject of claims objections filed by the Debtors or Liquidation Trustee. The Debtors estimate that a maximum of approximately $[0.00] of Other Secured Claims will be allowed and unpaid as of the Effective Date of the Plan.

2.4.7 ***Other Priority Claims.*** The amount of Other Priority Claims filed against the Debtors to date is approximately $[•]. Many Other Priority Claims filed against the Debtors are duplicative, erroneously classified, paid, unsupportable and/or for contingent/unliquidated amounts and will be the subject of claims objections filed by the Debtors or Liquidation Trustee. The Debtors estimate that a maximum of approximately $[•] of Other Priority Claims will be allowed and unpaid as of the Effective Date of the Plan.

2.4.8 ***Prepetition Loan Claims.*** The Prepetition Loan Claims are allowed in the amount of $9,582,000. Consistent with the terms of the Sale Order and the Wind-Down Term Sheet, holders of Allowed Class 4 Prepetition Loan Claims shall receive, to the extent not yet distributed, (i) Sale Proceeds up to the amount of the Prepetition Loan Secured Claim, *less* the Decathlon Trust Funding Amount, the Committee Budget Supplement, the Cedar Advance Settlement Amount and the Additional Cash Contribution; (ii) proceeds of any of Decathlon's Liens that are not Sale Proceeds or Liquidation Trust Assets up to the remaining amount of the Prepetition Loan Secured Claim, and (iii) Class A Beneficial Trust Interests on account of any Prepetition Loan Deficiency Claim, <u>*provided*</u> that the Liquidation Trust Agreement shall provide that the Class A Beneficial Trust Interests shall be entitled to (i) 25% of all distributions of Liquidation Trust Assets until such time as the Decathlon Trust Funding Amount is repaid in full, and (ii) thereafter, their *pro rata* share of all distributions of Liquidation Trust Assets along with the Class B Beneficial Trust Interests.

2.4.9 ***General Unsecured Claims.*** The amount of General Unsecured Claims filed against the Debtors to date is approximately $[•] million. Many General Unsecured Claims filed against the Debtors are duplicative, erroneously classified, paid, unsupportable and/or for contingent/unliquidated amounts and will be the subject of claims objections filed by the Debtors or Liquidation Trustee.

2.4.10 ***Intercompany Clams.*** There are no Intercompany Claims filed against the Debtors to date. The Debtors estimate that no Intercompany Claims will be allowed and unpaid as of the Effective Date of the Plan.

2.4.11 ***Subordinated Claims.*** There are no Subordinated Claims filed against the Debtors to date. The Debtors estimate that no Subordinated Claims will be allowed and unpaid as of the Effective Date of the Plan.

2.4.12 ***Interests.*** The Debtors estimate that no Interests will receive any distributions under the Plan.

3. SUMMARY OF THE PLAN OF LIQUIDATION

THIS SECTION PROVIDES A SUMMARY OF THE STRUCTURE AND MEANS FOR IMPLEMENTING THE PLAN AND OF THE CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN, WHICH ACCOMPANIES THIS DISCLOSURE STATEMENT AND TO THE EXHIBITS ATTACHED THERETO.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT INCLUDE SUMMARIES OF THE PROVISIONS CONTAINED IN THE PLAN AND IN DOCUMENTS REFERRED TO THEREIN. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT DO NOT PURPORT TO BE PRECISE OR COMPLETE STATEMENTS OF ALL THE TERMS AND PROVISIONS OF THE PLAN OR DOCUMENTS REFERRED TO THEREIN, AND REFERENCE IS MADE TO THE PLAN AND TO SUCH DOCUMENTS FOR THE FULL AND COMPLETE STATEMENTS OF SUCH TERMS AND PROVISIONS.

THE PLAN ITSELF AND THE DOCUMENTS REFERRED TO THEREIN CONTROL THE ACTUAL TREATMENT OF CLAIMS AGAINST AND INTERESTS IN THE DEBTORS UNDER THE PLAN AND WILL, UPON THE EFFECTIVE DATE, BE BINDING UPON HOLDERS OF CLAIMS AGAINST AND INTERESTS IN THE DEBTORS AND OTHER PARTIES IN INTEREST.

3.1 ***In General.***

The Plan is proposed by the Debtors as consolidated entities. The Allowed Claims of Claimholders will be paid in accordance with priorities set forth in the Bankruptcy Code, a structure that the Debtors believe will produce a fundamentally equitable outcome for all creditors.

3.2 ***Classification of Claims and Interests.***

Pursuant to section 1122 of the Bankruptcy Code, set forth below is a designation of classes of Claims against and Interests in the Debtors. A Claim or Interest is placed in a particular Class for the purposes of voting on the Plan and receiving Distributions pursuant to the Plan only to the extent that such Claim or Interest is an Allowed Claim in that Class and such Claim or Interest has not been paid, released, or otherwise settled prior to the Effective Date. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims have not been classified and their treatment is set forth in Article II of the Plan.

The Plan provides for the substantive consolidation of the Debtors. All Allowed Claims and Interests are consolidated into the Classes set forth below:

Class	Claim/Interest	Impairment Status	Voting Rights
Class 1	Secured Tax Claims	Unimpaired	Not entitled to vote (deemed to accept)
Class 2	Other Secured Claims	Unimpaired	Not entitled to vote (deemed to accept)
Class 3	Other Priority Claims	Unimpaired	Not entitled to vote (deemed to accept)
Class 4	Prepetition Loan Claims	Impaired	Entitled to Vote
Class 5	General Unsecured Claims	Impaired	Not entitled to vote (deemed to reject)
Class 6	Intercompany Claims	Impaired	Not entitled to vote (deemed to reject)
Class 7	Subordinated Claims	Impaired	Not entitled to vote (deemed to reject)
Class 8	Interests	Impaired	Not entitled to vote (deemed to reject)

3.3 ***Identification of Classes of Claims and Interests Impaired and Not Impaired by the Plan.***

3.3.1 ***Unimpaired Classes of Claims.*** Class 1 (Secured Tax Claims), Class 2 (Other Secured Claims), and Class 3 (Other Priority Claims) are not Impaired by the Plan and are deemed to have accepted the Plan.

3.3.2 ***Impaired Classes of Claims Entitled to Vote.*** Class 4 (Prepetition Loan Claims) are Impaired under the Plan, and are entitled to vote on the Plan.

3.3.3 ***Impaired Classes of Claims and Interests Deemed to Have Rejected the Plan.*** Class 5 (General Unsecured Claims), Class 6 (Intercompany Claims), Class 7 (Subordinated Claims), and Class 8 (Interests) are Impaired under the Plan, shall receive no Distributions under the Plan on account of their Interests, and are deemed to have rejected the Plan.

3.4 ***Provisions for Treatment of Unclassified Claims, Administrative Claims, and Priority Tax Claims.***

3.4.1 ***Administrative Claims.***

(a) Payment of Allowed Administrative Claims. Except to the extent that a holder of an Allowed Administrative Claim and the Debtors or the Liquidation Trustee, as applicable, agree to less favorable treatment with respect to such Allowed Administrative Claim, each holder of an Allowed Administrative Claim shall be paid in full in Cash from the Debtors or the Liquidation Trustee, as applicable, on the earlier of the date that is (a) on or as soon as reasonably practicable after the Effective Date if such Administrative Claim is Allowed as of the Effective Date or (b) on or as soon as reasonably practicable after the date such Administrative Claim is Allowed, if such Administrative Claim is not Allowed as of the Effective Date.

(b) Administrative Claims Bar Date. Requests for payment of Administrative Claims must be Filed on or before the applicable Administrative Claims Bar Date. Except as otherwise ordered by the Court, holders of Administrative Claims that are required to, but do not, File and serve a request for payment of such Administrative Claims by such applicable date shall be forever barred, estopped and enjoined from asserting such Administrative Claims against the Debtors or its property and such Administrative Claims shall be deemed released against the Debtors as of the Effective Date.

3.4.2 ***Professional Fee Claims.***

(a) Final Professional Fee Applications. Any Person asserting a Professional Fee Claim for services rendered on or before the Effective Date must File and serve on the parties required in the Interim Compensation Order or any other applicable order of the Bankruptcy Court, an application for final allowance of such Professional Fee Claim no later than twenty-one (21) days after the Effective Date (with an objection period of at least twenty one days for objections, if any, to such applications); *provided, however* that any Professional who may receive compensation or reimbursement of expenses pursuant to the Ordinary Course Professional Order may continue to receive such compensation or reimbursement of expenses for services rendered before the Effective Date, without further Bankruptcy Court order, pursuant to the Ordinary Course Professional Order. Objections to any Professional Fee Claim must be Filed and served on the requesting party no later than twenty-one (21) days from the service of an application for final allowance of a Professional Fee Claim.

(b) Payment of Interim Amounts. The provisions of the Professional Fee Order shall remain in effect as to amounts owing to Professionals prior to the Effective Date.

(c) Payment of Professional Fee Claims. On the Effective Date, the Professional Fee Claim Reserve shall be transferred by the Debtors to Geller Seitz Busenkell & Brown, LLC's escrow account to be held for the distribution of Allowed Professional Fee Claims.

Upon entry of a Final Order approving any such application for such Professional Fee Claim Geller Seitz Busenkell & Brown, LLC shall promptly distribute from the Professional Fee Claim Reserve any unpaid portion of such Allowed Professional Fee Claim. To the extent that any Cash is remaining in the Professional Fee Claim Reserve after payment in full of all Allowed Professional Fee Claims, Geller Seitz Busenkell & Brown, LLC shall promptly transfer any such Cash to the Liquidation Trust and such Cash shall become Liquidation Trust Assets and be treated in accordance with the Liquidation Trust Agreement, the Plan and the Confirmation Order.

(d) Post-Effective Date Services. After the Effective Date, any requirement that Professionals comply with the Professional Fee Order or sections 327 through 331 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate. The Liquidation Trustee shall pay any Professionals for Post-Effective Date services requested by the Liquidation Trustee in accordance with the terms of the Liquidation Trust Agreement.

3.4.3 ***DIP Facility Claims.*** The DIP Facility Claims have been satisfied pursuant to the terms of the Sale Order. Upon satisfaction of the DIP Facility Claims, all Liens and security interests granted to secure the DIP Facility Claims were automatically terminated and of no further force and effect without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

3.4.4 ***Priority Tax Claims***. Except to the extent that a holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, in exchange for full and final satisfaction, settlement and release of each Allowed Priority Tax Claim, each holder of an Allowed Priority Tax Claim shall receive, at the option of the Debtors or the Liquidation Trustee, as applicable, one of the following treatments: (i) Cash in an amount equal to the amount of such Allowed Priority Tax Claim, plus interest at the rate determined under applicable non-bankruptcy law and to the extent provided for by section 511 of the Bankruptcy Code; or (ii) such other treatment (which treatment shall be no more favorable than the treatment set forth in subsection (i) of this section) as may be agreed upon by such holder and the Debtors or the Liquidation Trustee, as applicable, or otherwise determined upon an order of the Bankruptcy Court. Allowed Priority Tax Claims shall be paid on or as reasonably practicable after the later of (a) the Effective Date, (b) the date on which such Priority Tax Claim against the Debtors becomes an Allowed Priority Tax Claim, or (c) such other date as may be ordered by the Bankruptcy Court.

3.5 ***Provisions for Treatment of Claims and Interests.***

3.5.1 **Class 1 (Secured Tax Claims).** Each holder of an Allowed Secured Tax Claim shall receive, at the option of the Liquidation Trustee: (a) payment in full in Cash from the Liquidation Trustee of such holder's Allowed Secured Tax Claim as soon as reasonably practicable after the Effective Date; or (b) equal semi annual Cash payments commencing as of the Effective Date or as soon as reasonably practicable thereafter and continuing for five years, in an aggregate amount equal to such Allowed Secured Tax Claim, together with interest at the applicable non-default rate under non bankruptcy law, subject to the option of the Liquidation Trustee to prepay the entire amount of such Allowed Secured Tax Claim during such time period.

3.5.2 **Class 2 (Other Secured Claims).** Each holder of an Allowed Other Secured Claim shall receive, at the option of the Liquidation Trustee, (a) payment in full in Cash from the Liquidation Trustee, payable on the later of the Effective Date and the date that is ten (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 or (b) delivery of the collateral securing any such Claim.

3.5.3 **Class 3 (Other Priority Claims).** Each holder of an Allowed Other Priority Claim shall receive payment in full in Cash of such holder's Allowed Other Priority Claim from the Liquidation Trustee or such other treatment rendering such holder's Allowed Other Priority Claim Unimpaired.

3.5.4 **Class 4 (Prepetition Loan Claims).** Consistent with the terms of the Sale Order and the Wind-Down Term Sheet, holders of Allowed Class 4 Prepetition Loan Claims shall receive, to the extent not yet distributed, (i) Sale Proceeds up to the amount of the Prepetition Loan Secured Claim, *less* the Decathlon Trust Funding Amount, the Committee Budget Supplement, the Cedar Advance Settlement Amount and the Additional Cash Contribution; (ii) proceeds of any of Decathlon's Liens that are not Sale Proceeds or Liquidation Trust Assets up to the remaining amount of the Prepetition Loan Secured Claim, and (iii) Class A Beneficial Trust Interests on account of any Prepetition Loan Deficiency Claim, *provided* that the Liquidation Trust Agreement shall provide that the Class A Beneficial Trust Interests shall be entitled to (i) 25% of all distributions of Liquidation Trust Assets until such time as the Decathlon Trust Funding Amount is repaid in full, and (ii) thereafter, their *pro rata* share of all distributions of Liquidation Trust Assets along with the Class B Beneficial Trust Interests.

3.5.5 **Class 5 (General Unsecured Claims).** Except to the extent that a holder of an Allowed General Unsecured Claim agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, and release of each Allowed General Unsecured Claim, each holder of such Allowed General Unsecured Claim shall receive its *pro rata* share of the Beneficial Trust Interests, which Beneficial Trust Interests shall entitle the holders thereof to receive their *pro rata* share of the Liquidation Trust Assets.

3.5.6 **Class 6 (Intercompany Claims).** On the Effective Date, all Class 6 Intercompany Claims shall be cancelled without any distribution on account of such Claims.

3.5.7 **Class 7 (Subordinated Claims).** On the Effective Date, all Class 7 Subordinated Claims shall be cancelled without any distribution on account of such Claims.

3.5.8 **Class 8 (Interests).** Holders of Interests in the Debtors will receive no distribution under the Plan.

3.6 ***Implementation of the Plan.***

3.6.1 ***In General***. The Plan is a liquidating plan and provides for the liquidation of the Plan Assets and the payment of the proceeds generated therefrom to holders of Allowed Claims in accordance with the priorities set forth in the Bankruptcy Code.

3.6.2 ***Means of Implementing the Plan***. On and after the Effective Date, the Plan will be implemented by, among other things, the appointment of the Liquidation Trustee to carry out the responsibilities described herein and more fully set forth in the Liquidation Trust Agreement.

3.6.3 ***Vesting of Assets.*** Except as otherwise provided in the Plan or any agreement, instrument or other document incorporated in the Plan, on the Effective Date, all of the Liquidation Trust Assets shall immediately vest in the Liquidation Trust.

3.6.4 ***Sources of Consideration for Plan Distributions.*** Distributions under the Plan on account of the Beneficial Trust Interests will be funded by the Liquidation Trust Assets. All other distributions under the Plan, other than distributions on account of Beneficial Trust Interests, will be funded by the Liquidation Trust Claims Reserve or the Professional Fee Claims Reserve. On the Effective Date, the Debtors shall fund the Liquidation Trust Claims Reserve, and Professional Fee Claims Reserve in full in Cash.

3.6.5 ***Liquidation Trust.***

1. Creation of Liquidation Trust. On the Effective Date, the Liquidation Trust shall be created in accordance with the Liquidation Trust Agreement for the benefit of holders of Beneficial Trust Interests. The Liquidation Trust Agreement shall (i) be in form and substance consistent in all respects with this Plan and (ii) contain customary provisions for trust agreements utilized in comparable circumstances, including any and all provisions necessary to ensure continued treatment of the Liquidation Trust as a grantor trust and the holders of Beneficial Trust Interests as the grantors and owners thereof for federal tax purposes. All relevant parties (including, the Debtors, the Creditors' Committee, the Liquidation Trustee, and the holders of Beneficial Trust Interests) will take all actions necessary to cause title to the Liquidation Trust Assets to be transferred to the Liquidation Trust. The powers, authority, responsibilities, and duties of the Liquidation Trust and the Liquidation Trustee are set forth and will be governed by the Liquidation Trust Agreement, the Plan and Confirmation Order.

2. Transfers to the Liquidation Trust. On the Effective Date, the Debtors and their Estates shall transfer and shall be deemed to have irrevocably transferred to the Liquidation Trust, the Liquidation Trust Assets, which transfer shall be free and clear of Claims, Liens, Interests, encumbrances, and contractually imposed restrictions except as otherwise provided herein.

3. Purpose of the Liquidation Trust. The Liquidation Trust shall be established for the primary purpose of liquidating its assets and making distributions in accordance with the Plan, Confirmation Order, the Wind-Down Term Sheet, and the Liquidation Trust Agreement, with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, the liquidating purposes of the Liquidation Trust. The Liquidation Trust, acting through the Liquidation Trustee, shall be authorized to exercise and perform the rights, powers, and duties held by the Estate with respect to the Liquidation Trust Assets, including, without limitation, the authority under section 1123(b)(3) of the Bankruptcy Code, and shall be deemed to be acting in the capacity of a bankruptcy trustee, receiver, liquidator, conservator, rehabilitator, creditors' committee or any

similar official who has been appointed to take control of, supervise, manage or liquidate the Debtors, to provide for the prosecution, settlement, adjustment, retention, and enforcement of the Liquidation Trust Assets.

4. Administration of the Liquidation Trust. The Liquidation Trust shall be administered by the Liquidation Trustee pursuant to the Liquidation Trust Agreement and the Plan. In the event of any inconsistency between the Plan or the Confirmation Order and the Liquidation Trust Agreement as such conflict relates to anything other than the establishment of a Liquidation Trust, the Plan or Confirmation Order shall control.

5. Appointment of Liquidation Trustee. As of the Effective Date, the Liquidation Trustee shall be appointed as trustee of the Liquidation Trust pursuant to the Liquidation Trust Agreement, the Plan, and the Confirmation Order, and section 1123(b)(3) of the Bankruptcy Code, and shall have all of the rights, powers, authority, and obligations set forth in the Liquidation Trust Agreement, the Plan, the Confirmation Order and the Bankruptcy Code. The Liquidation Trustee shall be the exclusive trustee of the Estates under Title 11 for purposes of 31 U.S.C. § 3713(b) and 26 U.S.C. § 601(b)(3).

6. Compensation of the Liquidation Trustee. The Liquidation Trustee shall be compensated pursuant to the terms of the Liquidation Trust Agreement. Any professionals retained by the Liquidation Trustee shall be entitled to reasonable compensation for services rendered and reimbursement of expenses incurred, subject to approval by the Liquidation Trustee. The payment of fees and expenses of the Liquidation Trustee and its professionals shall be made in the ordinary course of business from the Liquidation Trust Assets and shall not be subject to Bankruptcy Court approval. The identity of the Liquidation Trustee and the proposed compensation shall be disclosed in the Plan Supplement.

7. Liquidation Trust Advisory Board. On the Effective Date, the Creditors' Committee and Decathlon shall have appointed the Liquidation Trust Advisory Board to oversee the implementation of the Plan and Liquidation Trust. The Liquidation Trustee shall consult with the Liquidation Trust Advisory Board with respect to (i) the pursuit, settlement or resolution of Retained Causes of Action; (ii) the retention of advisors; (iii) objections, compromises or settlements to any Claims; and (iv) the amount and timing of distributions to holders of Beneficial Trust Interests provided for or contemplated under the Plan or Liquidation Trust Agreement. The identity of the members of the Liquidation Trust Advisory Board shall be disclosed in the Plan Supplement; *provided*, that the Creditors' Committee shall designate two (2) members of the Liquidation Trust Advisory Board and the Decathlon shall designate one (1) member of the Liquidation Trust Advisory Board.

8. Responsibilities of the Liquidation Trustee. The responsibilities of the Liquidation Trustee under the Liquidation Trust Agreement and this Plan shall include those set forth in the Liquidation Trust Agreement, including, without limitation, the following (a) the receipt of the Liquidation Trust Assets; (b) the establishment and maintenance of such operating, reserve and trust account(s) as are necessary and appropriate to carry out the terms of the Liquidation Trust and the Plan, including the Liquidation Trust Claims Reserve; (c) the investment of Cash that is a Liquidation Trust Asset; (d) the pursuit of objections to, estimation of and settlements of all Claims, regardless of whether any such Claim is listed on the Debtors' Schedules,

other than Claims that are Allowed pursuant to the Plan; (e) the prosecution, settlement or abandonment of any Retained Causes of Action; (f) unless otherwise provided in the Plan, the calculation of all distributions to be made under this Plan; (g) authorizing and making, through the Distribution Agent, all distributions to be made under this Plan, (h) file all post-confirmation monthly operating reports and post-confirmation reports and payment of all quarterly fees owing to the U.S. Trustee after the Effective Date, (i) winding down of the remaining affairs of the Debtors (including, to the extent not already terminated, the 401K and other employee health and benefit plans of the Debtors), (j) file any and all tax returns for the Debtors and the Estates, as applicable, provided however, the Liquidation Trustee shall have no personal liability for the signing or accuracy of the Debtors' tax returns that are due to be filed after the Effective Date or for any tax liability related thereto, (k) take such actions as are necessary or appropriate to close or dismiss any or all of the Chapter 11 Cases, and (l) such other responsibilities as may be vested in the Liquidation Trustee pursuant to this Plan, the Liquidation Trust Agreement, the Confirmation Order, other Bankruptcy Court Orders, or as otherwise may be necessary and proper to carry out the provisions of this Plan.

9. Powers of Liquidation Trustee. The powers of the Liquidation Trustee, as set forth in the Liquidation Trust Agreement shall include, without limitation and without further Bankruptcy Court approval, each of the following:

i. To act on behalf of the Liquidation Trust, including the right to effect all actions and execute all agreements, instruments and other documents, and exercise all rights and privileges previously held by the Debtors, necessary or convenient to implement the provisions of this Plan and the Liquidation Trust Agreement;

ii. With respect to any Liquidation Trust Asset, to exercise in a manner not inconsistent with the Plan all power and authority that may be or could have been exercised, commence or continue all proceedings that may be or could have been commenced or continued and take all actions that may be or could have been taken by any member, officer, director or shareholder of the Debtor with like effect as if authorized, exercised and taken by unanimous action of such officers, directors and shareholders, including, without limitation, the dissolution of the Debtor;

iii. To manage, monitor and enforce all of the Debtors' and the Estates' rights, and interests under the Plan, the Confirmation Order, the Liquidation Trust Agreement, any other agreements of the Debtors, and any other Orders of the Bankruptcy Court;

iv. To authorize and make, through the Distribution Agent, distributions to holders of Allowed Claims provided for or contemplated in the Plan;

v. To authorize and make through the Distribution Agent, distribution to holders of Beneficial Trust Interests provided for or contemplated under the Plan or Liquidation Trust Agreement;

vi. Except to the extent set forth in the Plan, to object to any Claims regardless of whether such Claim was Disputed on the Effective Date, to compromise or settle any Claim regardless of whether such Claim was Disputed on the Effective Date, prior to objection without supervision or approval of the Bankruptcy Court, free of any restriction of the Bankruptcy Code, the Bankruptcy Rules, the local rules of the Bankruptcy Court, and the guidelines and requirements of the U.S. Trustee, other than those restrictions expressly imposed by the Plan, the Confirmation Order or the Liquidation Trust Agreement;

vii. To make decisions, without further Bankruptcy Court approval, regarding the retention or engagement of professionals, employees and consultants by the Liquidation Trust and the Liquidation Trustee and to pay the fees and charges incurred by the Liquidation Trustee on the Liquidation Trust's behalf on or after the Effective Date for fees and expenses of professionals (including those retained by the Liquidation Trustee), disbursements, expenses or related support services relating to the Liquidation Trust;

viii. To (a) file, if necessary, any and all tax and information returns required with respect to the Liquidation Trust as a grantor trust pursuant to Treas. Reg. 1.671-4(a) or otherwise, (b) make tax elections by and on behalf of the Liquidation Trust, and (c) pay taxes, if any, payable by the Liquidation Trust;

ix. To take all other actions not inconsistent with the provisions of the Plan that the Liquidation Trustee deems reasonably necessary or desirable with respect to administering the Plan;

x. To implement and/or enforce all provisions of the Plan, including entering into any agreement or executing any document required by or consistent with the Plan, the Confirmation Order or the Liquidation Trust Agreement;

xi. To abandon in any commercially reasonable manner, including abandonment or donation to a charitable organization of its choice, any Liquidation Trust Asset in the reasonable business judgment of the Liquidation Trustee;

xii. Except as otherwise set forth herein, to prosecute and/or settle any Retained Causes of Action, with or without approval of the Bankruptcy Court, and exercise, participate in or initiate any proceeding before the Bankruptcy Court or any other court of appropriate jurisdiction and participate as a party or otherwise in any administrative, arbitrative or other nonjudicial proceeding and pursue to settlement or judgment such Retained Causes of Action;

xiii. To purchase or create and carry all insurance policies and pay all insurance premiums and costs the Liquidation Trustee deems necessary or advisable;

xiv. To collect and liquidate and/or distribute all Liquidation Trust Assets pursuant to the Plan, the Confirmation Order and the Liquidation Trust Agreement;

xv. To hold any legal title to any and all of the Liquidation Trust Assets;

xvi. If any of the Liquidation Trust Assets are situated in any state or other jurisdiction in which the Liquidation Trustee is not qualified to act as trustee, to nominate and appoint a Person duly qualified to act as trustee in such state or jurisdiction and require from each such trustee such security as may be designated by the Liquidation Trustee in its discretion; confer upon such trustee all the rights, powers, privileges and duties of the Liquidation Trustee hereunder, subject to the conditions and limitations of the Liquidation Trust Agreement, except as modified or limited by the Liquidation Trustee and except where the conditions and limitations may be modified by the laws of such state or other jurisdiction (in which case, the laws or the state or jurisdiction in which the trustee is acting shall prevail to the extent necessary); require such trustee to be answerable to the Liquidation Trustee for all monies, assets and other property that may be received in connection with the administration of all property; and remove such trustee, with or without cause, and appoint a successor trustee at any time by the execution by the Liquidation Trustee of a written instrument declared such trustee removed from office, and specifying the effective date and time of removal;

xvii. Retain any and all Insurance Policies of the Debtors providing coverage with respect to Retained Causes of Action; and

xviii. Exercise such other powers as may be vested in or assumed by the Liquidation Trustee pursuant to the Plan, the Liquidation Trust Agreement, the Confirmation Order, other orders of the Bankruptcy Court, or as may be necessary and proper to carry out the provisions of the Plan.

10. Tax Treatment of the Liquidation Trust. The Liquidation Trust shall be structured to qualify as a "liquidating trust" within the meaning of Treasury Regulation Section 301.7701-4(f) and in compliance with Revenue Procedure 94-45, and thus, as a "grantor trust" within the meaning of Sections 671 through 679 of the Tax Code. Accordingly, the holders of Beneficial Trust Interests shall be treated for U.S. federal income tax purposes (i) as direct recipients of undivided interests in the Liquidation Trust Assets (other than to extent the Liquidation Trust Assets are allocable to Disputed Claims) and as having immediately contributed such assets to the Liquidation Trust, and (ii) thereafter, as the grantors and deemed owners of the Liquidation Trust and thus, the direct owners of an undivided interest in the Liquidation Trust Assets (other than such Liquidation Trust Assets that are allocable to Disputed Claims).

11. Tax Reporting.

i. The Liquidation Trustee shall file tax returns for the Liquidation Trust as a grantor trust pursuant to Treasury Regulations Section 1.671-4(a) and in accordance with this section of the Plan. The Liquidation Trust's items of taxable income, gain, loss, deduction, and/or credit (other than such items allocable to any assets allocable to, or retained on account of, Disputed Claims) will be allocated to each holder in accordance with their relative ownership of Beneficial Trust Interests.

ii. As soon as possible after the Effective Date, the Liquidation Trustee shall make a good faith valuation of the Liquidation Trust Assets, and such valuation shall be used consistently by all parties for all federal income tax purposes. The Liquidation Trust shall also file (or cause to be filed) any other statements, returns or disclosures relating to the Liquidation Trust that are required by any Government Unit for taxing purposes.

iii. The Liquidation Trust shall be responsible for payment, out of the Liquidation Trust Assets, of any taxes imposed on the Liquidation Trust (including any "disputed ownership fund") or the Liquidation Trust Assets. In accordance therewith, any taxes imposed on any disputed ownership fund or its assets will be paid out of the assets of the disputed ownership fund and netted against any subsequent distribution in respect of the allowance or disallowance of such Claims.

iv. The Liquidation Trustee (i) may timely elect to treat any Liquidation Trust Assets allocable to Disputed Claims as a "disputed ownership fund" governed by Treasury Regulation Section 1.468B-9, and (ii) to the extent permitted by applicable law, shall report consistently for state and local income tax purposes. If a "disputed ownership fund" election is made, all parties (including the Liquidation Trustee and the holders of Beneficial Trust Interests) shall report for United States federal, state and local income tax purposes consistently with the foregoing. The Liquidation Trustee shall file all income tax returns with respect to any income attributable to a "disputed ownership fund" and shall pay the federal, state and local income taxes attributable to such disputed ownership fund based on the items of income, deduction, credit, or loss allocable thereto.

12. Retained Causes of Action. The Liquidation Trustee shall have the sole right to pursue any existing or potential Retained Causes of Action, by informal demand and/or commencement or continuation of litigation.

13. Costs and Expenses of the Liquidation Trust. The costs and expenses of the Liquidation Trust, including the fees and expenses of the Liquidation Trustee and other professionals retained on behalf of the Liquidation Trust, shall be paid out of the Liquidation Trust Assets, subject to the terms of the Liquidation Trust Agreement.

14. Effective Date. On the Effective Date, the Liquidation Trustee shall have the rights and powers set forth herein, in the Confirmation Order and in the Liquidation Trust Agreement to carry out and implement the purposes and intent of the Plan.

3.6.6 ***Dissolution of Liquidation Trust.*** The Liquidation Trust shall be dissolved no later than five (5) years from the Effective Date, unless the Bankruptcy Court, upon motion made prior to the fifth (5^{th}) anniversary without the need for a favorable letter ruling from the IRS that any further extension would not adversely affect the status of either as a Liquidation Trust for federal income tax purposes, determines that a fixed period extension, not to exceed five (5) years, is necessary to facilitate or complete the recovery on and liquidation of the Liquidation Trust Assets. Upon the filing of any motion for an extension of the date of dissolution, such date shall be deemed automatically extended until an order of the Bankruptcy Court is entered with respect to such or motion or such motion is withdrawn.

3.6.7 ***Liquidation Trust Security Matters.*** To the extent that the Beneficial Trust Interests are deemed to be "securities," the issuance of such interests under this Plan are exempt pursuant to section 1145 of the Bankruptcy Code, and from registration under the Securities Act of 1933, as amended, and any applicable U.S. federal, state and local laws requiring registration of securities. It is currently anticipated that the Beneficial Trust Interests will be uncertificated and non-transferable except to the extent expressly provided otherwise in the Liquidation Trust Agreement.

3.6.8 ***Tax Returns.*** After the Effective Date, the Liquidation Trustee shall complete and file all final or otherwise required federal, state, and local tax returns for the Debtors, and, pursuant to section 505(b) of the Bankruptcy Code, may request an expedited determination of any unpaid tax liability of the Debtors or their Estates for any tax incurred during the administration of such Debtors' Chapter 11 Cases, as determined under applicable tax laws.

3.6.9 ***Cancellation of Existing Securities.*** Except as otherwise provided in the Plan or any agreement, instrument or other document incorporated in the Plan, on the Effective Date, 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 and purchase rights, options, warrants or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtors related thereto shall be cancelled and deemed null and void; provided, however, notwithstanding Confirmation or the occurrence of the Effective Date, any such indenture or agreement that governs the rights of the holder of a Claim against the Debtors shall continue in effect solely for purposes of enabling holders of Allowed Claims to receive distributions under the Plan as provided herein; provided, further, however, that the preceding provision shall not result in any expense or liability to the Debtors, except to the extent set forth in or provided for under the Plan.

3.6.10 ***Indemnification Obligations.*** Except as otherwise provided in the Plan, the Confirmation Order, any and all indemnification obligations of the Debtors, whether pursuant to a contract, instrument, agreement, certificate of incorporation, by-law, comparable organizational document, or other document or applicable law, shall be rejected as of the Effective Date of the Plan.

3.6.11 ***Effectuating Documents; Further Transactions.*** Prior to the Effective Date, the Debtors and their respective directors, members, trustees, officers, and managers are and, after the Effective Date, the Post-Effective Date Debtors are authorized to and may issue, execute, deliver, file, or record such contracts, Securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan in the name of and on behalf of the Debtors, without the need for any approvals, authorizations, or consents, except for those expressly required pursuant to the Plan, or any further notice to or action, order, or approval of the Bankruptcy Court.

3.6.12 ***Exemption from Certain Taxes and Fees.*** Pursuant to 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, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, filing or recording fee, or other similar tax or governmental assessment, and the appropriate state or local governmental officials or agents shall forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

3.6.13 ***Treatment of Causes of Action.*** Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Bankruptcy Court order, the Debtors reserve and assign to the Liquidation Trust, any and all such Retained Causes of Action, whether arising before or after the Petition Date, and preserve the right to commence, continue, prosecute, or settle such Retained Causes of Action, notwithstanding the occurrence of the Effective Date. The Liquidation Trustee, on behalf of the Liquidation Trust, may pursue such Retained Causes of Action, in their sole discretion. No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Retained Cause of Action against them as any indication that the Liquidation Trust will not pursue any and all available Retained Causes of Action against them. 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 as a consequence of Confirmation or Consummation.

3.6.14 ***Ability to Seek and Obtain Discovery.*** From and after the Effective Date, the Liquidation Trustee shall have the ability to seek and obtain examination (including document discovery and depositions) under Bankruptcy Rule 2004 against any Person or Entity, and the Bankruptcy Court shall retain jurisdiction to order examinations (including examinations under Bankruptcy Rule 2004) against any Person or Entity, and to hear all matters with respect to the same.

3.6.15 ***Debtors' Directors, Officers, Members and Managers.*** On the Effective Date, all officers, directors, members and managers of the Debtors shall be deemed to have resigned and shall be discharged from any further duties and responsibilities in such capacity. On after the Effective Date, the Liquidation Trustee shall serve as the sole officer, sole director, sole member or sole manager of the Debtors, but he or she shall retain and enforce Retained Causes of Action as the representative of the Estates in his or her capacity as the Liquidation Trustee under the Plan pursuant to section 1123(b) of the Bankruptcy Code and not as an officer, director, member or manager of the Debtors. Any and all operating agreements, certificates of organization, and related corporate documents are deemed amended by the Plan to permit and authorize such sole appointment.

3.6.16 ***Debtors' Existence.*** From and after the Effective Date, the Debtors shall continue in existence for the purpose of winding up their affairs as expeditiously as practicable. Upon the Effective Date, all transactions and applicable matters provided under the Plan shall be deemed to be authorized by the Debtors without any requirement of further action by any Debtor. On and after the Effective Date, the Debtors' remaining assets and affairs shall be administered and managed by the Liquidation Trustee in accordance with the Plan.

Upon certification to be Filed with the Court of the Final Distribution and completion of all duties under this Plan and entry of a Final Decree closing the Case, the Debtors shall be deemed to be dissolved without any further action by the Debtors or the Liquidation Trustee, including the filing of any documents in any office in any jurisdiction where the Debtors are organized. However, the Liquidation Trustee shall have the authority to take all necessary action to dissolve any Debtor. Further, upon the aforementioned certification and entry of Final Decree, the Liquidation Trustee shall be authorized, in his sole discretion, to discard or destroy any and all of the Debtors' books and records. Upon the Effective Date, the Debtors shall turn over its remaining books and records to the Liquidation Trustee.

3.6.17 ***Dissolution of Creditors' Committee.*** On the Effective Date, (a) the Creditors' Committee shall dissolve and its members shall be released of their respective duties, responsibilities and obligations in connection with the Chapter 11 Cases or the Plan; and (b) the retention or employment of the Creditors' Committee's respective professionals and agents shall be terminated, other than with respect to the filing and prosecution of applicable fee applications.

3.6.18 ***Corporate Authority.*** The Confirmation Order shall constitute full and complete authority for the Debtors and Liquidation Trust to take all other actions that may be necessary, useful or appropriate to consummate the Plan without any further judicial or corporate authority.

3.7 ***Treatment of Executory Contracts and Unexpired Leases.***

3.7.1 ***Rejection of Executory Contracts and Unexpired Leases.*** On the Effective Date, all Executory Contracts and Unexpired Leases shall be deemed rejected as of the Effective Date, unless such Executory Contract or Unexpired Lease: (i) was assumed or rejected previously by the Debtors; (ii) previously expired or terminated pursuant to its own terms; (iii) is the subject of a motion to assume Filed on or before the Effective Date; or (iv) has been assumed and assigned to Clean Royalties pursuant to the terms of the Stalking Horse Agreement.

Entry of the Confirmation Order shall constitute a Bankruptcy Court order approving the rejection of such Executory Contracts or Unexpired Leases pursuant to Bankruptcy Code sections 365(a) and 1123. Unless otherwise indicated, rejection of Executory Contracts and Unexpired Leases pursuant to the Plan shall be effective as of the Effective Date.

3.7.2 ***Claims Based on Rejection of Executory Contracts or Unexpired Leases.*** Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, if any, must be Filed with the Bankruptcy Court within twenty-one (21) days after the earlier of (a) service of Notice of the Effective Date, or (b) service of notice of entry of an order of the Bankruptcy Court (other than the Confirmation Order) approving the rejection of a particular Executory Contract or Unexpired Lease on the counterparty thereto. The Notice of the Effective Date shall indicate that all Executory Contracts and Unexpired Leases that do not fall into one of the four clauses set forth in Article VIII.A of the Plan are deemed rejected as of the Effective Date. The Notice of Effective Date shall also set forth the deadline for filing Proofs of Claim with respect to the same. Absent order of the Court to the contrary, any Claims arising from the rejection of an Executory Contract or Unexpired Lease not Filed by the applicable deadline will not be considered Allowed and such person or entity shall not be treated as a creditor for purposes of distributions under the Plan. Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims and shall be treated in accordance with Class 5 of the Plan, which information shall be included in the Notice of the Effective Date.

3.8 ***Estimated Plan Distribution***

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

SUMMARY OF EXPECTED RECOVERIES[2]

Class	Claim/Equity Interest	Estimated Maximum Amount of Unpaid Allowed Claims on Effective Date	Projected Recovery Under the Plan
N/A	Administrative Claims – Professional Fee Claims	Approximately $[•]	Paid in full pursuant to Plan unless otherwise paid pursuant to other Bankruptcy Court Order
N/A	Administrative Claims Including 503(b)(9) Claims	$[•]	Paid in full pursuant to Plan unless otherwise paid pursuant to other Bankruptcy Court Order
N/A	DIP Facility Claims	$0.00	$0.00 Satisfied pursuant to the terms of the Sale Order
N/A	Priority Tax Claims	$[•]	Paid in full pursuant to Plan unless otherwise paid pursuant to other Bankruptcy Court Order
1	Secured Tax Claims	$[0.00]	$[0.00]
2	Other Secured Claims	$[0.00]	$[0.00]
3	Other Priority Claims	$[•]	$[•]
4	Prepetition Loan Claims	$9,582,000	47%
5	General Unsecured Claims	$[•]	0 %
6	Intercompany Claims	N/A	$0.00
7	Subordinated Claims	N/A	$0.00
8	Interests	N/A	$0.00

2 The recoveries set forth in this table may change based upon changes in the amount of Claims that are "Allowed" as well as other factors related to the Debtors' business operations and general economic conditions. "Allowed" means with respect to any Claim, except as otherwise provided herein: (a) a Claim that is scheduled by the Debtors as neither disputed, contingent nor unliquidated and not disputed; (b) a Claim that either is not a Disputed Claim or has been allowed by a Final Order; (c) a Claim that is allowed (i) pursuant to the terms of the Plan, (ii) in any stipulation that is approved by the Bankruptcy Court or (iii) pursuant to any contract, instrument, indenture or other agreement entered into or assumed in connection herewith; (d) a Claim relating to a rejected Executory Contract or Unexpired Lease that either (i) is not a Disputed Claim or (ii) has been allowed by a Final Order; or (e) a Claim as to which a Proof of Claim has been timely Filed and as to which no objection has been Filed. Except for any Claim that is expressly Allowed herein, any Claim that has been or is hereafter listed in the

3.9 ***Provisions Governing Distributions***

3.9.1 ***Distribution Agent.*** Except as otherwise provided for herein, ordered by the Bankruptcy Court, or otherwise, Distributions The Distribution Agent, if any, on behalf of the Debtors and/or Liquidation Trustee, shall make all distributions under the Plan on account of Allowed Claims against the Debtors pursuant to the terms of the Plan, Confirmation Order and the Liquidation Trust Agreement, provided, however, that all Allowed Professional Fee Claims shall be paid out of the Professional Fee Reserve. All distributions to holders of Beneficial Trust Interests shall be made by the Distribution Agent. The Distribution Agent shall act at the direction of the Liquidation Trustee.

3.9.2 ***Cash Payments.*** Cash payments made pursuant to the Plan shall be in U.S. funds, by the means agreed to by payor and payee, including by check or wire transfer or, in the absence of an agreement, such commercially reasonable manner as the Liquidation Trustee shall determine in his or her sole discretion.

3.9.3 ***Delivery of Distributions to Holders of Allowed Claims.*** Except as otherwise provided in the Plan or the Confirmation Order, or as otherwise ordered by the Bankruptcy Court, distributions to Allowed Claims shall be made on the Distribution Date.

Distributions to holders of Allowed Claims shall be made at the address set forth in the Schedules unless such addresses are superseded by proofs of claim or transfers of claims Filed pursuant to Bankruptcy Rule 3001 or at the last known address of such holders if the Liquidation Trustee have been notified in writing of a change of address. If the distribution to any holder of an Allowed Claim is returned to the Liquidation Trustee as undeliverable or otherwise unclaimed, such Unclaimed Property shall be held in a reserve as set forth in Section V.G of the Plan.

3.9.4 ***Interest and Charges.*** No interest shall accrue or be paid on Allowed Claims.

3.9.5 ***Compliance with Tax Requirements.*** In connection with the Plan, to the extent applicable, the Liquidation Trust shall comply with all tax withholding and reporting requirements imposed on it by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. The Liquidation Trustee may require, in the Liquidation Trustee's sole and absolute discretion and as a condition to the receipt of any Distribution, that the Holder of an Allowed Claim complete and return to the Liquidation Trust the appropriate Form W-8 or Form W-9, as applicable, to each Holder. Notwithstanding any provision in the Plan to the contrary, the Liquidation Trust 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, including, without limitation, requiring that the holder of an Allowed Claim complete the appropriate IRS Form W-8 or IRS Form W-9, as applicable to each holder or establishing any other mechanisms they believe are reasonable and appropriate. The

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Schedules as contingent, unliquidated or disputed, and for which no Proof of Claim has been Filed, is not considered Allowed and shall be deemed expunged upon entry of the Confirmation Order.

Liquidation Trust reserves the right to allocate all distributions made under the Plan in compliance with applicable wage garnishments, alimony, child support and other spousal awards, liens and encumbrances.

The Liquidation Trust shall not be required to make distributions on any Allowed Claim if the holder thereof has not provided all documentation, that in the Liquidation Trustee's reasonable business judgment, is necessary to determine that all tax withholding and reporting requirements for such Allowed Claim. To the extent such documentation is not provided within thirty (30) days of the respective Distribution Date, the distribution on such Allowed Claim shall be deemed Unclaimed Property.

3.9.6 ***Fractional Dollars: De Minimis Distributions.*** Notwithstanding any other provision of the Plan, the Liquidation Trust shall not be required to make distributions or payments of fractions of dollars, and whenever any payment of a fraction of a dollar under the Plan would otherwise be called for, the actual payment made shall reflect a rounding down of such fraction to the nearest whole dollar. In addition, the Liquidation Trustee shall not be required to make any distribution in an amount less than $50.00. To the extent that such a distribution shall be called for as part of any interim distribution, the Liquidation Trust shall establish a reserve for all distributions in the amount of less than $50.00 and shall, when and if the holder of an Allowed Claim is entitled to a distribution of $50.00 or more, make such distribution at such time. The Liquidation Trust shall not be required to make any Final Distribution of less than $50.00 and all monies otherwise payable in such amount shall be paid to the other holders of Allowed Claims, in accordance with the terms of the Plan, the Confirmation Order and the Liquidation Trust Agreement.

3.9.7 ***Unclaimed Distributions.*** If any distribution to holders of an Allowed Claim or Beneficial Trust Interest is unclaimed or returned as undeliverable, such Unclaimed Property shall be held by the Liquidation Trustee in the Unclaimed Property Reserve for a period of sixty (60) days. Once the distribution to holders of Allowed Claims or Beneficial Trust Interests becomes Unclaimed Property, the Liquidation Trustee shall, subject to the limitations set forth herein, (i) hold such Unclaimed Property in the Unclaimed Property Reserve solely for the benefit of such holder or holders who have failed to claim such Unclaimed Property, and (ii) release the Unclaimed Property from the Unclaimed Property Reserve and deliver to the holder entitled thereto upon presentation of proper proof by such holder of its entitlement thereto. After the expiration of sixty (60) days, the holders of Allowed Claims or Beneficial Trust Interests entitled to such Unclaimed Property shall cease to be entitled thereto and shall be entitled to no further distributions under the Plan, and such Allowed Claims shall be deemed disallowed and expunged in their entirety and the funds shall become Liquidation Trust Assets and redistributed to the other holders of Allowed Claims in accordance with the terms of this Plan, Confirmation Order and Liquidation Trust Agreement. Such funds shall not be subject to the escheat laws of any state.

If there is any residual Unclaimed Property at the time of dissolution of the Liquidation Trust, such residual Unclaimed Property shall be available for a subsequent distribution on a *pro rata* basis to holders of Beneficial Trust Interests or donated to a charitable organization at the sole discretion of the Liquidation Trust.

Nothing contained in the Liquidation Trust Agreement, this Plan, or the Confirmation Order shall require the Debtors, the Liquidation Trustee, the Liquidation Trust, or the Distribution Agent to attempt to locate any holder of an Allowed Claim or Beneficial Trust Interest.

3.9.8 ***No Penalty Claims.*** Unless otherwise specifically provided for in the Plan or the Confirmation Order, no holder of any Claim will be entitled to allowance of, or to receive any payment on account of, any penalty arising with respect to or in connection with such Claim and any such penalty shall be deemed disallowed and expunged.

3.9.9 ***Setoffs and Recoupment.*** The Liquidation Trust may, but shall not be required to, setoff against or recoup from any Claims of any nature whatsoever that the Debtors may have against the claimant pursuant to section 558 of the Bankruptcy Code or otherwise, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or the Liquidation Trust of any such Claim it may have against the holder of such Claim.

3.9.10 ***Distributions by Liquidation Trust.*** The Liquidation Trust shall not be obligated to make a distribution on account of the Beneficial Interests that would impair the ability of the Liquidation Trust to pay the expenses incurred by the Liquidation Trust.

3.9.11 ***Claims Paid or Payable by Third Parties.***

1. Claims Paid by Third Parties. The Liquidation Trustee shall reduce in full a Claim, and such Claim shall be disallowed without a Claim objection having to be Filed and without any further notice to or action, order or approval of the Bankruptcy Court, to the extent that the holder of such Claim receives payment in full on account of such Claim from a party that is not the Debtors or Liquidation Trust. To the extent a holder of such Claim receives a distribution on account of such Claim and receives payment from a party that is not the Debtors or the Liquidation Trust on account of such Claim, such holder shall repay, return or deliver any distribution to the Liquidation Trust, 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 Liquidation Trust and the Debtors' Estates reserve all of their rights, remedies, claims and actions against any such holders who fail to repay or return any such distribution.

2. Claims Payable by Third Parties. No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant 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, then immediately upon such insurers' agreement, the applicable portion of such Claim may be expunged without a Claims objection having to be Filed and without any further notice to or action, order or approval of the Bankruptcy Court.

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.

3.10 ***Tax Consequences.***

3.10.1 The Federal income tax consequences of the Plan to a Creditor or Interestholder will depend upon a number of factors and can be complex. In general, a Creditor that receives cash in satisfaction of its Allowed Claim will generally receive a gain or loss with respect to the principal amount of the Allowed Claim equal to the difference between: (i) the Creditor's basis in the Claim (other than any Claim in respect to accrued interest); and (ii) the balance of the cash received after any allocation to the accrued interest. The Debtors have not determined the character of any gain or loss to be recognized by an Interestholder with respect to any distribution, if any, such Interestholder may receive under the Plan. This discussion does not apply to a holder of a Claim that is not a "United States person," as such term is defined in the Internal Revenue Code of 1986. **FOR THE FOREGOING REASONS, HOLDERS OF CLAIMS AND HOLDERS OF INTERESTS ARE ADVISED TO CONSULT WITH THEIR OWN TAX ADVISORS AS TO THE SPECIFIC TAX CONSEQUENCES (FOREIGN, FEDERAL, STATE, AND LOCAL) OF THE PLAN. THE DEBTORS ARE NOT MAKING ANY REPRESENTATION REGARDING THE PARTICULAR TAX CONSEQUENCES OF THE CONFIRMATION AND CONSUMMATION OF THE PLAN AS TO ANY CREDITOR OR INTERESTHOLDER, NOR ARE THE DEBTORS RENDERING ANY FORM OF LEGAL OPINION AS TO SUCH TAX CONSEQUENCES. CREDITORS AND INTERESTHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE TREATMENT OF DISTRIBUTIONS MADE UNDER THE PLAN**.

4. POST-CONFIRMATION ISSUES

4.1 ***Employment of Counsel and Fees.***

4.1.1 ***Employment of Professionals After Confirmation***. All professionals employed by the Debtors during the pendency of the Chapter 11 Cases shall continue to be employed and will be entitled to compensation as holders of Administrative Claims for their services prior to the Effective Date. Upon the occurrence of the Effective Date, the Liquidation Trustee shall be deemed a judicial substitute for each of the Debtors and shall be empowered to retain and/or employ professionals.

4.2 ***Settlement, Injunction and Related Provisions.***

4.2.1 ***Settlement, Compromise, and Release of Claims and Interests.*** Pursuant to section 1123 of the Bankruptcy Code and in consideration for the distributions and other benefits provided pursuant to the Plan, or in any contract, instrument, or other agreement or document created pursuant to or in connection with the Plan, the distributions, rights, and treatment that are provided in the Plan shall, except as expressly provided in the Plan, be in complete settlement and compromise, effective as of the Effective Date, of Claims (including any Intercompany Claims resolved or compromised after the Effective Date by the Debtors), Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and

Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability (including withdrawal liability) to the extent such Claims or Interests relate to services performed by employees of the Debtors before the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a Proof of Claim or Proof of Interest based upon such debt, right, or Interest is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the holder of such a Claim or Interest has accepted the Plan. Subject to the occurrence of the Effective Date, notwithstanding any other provision in the Plan, the settlements are approved among the parties that have agreed to them (among any other party who has expressly entered into a written settlement agreement), and the treatment of claims and interests is being afforded pursuant to Confirmation by satisfying the requirements of Section 1129.

4.2.2 ***Liabilities to, and Rights of, Governmental Units.*** Notwithstanding anything to the contrary in the Plan or the Confirmation Order, nothing in the Confirmation Order or the Plan discharges, releases, precludes, or enjoins: (1) any liability to any Governmental Unit that is not a Claim; (2) any Claim of a Governmental Unit arising after the Effective Date; (3) any police power or regulatory liability to a Governmental Unit that any Entity would be subject to as the owner or operator of any property after the Effective Date; (4) the rights of any Governmental Unit with respect to the transfer or assignment of any license, permit, registration, authorization, or approval, in each case, to the extent provided under applicable law; and/or (5) any liability to a Governmental Unit on the part of any Entity.

4.2.3 ***Exculpation.*** **Effective as of the Effective Date, no Exculpated Party shall have or incur, and each Exculpated Party is hereby released and exculpated from, any Exculpated Claim or any obligation, Cause of Action, or liability for any Exculpated Claim; *provided, however*, that the foregoing exculpation shall have no effect on the liability of any person or Entity that results from any act or omission based on or arising out of gross negligence, fraud or willful misconduct.**

4.2.4 ***Injunction.*** **Effective Date, all Entities that have held, hold or may hold any Interest in the Debtors or a Claim, Cause of Action, or other debt or liability against the Debtors or against any Exculpated Party that have been treated, settled, compromised and/or exculpated under the this Plan (the "Treated Claims and Interests") are permanently enjoined from taking any of the following actions against the Debtors, the Estates, the Liquidation Trust, the Liquidation Trustee, the Liquidation Trust Assets, or the Exculpated Parties or any property of the same, on account of or in connection with or with respect to such Treated Claims and Interests: (i) commencing or continuing, in any manner or in any place, any action or other proceeding; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (iii) creating, perfecting or enforcing any lien or encumbrance; (iv) 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; and (iv) commencing or continuing in any manner or in any place, any action that does not comply with or is inconsistent with this provision; *provided, however*, that the foregoing injunction shall have no effect on the liability of any person or Entity that results from any act or**

omission based on or arising out of gross negligence, fraud or willful misconduct; *provided further, however*, that the foregoing injunction does not apply to any actions taken with respect to any party's obligations or remedies under the Plan, the Sale Order, the Stalking Horse Agreement or any other or any document, instrument or agreement (including those set forth in the Plan Supplement) executed to implement the Plan.

4.2.5 ***Term of Injunctions or Stays***. Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to Bankruptcy Code section 105 or 362 or any order of the Bankruptcy Court, and existent 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.

4.3 ***Conditions Precedent to Consummation of the Plan.***

4.3.1 Conditions Precedent to the Effective Date. It shall be a condition to the Effective Date of the Plan that the following conditions shall have been satisfied or waived:

(a) the Bankruptcy Court shall have entered the Confirmation Order; provided that in accordance with Bankruptcy Rules 3020(e), 6004(h), and 6006(d) (and notwithstanding any other provision of the Bankruptcy Code or the Bankruptcy Rules), the Confirmation Order shall not be stayed and shall be effective immediately upon its entry;

(b) all documents and agreements necessary to implement the Plan, shall have (a) all conditions precedent to the effectiveness of such documents and agreements satisfied or waived pursuant to the terms of such documents or agreements, (b) been tendered for delivery, and (c) been effected or executed;

(c) the Liquidation Trust Claims Reserve and the Professional Fee Claim Reserve shall have been funded consistent with the terms of the Plan;

(d) the Liquidation Trust shall have been established in accordance with the Liquidation Trust Agreement and shall have been funded with the Liquidation Trust Assets; and

(e) all actions, documents, certificates and agreements necessary to implement this 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.

4.3.2 Waiver of Conditions. The conditions to Consummation set forth in Article X of the Plan may be waived only by prior written consent of the Debtors, after consultation with the Creditors' Committee, without notice, leave, or order of the Bankruptcy Court or any formal action other than proceedings to confirm or consummate the Plan. Upon the occurrence of all the conditions to Confirmation and Consummation set forth in Article X of the Plan, the Debtors shall immediately declare the Effective Date and File the Notice of Effective Date.

4.3.3 Effect of Failure of Conditions. Unless expressly set forth herein, if the Consummation of the Plan does not occur on or before the date that is one hundred and eighty days following the Confirmation Date, the Plan shall be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall: (1) constitute a waiver or release of any Claims by the Debtors, any holders or any other Entity; (2) prejudice in any manner the rights of the Debtors, any holders or any other Entity or (3) constitute an admission, acknowledgment, offer or undertaking by the Debtors, any holder of any Claim or any other Entity in any respect.

4.4 ***Modification, Revocation or Withdrawal of the Plan.***

A. Modification and Amendments. Except as otherwise specifically provided in the Plan, the Debtors, after consultation with the Creditors' Committee, reserve the right, to modify the Plan, whether such modification is material or immaterial, and seek Confirmation consistent with the Bankruptcy Code. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 (as well as those restrictions on modifications set forth in the Plan), the Debtors, after consultation with the Creditors' Committee, expressly reserve their rights, to revoke or withdraw, to alter, amend or modify 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 Modification. Entry of a Confirmation Order shall mean that all modifications or amendments to the Plan since the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or re-solicitation under Bankruptcy Rule 3019.

C. Revocation or Withdrawal of Plan. The Debtors reserve the right, after consultation with the Creditors' Committee, to revoke or withdraw the Plan before the Confirmation Date and to file a subsequent plan. If the Debtors revoke or withdraw the Plan, or if Confirmation or Consummation does not occur, then: (l) 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 the Claims or Interests 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: (a) constitute a waiver or release of any Claim or Interest; (b) prejudice in any manner the rights of the Debtors, any holder of a Claim or Interest or any other Entity or (c) constitute an admission, acknowledgement, offer or undertaking of any sort by the Debtors, any holder or any other Entity.

4.5 ***Miscellaneous Provisions.***

4.5.1 ***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 shall be immediately effective and enforceable and deemed binding upon the Debtors and any and all present and former holders of Claims or Interests (irrespective of whether their Claims or Interests are deemed to have accepted 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, any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors each of respective successors and assigns of the foregoing persons and Entities.

4.5.2 ***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 appropriate to effectuate and further evidence the terms and conditions of the Plan. The Debtors and all holders receiving distributions pursuant to the Plan and all other parties in interest may, 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.

4.5.3 ***Reservation of Rights.*** Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court enters the Confirmation Order, and the Confirmation Order shall have no force or effect if the Effective Date does not occur. None of the Filing of the Plan, any statement or provision contained in the Plan or the taking of any action by the Debtors, with respect to the Plan, the Disclosure Statement or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any of their respective rights with respect to the holders of Claims and Interests or each other before the Effective Date.

4.5.4 ***Successors and Assigns.*** The rights, benefits and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, if any, of such Entity.

4.5.5 ***Notices***. To be effective, all notices, requests and demands to or upon the Debtors shall be in writing. Unless otherwise expressly provided herein, notice shall be deemed to have been duly given or made when actually delivered or when received and telephonically confirmed, addressed to the following:

The Debtors:

iSun, Inc.
400 Avenue D, Suite 10
Williston, Vermont 05495,

with a mandated copy (which shall not constitute notice) to:

Counsel to Debtors and Debtors in Possession:

Gellert Seitz Busenkell & Brown LLC
Attn: Michael Busenkell, Esq.
1201 N. Orange St., 3rd Floor
Wilmington, Delaware 19801
Telephone: (302) 425-5812
Email: mbusenkell@gsbblaw.com

4.5.6 ***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. For the avoidance of doubt, all Final Orders previously entered by the Bankruptcy Court remain in full force and effect.

4.5.7 ***Exhibits.*** All exhibits and documents included in the Plan 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, from the Notice, Claims and Balloting Agent's website at https://dm.epiq11.com/case/isun or by downloading such exhibits and documents from the Bankruptcy Court's website at http://www.deb.uscourts.gov. To the extent any exhibit or document is inconsistent with the terms of the Plan, unless otherwise ordered by the Bankruptcy Court, the non-exhibit or non-document portion of the Plan shall control.

4.5.8 ***Severability of Plan Provisions.*** If, before Confirmation, 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 holdings, alterations or interpretations, 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 holdings, alterations or interpretations. 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' consent; and (3) non-severable and mutually dependent.

4.5.9 ***Closing of Chapter 11 Cases.*** The Liquidation Trust shall promptly, after the full administration of the Chapter 11 Cases, File with the Bankruptcy Court all documents required by Bankruptcy Rule 3022 and Local Rule 3022-1 and any applicable order necessary to close the Chapter 11 Cases that has been fully administered.

4.5.10 ***No Admission Against Interest.*** Neither the filing of the Plan, the Disclosure Statement, nor any statement contained therein, is or shall be deemed an admission against interest. In the event that this Plan is not consummated, neither this Plan, the Disclosure Statement nor any statement contained therein may be used or relied upon in any manner in any suit, action, proceeding or controversy within or outside the Bankruptcy Court involving the Debtors.

4.5.11 ***No Waiver.*** Except as otherwise specifically provided herein, nothing set forth in this Plan or the Disclosure Statement shall be deemed a waiver or release of any claims, rights or Causes of Action against any Person other than the Debtors.

4.5.12 ***Headings.*** The article and section headings used in the Plan are inserted for convenience and reference only and neither constitutes a part of the Plan nor any manner affects the terms, provisions or interpretation of the Plan.

4.5.13 ***Governing Law.*** Except to the extent the Bankruptcy Code, the Bankruptcy Rules or other federal law is applicable, or to the extent otherwise provided in the Plan, the rights and obligations arising under the Plan, shall be governed by, and construed and enforced in accordance with the laws of Delaware, without giving any effect to the principles of conflicts of law or such jurisdiction.

4.5.14 ***Conflicts.*** Except as set forth in the Plan, to the extent that any provision of any other document or any exhibits, schedules, appendices, supplements, or amendments of any document referenced in the Plan (the **"Plan Related Documents"**) conflict with or are in any way inconsistent with any provision of the Plan, the Plan shall govern and control; provided that, with respect to any conflict or inconsistency between the Plan or the Plan Related Documents on the one hand, and the Confirmation Order on the other, the Confirmation Order shall govern.

5. FEASIBILITY

5.1 *Financial Feasibility Analysis.*

5.1.1 ***Bankruptcy Code Standard.*** The Bankruptcy Code requires that, in order to confirm the Plan, the Bankruptcy Court must find that Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtors unless contemplated by the Plan.

5.1.2 ***No Need for Further Reorganization of Debtors.*** The Plan provides for the liquidation of all of the Debtors' Assets. Accordingly, the Debtors believe that all Plan obligations will be satisfied without the need for further reorganization of the Debtors.

6. ALTERNATIVES TO PLAN

6.1 *Chapter 7 Liquidation.*

6.1.1 ***Bankruptcy Code Standard.*** Notwithstanding acceptance of the Plan by the requisite number of Creditors and Interestholders of any Class, the Bankruptcy Court must still independently determine that the Plan provides each member of each Impaired Class of Claims and Interests a recovery that has a value at least equal to the value of the distribution that each such Person would receive if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code on the Effective Date.

6.1.2 ***Plan is in Best Interest of Creditors***. The Debtors believe that the Plan satisfies this standard because the Plan provides for an orderly liquidation of the Assets. Furthermore, the Debtors believe that the Plan also provides creditors with a degree of certainty that would not exist if the Assets were subject to liquidation outside of the Plan and eliminates the risks and expenses of the marketplace and continual administration of the Debtors. In this regard, in the event of a liquidation under Chapter 7, some administrative expenses may go unpaid, certain secured claimholders would not receive a fulsome recovery, and general unsecured creditors would likely receive no distribution and the following is likely to occur:

i. Additional administrative expenses, including trustee's commissions, fees for trustee's accountant, attorneys and other professionals likely to be retained, would be incurred with priority over general unsecured claims under section 507(a)(1) of the Bankruptcy Code and would materially reduce creditor recovery.

ii. Distributions would likely be substantially delayed, while expenses of administration would continue to grow.

Accordingly, it is the Debtors' belief that in a Chapter 7 liquidation of the Debtors, the unsecured creditors would not receive a distribution. Accordingly, the Debtors believe that the Plan is in the best interests of creditors. *See* Chapter 7 Liquidation Comparison attached hereto as **Exhibit A**.

6.2 ***Risk Factors.***

6.2.1 There can be no assurance by the Debtors that additional proceeds will be generated from the liquidation of the Debtors' Assets. Even in the event of the liquidation of the Debtors' remaining Assets, there can be no assurance by the Debtors that such sale or sales will generate proceeds for distribution to the holders of Allowed General Unsecured Claims.

6.2.2 There can be no assurance at this time of the number or amount of Claims that will ultimately be Allowed, and thus the projected recoveries disclosed in this Disclosure Statement are highly speculative. A large amount of Allowed Claims may materially and adversely affect, among other things, the recoveries to holders of Allowed Claims under the Plan. Some holders are not entitled to any recovery pursuant to the terms of the Plan, and, depending on the accuracy of the Debtors' various assumptions, even those holders entitled to a recovery under the terms of the Plan may ultimately receive no recovery. Therefore, there can be no assurance by the Debtors that there will be Plan Assets available to make Distributions to holders of Allowed Claims or that there will be sufficient Plan Assets to meet the projected recoveries provided for in this Disclosure Statement.

6.2.3 Any valuation of any of the assets to be distributed under the Plan is necessarily speculative, and the value of such assets could potentially be zero. Accordingly, the ultimate value, if any, of these assets could materially affect, among other things, recoveries to the Debtors' creditors, including holders of Claims in the voting classes.

6.2.4 Although the Debtors have made commercially reasonable efforts to disclose projected recoveries in this Disclosure Statement, it is possible that the amount of Allowed Claims will be materially higher than any range of possible Allowed Claims the Debtors have considered to date, and thus creditor recoveries could be materially reduced or eliminated. In addition, the timing of actual distributions to holders of Allowed Claims may be affected by many factors that cannot be predicted. Therefore, the Debtors cannot guarantee the timing of any recovery on an Allowed Claim.

6.2.5 Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests in such class. The Debtors believe that the classification of the Claims and Interests under the Plan complies with this requirement. There can be no assurance, however, that the Bankruptcy Court will reach the same conclusion.

6.2.6 The Debtors may not be able to secure confirmation of the Plan. The Debtors will need to satisfy section 1129 of the Bankruptcy Code, which sets forth the requirements for confirmation of a chapter 11 plan and requires, among other things, a finding by a bankruptcy court that: (a) such plan "does not unfairly discriminate" and is "fair and equitable" with respect to any non-accepting classes; (b) confirmation of such plan is not likely to be followed by a liquidation or a need for further financial reorganization unless such liquidation or reorganization is contemplated by the plan; (c) the value of distributions to non-accepting holders of claims and interests within a particular class under such plan will not be less than the value of distributions such holders would receive if the debtor were liquidated under chapter 7 of the Bankruptcy Code; and (d) such plan provides for the payment in full of administrative claims. There can be no assurance that the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, there can be no assurance that the Bankruptcy Court will confirm the Plan. A non-accepting holder of an Allowed Claim might challenge either the adequacy of this Disclosure Statement or whether the balloting procedures and voting results satisfy the requirements of the Bankruptcy Code or the Bankruptcy Rules. Even if the Bankruptcy Court determines that this Disclosure Statement, the Solicitation Procedures, and the voting results are appropriate, the Bankruptcy Court can still decline to confirm the Plan if it finds that any of the statutory requirements for Confirmation have not been met, including the requirement that the terms of the Plan do not "unfairly discriminate" and are "fair and equitable" to non-accepting Classes. If the Plan is not confirmed, it is unclear what distributions, if any, holders of Allowed Claims will receive with respect to their Allowed Claims.

6.2.7 The Bankruptcy Court may determine that the Plan cannot be confirmed under section 1129 of the Bankruptcy Code if the Plan Assets are not sufficient to satisfy Allowed Administrative Claims in full. If the Plan is not confirmed, it is unclear what distributions, if any, holders of Allowed Claims will receive with respect to their Allowed Claims.

6.2.8 The Bankruptcy Court may determine that the Plan does not meet the requirements for confirmation under the Bankruptcy Code and applicable law, including, without limitation, as a result of the releases conferred upon the Debtors' Insiders and other parties under the Plan.

6.2.9 Article X of the Plan sets forth certain conditions that must be fulfilled before the Effective Date of the Plan can occur. As of the date of this Disclosure Statement, there can be no assurance that any or all of such conditions in the Plan will be met (or waived) or that other conditions to consummation (if any) will be satisfied. Accordingly, even if the Plan is confirmed by the Bankruptcy Court, there can be no assurance that the Effective Date will occur.

6.2.10 Any delays of either confirmation or effectiveness of the Plan could result in, among other things, increased administrative costs. The negative effects of delays in confirmation or effectiveness of the Plan could affect the ultimate approval of the Plan by the Bankruptcy Court.

6.2.11 As discussed in this Disclosure Statement, there are material income tax considerations, risks and uncertainties associated with consummation of the Plan. Claimholders and Interestsholders should read carefully the discussion set forth in Section 3.10 of this Disclosure

Statement and consult with their own tax advisors to determine any tax implications of the Plan to such holders.

6.3 ***Recommendations.***

6.3.1 It is the position of the Debtors and the Creditors' Committee that the Plan is substantially preferable to a liquidation under Chapter 7 of the Bankruptcy Code. Conversion of these Chapter 11 Cases would result in: (i) substantial delays in the distribution of any proceeds (if any) available under such alternative; (ii) increased uncertainty as to whether payments would be made to Holders of Prepetition Loan Claims and Unsecured Creditors; and (iii) substantially increased administrative costs.

THE DEBTORS RECOMMEND THAT YOU VOTE IN FAVOR OF THE PLAN.

7. CONCLUSION

It is important that you exercise your right to vote on the Plan. It is the Debtors' belief and recommendation that the Plan fairly and equitably provides for the treatment of all Claims against the Debtors and is substantially preferable to a liquidation under Chapter 7 of the Bankruptcy Code.

IN WITNESS WHEREOF, the Debtors have executed this Disclosure Statement this 4th day of October 2024.

Respectfully submitted,

GELLERT SEITZ BUSENKELL & BROWN, LLC

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EXHIBIT A

Chapter 7 Liquidation Comparison

[TO BE COMPLETED PRIOR TO DISCLOSURE STATEMENT HEARING]

As of [•] [•], 2021	Chapter 11	Chapter 7
Forecasted Cash Available for Distribution		
Cash & Equivalents		
Outstanding Payments		
Administrative Claims		
Sale of remaining miscellaneous assets		
Escrow funds		
Tax Refunds		
TOTAL CASH & RECEIPTS		
Forecasted Administrative Expenses Prior to Plan Effective Date		
Administrative Expenses (non-professional)		
Administrative Expenses (professional)		
Forecasted Outstanding as of Plan Effective Date		
Professional Fee Claims		
Administrative Claims		
DIP Facility Claim		
Priority Tax Claims		
Secured Tax Claims		
Other Secured Claims		
Other Priority Claims		
Prepetition Loan Claims		
General Unsecured Claims		
Intercompany Claims		
Subordinated Claims		
Interests		
CASH AVAILABLE TO UNSECURED CREDITORS		
Incremental Chapter 7 Fees & Costs		
Trustee Fee % (3% of all Cash Distributed)		
Attorney and Other Professional Fees		
TOTAL INCREMENTAL CHAPTER 7 FEES & COSTS		
COMPARISON OF CHAPTER 11 VS. CHAPTER 7 AVAILABLE CASH		

EXHIBIT B

Modified Joint Plan of Liquidation