

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

Gorham Paper and Tissue, LLC, *et al.*,

Debtors.¹

Chapter 11

Case No. 20-12814 (KBO)

(Jointly Administered)

**COMBINED DISCLOSURE STATEMENT AND CHAPTER 11 PLAN OF
LIQUIDATION OF DEBTORS GORHAM PAPER AND TISSUE, LLC AND WHITE
MOUNTAIN TISSUE, LLC DATED OCTOBER 26, 2021**

Christopher A. Ward (Del. Bar No. 3877)

Shanti M. Katona (Del. Bar No. 5352)

POLSINELLI PC

222 Delaware Avenue, Suite 1101

Wilmington, Delaware 19801

Telephone: (302) 252-0920

Facsimile: (302) 252-0921

cward@polsinelli.com

skatona@polsinelli.com

*Counsel to the Debtors and Debtors in
Possession*

D. Sam Anderson (Admitted Pro Hac Vice)

Adam R. Prescott (Admitted Pro Hac Vice)

**BERNSTEIN, SHUR, SAWYER &
NELSON, P.A.**

100 Middle Street

PO Box 9729

Portland, Maine 04104

Telephone: (207) 774-1200

Facsimile: (207) 774-1127

sanderson@bernsteinshur.com

aprescott@bernsteinshur.com

*Counsel to the Debtors and Debtors in
Possession*

¹ The last four digits of Gorham Paper and Tissue, LLC's federal taxpayer identification number are 6533. See 11 U.S.C. § 342(c)(1). The last four digits of White Mountain Tissue, LLC's federal taxpayer identification number are 0078. See id. Prior to the sale of substantially all of their assets, the principal place of business for Gorham Paper and Tissue, LLC and White Mountain Tissue, LLC was 72 Cascade Flats, Gorham, New Hampshire 03581.

TABLE OF CONTENTS

	<u>Page</u>
TABLE OF CONTENTS.....	i
TABLE OF AUTHORITIES	vii
DISCLAIMER	1
INTRODUCTION	2
ARTICLE I: DEFINITIONS AND CONSTRUCTION OF TERMS	2
ARTICLE II: BACKGROUND.....	12
2.01 General Background	12
(a) The Debtors’ History	12
(b) The Debtors’ Prepetition Debt Structure and Related Liens	12
(c) Events Leading to the Chapter 11 Cases.....	13
2.02 The Chapter 11 Cases	14
(a) The Debtors’ Bankruptcy Filings and First Day Motions	14
(b) Appointment of the Creditors’ Committee	14
(c) Motion for Approval of Bid Procedures, and the Sale of Substantially All of the Debtors’ Assets.....	14
(d) Summary of Sale Terms from Asset Purchase Agreement.....	15
(e) Settlement Agreement Between the Debtors, the Creditors’ Committee, Zohar III, and Ankura	16
(f) The Debtors’ Motion to Reject Certain Executory Contracts and Unexpired Leases.....	16
ARTICLE III: CONFIRMATION PROCEDURES	17
3.01 Confirmation Procedures	17
3.02 Procedure for Objections	17
3.03 Requirements for Confirmation	18

3.04	Classification of Claims and Interests.....	18
3.05	Impaired Claims or Equity Interests	18
3.06	Confirmation Without Necessary Acceptances; Cramdown	19
	(a) Unsecured Creditors.....	19
	(b) Equity Interests	19
3.07	Feasibility.....	19
3.08	Best Interests Test and Liquidation Analysis.....	20
3.09	Acceptance of the Plan.....	20
ARTICLE IV: CLASSIFICATION OF CLAIMS AND INTERESTS AND EXPECTED RECOVERIES		21
4.01	Overview of Classification.	21
4.02	Identification and Treatment of Unclassified Claims	21
	(a) Administrative Claims	21
	(b) U.S. Trustee Fees	22
	(c) Priority Tax Claims.....	22
	(d) Disputed Unclassified Claims.....	22
4.03	Identification of Classes of Claims	22
	(a) Treatment of Priority Unsecured Non-Tax Claims (Class 1)	22
	(b) Treatment of General Unsecured Claims (Class 2)	23
	(c) Treatment of Equity Interests (Class 3)	23
4.04	Treatment of Classified Classes, Rights to Vote, and Estimated Distributions.....	24
4.05	Elimination of Classes for Voting Purposes	25
4.06	Insurance	25
ARTICLE V: CERTAIN RISK FACTORS TO BE CONSIDERED PRIOR TO VOTING		25
ARTICLE VI: MEANS FOR IMPLEMENTATION OF THE PLAN		27

6.01	Initial Liquidating Trustee	27
6.02	Dissolution	27
6.03	Release of Liens and Security Instruments	27
6.04	Cancellation of Notes and Instruments	28
6.05	Vesting and Sale or Other Disposition of Assets; Representative of the Estate; Liquidating Trust Expenses	28
6.06	Purpose of Liquidating Trust	28
6.07	Pooled Assets and Joint Liquidation; Combined Liabilities for Purposes of Liquidating Trust Disbursements.....	29
6.08	Approval of Certain Settlement Agreements	29
6.09	Preservation of All Causes of Action and Standing.....	29
6.10	Effectuating Documents and Further Transactions.....	29
6.11	Insurance Policies	29
	(a) Insurance Policies Remain In Force	29
	(b) D&O Insurance Policies; Employment Practice Liability Policies; Similar Policies.....	30
6.12	Dissolution of Creditors' Committee.....	30
6.13	Transfer of Privilege/No Waiver	30
6.14	Termination of the Claims Agent	30
6.15	Records	30
6.16	Final Decree	31
ARTICLE VII: EXECUTORY CONTRACTS		31
7.01	Rejection of Executory Contracts and Unexpired Leases.....	31
7.02	Bar Date for Rejection Damages Claims	31
7.03	Pre-Existing Obligations to the Debtors Under Executory Contracts and Unexpired Leases.....	31

ARTICLE VIII: ROVISIONS GOVERNING RESOLUTION OF CLAIMS AND DISTRIBUTIONS OF ASSETS UNDER THE PLAN	32
8.01 Claim Objections	32
(a) Right to Object to Claims.	32
(b) Disallowance of Intercompany Claims.	32
8.02 Distribution Provisions	32
(a) Distributions to be Made and Adequate Reserve.....	32
(b) No Liability	32
(c) Distributions on Account of Disputed Claims	33
(d) No Distributions Pending Disputes.....	33
(e) Unclaimed Distributions	33
(f) Delivery of Distributions and Undeliverable Distributions to Holders of Claims	33
(g) Undeliverable Distributions	33
(h) De Minimis Distributions	34
(i) Remainder Amounts after Final Distribution	34
ARTICLE IX: RELEASES, INJUNCTION, AND RELATED PROVISIONS	34
9.01 Releases by the Debtors	34
9.02 Releases by Certain Third Parties	34
9.03 Exculpation and Limitation of Liability	35
9.04 Injunctions.....	36
ARTICLE X: CONDITIONS TO CONFIRMATION AND EFFECTIVE DATE.....	37
10.01 Conditions Precedent to Confirmation.....	37
10.02 Conditions Precedent to the Effective Date	37
10.03 Waiver of Conditions	37
10.04 Effect of Failure of Conditions	37

10.05 Filing of Notice of the Effective Date.....	38
ARTICLE XI: MODIFICATION, REVOCATION OR WITHDRAWAL OF PLAN	38
11.01 Modification and Amendments.....	38
11.02 Effect of Confirmation on Modifications	38
11.03 Revocation or Withdrawal of the Plan.....	38
ARTICLE XII: JURISDICTION	38
12.01 Bankruptcy Court Jurisdiction	38
12.02 Limitation on Jurisdiction	39
ARTICLE XIII: MISCELLANEOUS	40
13.01 Exemption from Taxes.....	40
13.02 Compliance with Tax Requirements.....	40
13.03 Defenses and Setoff	41
13.04 Governing Law	41
13.05 Successors and Assigns.....	41
13.06 Management.....	41
13.07 Transfer of Claims	42
13.08 Post-Effective Date Service List.....	42
13.09 Notices	42
13.10 Immediate Binding Effect.....	43
13.11 Severability of Plan Provisions	43
13.12 Exhibits	43
13.13 U.S. Trustee Fees	43
13.14 No Admissions.....	44
13.15 Conflicts Among Plan Documents.....	44
13.16 Recommendation	44

EXHIBITS

Exhibit	Description
A	Liquidating Trust Agreement
B	Zohar Settlement Agreement
C	Feasibility Analysis
D	Liquidation Analysis
E	SCA Agreement
F	Recycling Associates Agreement

DISCLAIMER

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

NOTHING STATED HEREIN SHALL BE: (I) DEEMED OR CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY; (II) ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTORS OR ANY OTHER PARTY; OR (III) DEEMED CONCLUSIVE EVIDENCE OF THE TAX OR OTHER LEGAL EFFECTS OF THE COMBINED DISCLOSURE STATEMENT AND PLAN ON THE DEBTORS OR HOLDERS OF CLAIMS OR INTERESTS. CERTAIN STATEMENTS CONTAINED HEREIN, BY NATURE, ARE FORWARD-LOOKING AND CONTAIN ESTIMATES AND ASSUMPTIONS. THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL REFLECT ACTUAL OUTCOMES.

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

NO PARTY IS AUTHORIZED TO GIVE ANY INFORMATION WITH RESPECT TO THE COMBINED DISCLOSURE STATEMENT AND PLAN OTHER THAN THAT WHICH IS CONTAINED HEREIN. NO REPRESENTATIONS CONCERNING THE DEBTORS OR THE VALUE OF THEIR PROPERTY HAVE BEEN AUTHORIZED BY THE DEBTORS OTHER THAN AS SET FORTH IN THIS COMBINED DISCLOSURE STATEMENT AND PLAN. ANY INFORMATION, REPRESENTATIONS, OR INDUCEMENTS MADE TO OBTAIN AN ACCEPTANCE OF THE COMBINED DISCLOSURE STATEMENT AND PLAN OTHER THAN, OR INCONSISTENT WITH, THE INFORMATION CONTAINED HEREIN SHOULD NOT BE RELIED UPON BY ANY HOLDER OF A CLAIM OR INTEREST. THIS COMBINED DISCLOSURE STATEMENT AND PLAN HAS BEEN PREPARED IN ACCORDANCE WITH THE BANKRUPTCY CODE AND BANKRUPTCY RULES, AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NON-APPLICABLE BANKRUPTCY LAWS. THIS COMBINED DISCLOSURE STATEMENT AND PLAN HAS NOT BEEN APPROVED, DISAPPROVED, OR REVIEWED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION.

INTRODUCTION

The Debtors² jointly propose this Combined Disclosure Statement and Plan pursuant to §§ 1125 and 1129 of the Bankruptcy Code and Local Rule 3017-2.

The Plan, if Confirmed, will establish the Liquidating Trust, by and through which the Liquidating Trustee will marshal the Assets of the Estates, review and object to the Claims, analyze and litigate Causes of Action, and make Distributions to Holders of Allowed Claims, all as set forth in more detail below.

ALL HOLDERS OF CLAIMS OR INTERESTS AGAINST THE DEBTORS ARE ENCOURAGED TO READ THIS COMBINED DISCLOSURE STATEMENT AND PLAN IN ITS ENTIRETY, AND TO CONSULT WITH AN ATTORNEY, BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

ARTICLE I: DEFINITIONS AND CONSTRUCTION OF TERMS

As used in this Combined Disclosure Statement and Plan, the following terms have the following meanings:

1.1. “**503(b)(9) Claims**” shall mean all Claims arising under § 503(b)(9) of the Bankruptcy Code against one or more of the Debtors that: (i) was Filed against one or more of the Debtors on or before the General Bar Date or that was listed by one of the Debtors in its Schedules as liquidated in amount and not “Disputed” or “Contingent”; and (ii) are not Settled Claims.

1.2. “**Administrative Claim**” shall mean any right to payment constituting a cost or expense of administration of the Chapter 11 Cases as it relates to one of the Debtors under §§ 503(b) and 507(a)(2) of the Bankruptcy Code, including, any actual and necessary costs and expenses of preserving the Debtors’ Estates, any actual and necessary costs and expenses of operating the Debtors’ business after the Petition Date, any indebtedness or obligations incurred by the Debtors after the Petition Date in connection with the conduct of their businesses, all compensation and reimbursement of expenses awarded or otherwise approved for payment by Final Order of the Bankruptcy Court under §§ 330, 503(b) or 1129(a)(4) of the Bankruptcy Code, any fees or charges assessed against the Debtors’ Estates under § 1930 of chapter 123 of title 28 of the United States Code, all post-Petition Date taxes, and all other claims entitled to administrative expense status pursuant to a Final Order of the Bankruptcy Court.

1.3. “**Allowed Claim**” shall mean all or a portion of a Claim, other than a Settled Claim, against one or both of the Debtors or an Interest in the Debtors: (a) that has been listed by one of the Debtors in its Schedules as liquidated in amount and not “Disputed” or “Contingent”; (b) as to which no Objection or request for estimation has been Filed on or before the applicable Claim

² Capitalized terms used, but not otherwise defined in the text of this Combined Disclosure Statement and Plan, shall have the meaning ascribed to such terms in Article I hereof.

Objection deadline; (c) as to which any Objection has been settled, waived, withdrawn, or denied by a Final Order; or (d) that is allowed: (i) by a Final Order, (ii) by an agreement between the Holder of such Claim or Interest and the Debtors prior to the Effective Date, or the Liquidating Trustee after the Effective Date, or (iii) pursuant to the terms of this Combined Disclosure Statement and Plan. For purposes of computing Distributions, a Claim or Interest that has been deemed “Allowed” shall not include interest, costs, fees or charges on such Claim or Interest from and after the Petition Date, except as provided in § 506(b) of the Bankruptcy Code or as otherwise expressly set forth in this Combined Disclosure Statement and Plan. For the avoidance of doubt, any Claim that relates to obligations that were assumed by the Purchaser pursuant to the Asset Purchase Agreement and/or Sale Order shall not be an Allowed Claim for purposes of the Plan and shall be a Disallowed Claim.

1.4. “**Ankura**” shall mean Ankura Trust Company, LLC and its predecessors and successors in interest.

1.5. “**Asset Purchase Agreement**” shall mean that certain asset purchase agreement by and between the Debtors and the Purchaser dated as of November 4, 2020, as the same may have been amended from time to time, and including all schedules and exhibits thereto, and as approved by the Bankruptcy Court pursuant to the Sale Order.

1.6. “**Assets**” means all tangible and intangible assets of every kind and nature of the Debtors and their Estates within the meaning of § 541 of the Bankruptcy Code, including, but not limited to, Cash and the Causes of Action.

1.7. “**Bankruptcy Code**” shall mean title 11 of the United States Code, 11 U.S.C. §§ 101 et seq., and as such title has been, or may be, amended from time to time, to the extent that any such amendment is applicable to these Chapter 11 Cases.

1.8. “**Bankruptcy Court**” shall mean the United States Bankruptcy Court for the District of Delaware.

1.9. “**Bankruptcy Rules**” shall mean, when referenced generally: (i) the Federal Rules of Bankruptcy Procedure and the Official Bankruptcy Forms, as amended and promulgated under § 2075 of title 28 of the United States Code; (ii) the applicable Federal Rules of Civil Procedure, as amended and promulgated under § 2072 of title 28 of the United States Code; (iii) the applicable Local Rules; and (iv) any standing orders governing practice and procedure issued by the Bankruptcy Court, each as in effect on the Petition Date, together with all amendments and modifications thereto that were subsequently made applicable to the Chapter 11 Cases or proceedings therein, as the case may be; provided, however, when a specific Bankruptcy Rule is referenced (e.g., Bankruptcy Rule 9019), such reference shall be to such Rule under the Federal Rules of Bankruptcy Procedure.

1.10. “**Bar Date Order**” shall mean the Bankruptcy Court’s Order (I) Establishing Bar Dates for Filing Proofs of Claim, including § 503(b)(9) Claims; and (II) Approving Form and Manner of Notice Thereof [Docket Entry 133].

1.11. “**Business Day**” shall mean any day, other than a Saturday, Sunday, or a legal holiday (as that term is defined in Bankruptcy Rule 9006(a)).

1.12. “**Cash**” or “**\$**” shall mean legal tender of the United States of America or the equivalent thereof, including bank deposits, checks and cash equivalents.

1.13. “**Causes of Action**” shall mean all Claims, causes of action, controversies, obligations, suits, judgments, damages, demands, debts, rights, preference actions, fraudulent conveyance actions and other claims or causes of action under §§ 510, 544, 545, 546, 547, 548, 549, 550, and 553 of the Bankruptcy Code and other similar state law claims and causes of action, liens, indemnities, guaranties, suits, liabilities, judgments, accounts, defenses, offsets, powers, privileges, licenses and franchises of any kind or character whatsoever, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, suspected or unsuspected, disputed or undisputed, secured or unsecured, assertable directly or derivatively, whether arising before, on, or after the Petition Date, in contract or in tort, arising in law, equity or pursuant to any other theory of law. For the avoidance of doubt, Causes of Action shall also include: (a) any right of setoff, counterclaim or recoupment and any claim on contracts or for breaches of duties imposed by law or in equity; (b) the right to object to Claims or Interests; (c) any claim pursuant to § 362 or chapter 5 of the Bankruptcy Code; (d) any claim or defense including fraud, mistake, duress and usury, and any other defenses set forth in § 558 of the Bankruptcy Code; and (e) any state law fraudulent transfer claim.

1.14. “**Chapter 11 Cases**” shall mean the Debtors’ chapter 11 cases, which are jointly administered under Case No. 20-12814 (KBO) in the Bankruptcy Court.

1.15. “**Claim**” or “**Claims**” shall mean a claim or claims against one or both of the Debtors, as such term is defined in § 101(5) of the Bankruptcy Code.

1.16. “**Claims Agent**” shall mean Donlin, Recano & Company, Inc. or any successor appointed or approved by the Bankruptcy Court.

1.17. “**Claims Objection Deadline**” shall mean one hundred eighty (180) days after the Effective Date, or such later date as may be ordered by the Bankruptcy Court, provided however, that the Liquidating Trustee may file one or more motions with the Bankruptcy Court on notice and an opportunity for a hearing to extend the Claims Objection Deadline from time to time.

1.18. “**Class**” shall mean each category or group of Holders of Claims or Interests that has been designated as a class in this Plan.

1.19. “**Combined Disclosure Statement and Plan**” shall mean this entire document and all exhibits, schedules, and related documents, whether annexed hereto or Filed in connection herewith, including the disclosure statement portions and the plan portions, including as modified by the Confirmation Order (as applicable).

1.20. “**Confirmation Date**” shall mean the date upon which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases.

1.21. “**Confirmation Hearing**” shall mean the hearing held by the Bankruptcy Court pursuant to § 1128 of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.

1.22. “**Confirmation Order**” shall mean the order of the Bankruptcy Court approving the Disclosure Statement and confirming the Plan.

1.23. “**Contingent**” shall mean, with reference to a Claim, a Claim that has not accrued or is not otherwise payable and the accrual of which, or the obligation to make payment on which, is dependent upon a future event that may or may not occur.

1.24. “**Creditor**” shall have the meaning ascribed to such term in § 101(10) of the Bankruptcy Code.

1.25. “**Creditors’ Committee**” shall mean the official committee of unsecured creditors appointed by the U.S. Trustee in the Chapter 11 Cases, pursuant to the Notice of Appointment of Creditors’ Committee [Dkt. No. 62] and Amended Notice of Appointment of Creditors’ Committee [Dkt. No. 254].

1.26. “**Debtors**” shall mean Gorham Paper and Tissue, LLC and White Mountain Tissue, LLC, including in their capacities prior to the Petition Date, as debtors-in-possession in the Chapter 11 Cases, and as Entities after the Effective Date.

1.27. “**Disallowed**” shall mean, with respect to any Claim or Interest or portion thereof, any Claim against or Interest in one or more of the Debtors which: (i) has been disallowed, waived, or released, in whole or part, by a Final Order (including, but not limited to, the Sale Order); (ii) has been withdrawn, waived, or released by agreement of the Holder thereof and the Debtors or the Liquidating Trustee, in whole or in part; (iii) has been withdrawn, in whole or in part, by the Holder thereof; (iv) if listed in the Schedules as zero or as Disputed, Contingent, and/or unliquidated and in respect of which a proof of Claim or a proof of Interest, as applicable, has not been timely Filed or deemed timely Filed pursuant to the Plan, the Bankruptcy Code or any Final Order or other applicable law or as otherwise agreed; (v) has been reclassified, expunged, subordinated or estimated to the extent that such reclassification, expungement, subordination or estimation results in a reduction in the Filed amount of any proof of Claim or proof of Interest; (vi) is not listed in the Schedules and as to which no proof of Claim has been filed in accordance with the Bar Date Order or has been deemed timely filed by the Bankruptcy Court

1.28. “**Disallowed Claim**” shall mean a Claim, or any portion thereof, that is Disallowed.

1.29. “**Disallowed Interest**” shall mean an Interest, or any portion thereof, that is Disallowed.

1.30. “**Disbursing Agent**” shall mean the Liquidating Trustee or any third party designated by the Liquidating Trustee, in his or her discretion, to make Disbursements.

1.31. “**Disclosure Statement**” shall mean the disclosure statement, as amended, supplemented, or modified from time to time, that is embodied within this Combined Disclosure Statement and Plan.

1.32. “**Disputed**” shall mean any Claim or Interest which has not yet been Allowed or Disallowed.

1.33. “**Distribution**” shall mean any distribution made pursuant to the Plan by the Liquidating Trustee or the Disbursing Agent to the Holder of Allowed Claims.

1.34. “**Effective Date**” shall mean the date that is thirty (30) days after the Confirmation Order becomes a Final Order, provided, however, that if the 30th day is not a Business Day, then the first Business Day thereafter. If the Confirmation Order has been stayed and that stay remains in place after the 30th day after the Confirmation Order becomes a Final Order, the Effective Date shall mean the earlier of the first Business Day following the date upon which: (a) the Confirmation Order has become a Final Order; or (b) any stay of the Confirmation Order is no longer effective.

1.35. “**Entity**” shall have the meaning ascribed to such term in § 101(15) of the Bankruptcy Code.

1.36. “**Estate**” or “**Estates**” shall mean one or both estates of the Debtors created pursuant to § 541 of the Bankruptcy Code.

1.37. “**Exculpated Parties**” shall mean as of the Petition Date through the Effective Date: (i) the Debtors; (ii) Richard Arnold, Wayne Johnson, and Bradley Scher in their capacities as directors and/or officers of the Debtors; (iii) the Professionals of the Debtors and the Creditors’ Committee and their respective employees and shareholders; and (iv) the Creditors’ Committee and each of its members (each solely in such capacity), provided, however, that notwithstanding the foregoing definitions, Exculpated Parties shall not include, and hereby expressly excludes, the Patriarch Stakeholders and their respective parents, affiliates, successors and assigns, shareholders, officers, directors, agents, employees, representatives, and attorneys, and neither the Patriarch Stakeholders nor any of their respective parents, affiliates, successors and assigns, shareholders, officers, directors, agents, employees, representatives, or attorneys shall be considered predecessors to Ankura for purposes of the Plan.

1.38. “**Executory Contract**” shall mean a contract or lease to which one or both of the Debtors is a party that is subject to assumption or rejection under § 365 of the Bankruptcy Code.

1.39. “**File**,” “**Filed**,” or “**Filing**” shall mean, respectively, file, filed, or filing with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases; provided, however, that with respect to proofs of Claim and proofs of Interest only, “**Filed**” shall mean delivered and received in the manner provided by the Bar Date Order or as otherwise established by order of the Bankruptcy Court.

1.40. “**Final Administrative Claim Bar Date**” means the date that is fourteen (14) days after the Effective Date, which shall be the deadline for Filing requests for payment of Administrative Claims that arose after the Petition Date, other than Professional Fee Claims.

1.41. “**Final Order**” shall mean an unstayed order, ruling or judgment of the Bankruptcy Court or any other court of competent jurisdiction as to which the time to appeal, petition for certiorari, or request for reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing shall then be pending, or as to

which any right to appeal, petition for certiorari, reargument, or rehearing shall have been waived in writing in form and substance satisfactory to the Debtors or the Liquidating Trustee on behalf of the Estates (on or after the Effective Date), or, in the event that an appeal, writ of certiorari, or reargument or rehearing thereof has been sought, such order of the Bankruptcy Court or other court of competent jurisdiction shall have been determined by the highest court to which such order was appealed, or certiorari, reargument or rehearing shall have been denied and the time to take any further appeal, petition for certiorari or move for reargument or rehearing shall have expired; provided, however, that the possibility that a motion under rule 59 or rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or applicable state court rules of civil procedure, may be Filed with respect to such order, shall not cause such order not to be a Final Order.

1.42. “**General Bar Date**” shall mean 4:00 p.m. (Prevailing Eastern Time) on January 22, 2021 (Prevailing Eastern Time) for certain Claims arising before the Petition Date, including, but not limited to, 503(b)(9) Claims, Secured Claims, General Unsecured Claims, or Priority Non-Tax Claims, except as otherwise provided by the Bar Date Order.

1.43. “**General Unsecured Claim**” shall mean any unsecured Claim against the Debtors that arose or is deemed by the Bankruptcy Code or Bankruptcy Court, as the case may be, that is not: (i) an Administrative Expense Claim; (ii) a Priority Tax Claim; (iii) a Secured Claim; (iv) a Priority Non-Tax Claim; (v) an Intercompany Claim; or (vi) a Settled Claim.

1.44. “**Governmental Unit**” shall have the meaning ascribed to such term in § 101(27) of the Bankruptcy Code.

1.45. “**Governmental Unit Bar Date**” shall mean May 3, 2021 (Prevailing Eastern Time), as established by the Bar Date Order.

1.46. “**GPT**” shall mean Gorham Paper and Tissue, LLC, including in its capacities prior to the Petition Date, as a debtor-in-possession in the Chapter 11 Cases, and as a reorganized Entity after the Effective Date.

1.47. “**Holder**” or “**Holders**” shall mean the legal or beneficial Holder of a Claim or Interest (and, when used in conjunction with a Class or type of Claim or Interest, means a Holder of a Claim or Interest in such Class or of such type).

1.48. “**Impaired**” shall mean, when used in reference to a Claim or Interest, a Claim or Interest that is impaired within the meaning of § 1124 of the Bankruptcy Code.

1.49. “**Impaired Class**” shall mean a Class of Claims or Interests that is Impaired.

1.50. “**Insider**” shall have the meaning ascribed to such term in § 101(31) of the Bankruptcy Code.

1.51. “**Intercompany Claim**” shall mean: (i) any account reflecting intercompany book entries by one Debtor with respect to the other Debtor; or (ii) any Claim that is not reflected in such book entries and is held by a Debtor against the other Debtor, including, but not limited to, any Claim for reimbursement, payment as guarantor, rent, employee costs, or any Claim for

contribution or expenses that were allocable between the one or more of the Debtors. Intercompany Claims shall not receive Distributions under the Plan.

1.52. “**Interests**” shall mean the equity or ownership interests of any Person in the Debtors.

1.53. “**IRS**” shall mean the Internal Revenue Service and its predecessors, successors, and assigns.

1.54. “**Liquidating Trust**” shall mean the trust established under this Plan and the Liquidating Trust Agreement.

1.55. “**Liquidating Trustee**” shall mean the Person appointed pursuant this Plan and the Liquidating Trust Agreement to serve as the trustee of the Liquidating Trust for the purposes of, among other things, liquidating the Estates’ remaining assets and pursuing Causes of Action. The initial Liquidating Trustee shall be Wayne Johnson.

1.56. “**Liquidating Trust Agreement**” shall mean the trust agreement that establishes the Liquidating Trust and governs the powers, duties, and responsibilities of the Liquidating Trustee, which shall be in substantially the same form as attached hereto as Exhibit A.

1.57. “**Liquidating Trust Expenses**” shall mean the reasonable fees, costs, and expenses of the Liquidating Trust, as determined in the reasonable discretion of the Liquidating Trustee. For the avoidance of doubt, U.S. Trustee Fees shall be considered a Liquidating Trust Expense. The Liquidating Trustee shall be authorized to pay the Liquidating Trust Expenses, including professional fees other, than those constituting a Professional Fee Claim, in the Liquidating Trustee’s reasonable discretion, without further Order or notice to any party, except as otherwise set forth in the Combined Disclosure Statement and Plan. Liquidating Trust Expenses shall also include compensation to the Liquidating Trustee, as set forth in the Liquidating Trust Agreement.

1.58. “**Local Rules**” shall mean the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware.

1.59. “**Objection(s)**” shall mean any objection, application, motion, complaint, or any other legal proceeding seeking, in whole or in part, to disallow, determine, liquidate, classify, reclassify, or establish the priority, expunge, subordinate, or estimate any Claim or Interest (including, but not limited to, the resolution of any request for payment of any Administrative Claim).

1.60. “**Patriarch Stakeholders**” shall mean the Ark Entities (including Ark Angels, LLC; Ark Angels II, LLC; Ark Angels III, LLC; Ark Angels VIII, LLC; Ark Investment Partners II, LP; Ark II CLO 2001-1, Ltd. LD Investments, LLC; Lynn Tilton); the Octaluna LLC Entities (including Octaluna LLC; Octaluna II, LLC; Octaluna III, LLC); the Patriarch Partners Entities (including Patriarch Partners, LLC; Patriarch Partners VIII, LLC; Patriarch Partners, XIV, LLC; Patriarch Partners XV, LLC); Patriarch Partners Management Group, LLC; Patriarch Partners Agency Services, LLC; and Zohar Holdings.

1.61. “**Person**” shall have the meaning ascribed to such term in § 101(41) of the Bankruptcy Code.

1.62. “**Petition Date**” shall mean November 4, 2020, the date on which the Debtors commenced the Chapter 11 Cases in the Bankruptcy Court.

1.63. “**Plan**” shall mean this plan of liquidation under chapter 11 of the Bankruptcy Code, as it may be altered, amended, modified or supplemented from time to time, including in accordance with any documents submitted in support hereof and the Bankruptcy Code or the Bankruptcy Rules, as a subset of the Combined Disclosure Statement and Plan.

1.64. “**Priority Non-Tax Claim**” shall mean any and all Claims accorded priority in right of payment under § 507(a) of the Bankruptcy Code, other than a Priority Tax Claim or an Administrative Claim.

1.65. “**Priority Tax Claim**” shall mean a Claim or a portion of a Claim for which priority is asserted under § 507(a)(8) of the Bankruptcy Code.

1.66. “**Pro Rata**” shall mean the proportion that an Allowed Claim in a particular Class bears to the aggregate amount of Allowed Claims in that respective Class, or the proportion that Allowed Claims in a particular Class bear to the aggregate amount of Allowed Claims in a particular Class and other Classes entitled to share in the same recovery as such Allowed Claim under the Combined Disclosure Statement and Plan, as applicable.

1.67. “**Professional**” shall mean any professional employed in these Chapter 11 Cases pursuant to Bankruptcy Code §§ 327, 328, or 1103, which shall include, but not be limited to, Bernstein Shur Sawyer & Nelson, PA., Polsinelli, and Reed Smith LLP.

1.68. “**Professional Fee Bar Date**” shall mean the deadline for Filing all final applications for Professional Fee Claims, which deadline shall be thirty (30) days after the Effective Date.

1.69. “**Professional Fee Claims**” shall mean a Claim of a Professional for compensation for services rendered or reimbursement of costs, expenses, or other charges incurred after the Petition Date and on or before the Effective Date. A Claim of a Professional for compensation and reimbursement of expenses incurred after the Effective Date shall not be subject to an application or approval by the Bankruptcy Court and may be paid by the Liquidating Trustee in the ordinary course, without prior notice to any party, in the Liquidating Trustee’s reasonable discretion, including as a Liquidating Trust Expense.

1.70. “**Purchaser**” shall mean Gorham Acquisitions, LLC and its predecessors, successors, assigns, and affiliates.

1.71. “**Rejection Claim**” shall mean any Claim for amounts due as a result of the rejection by one or both of the Debtors of any Executory Contract under § 365 of the Bankruptcy Code.

1.72. “**Rejection Damages Bar Date**” shall mean the deadline by which a counterparty to an Executory Contract of a Debtor rejected under this Plan must File a proof of Claim for damages arising from such rejection, and shall be, except as otherwise set forth in a separate Order of the Bankruptcy Court authorizing the rejection of an Executory Contract and setting a different date for any Entity to assert a claim arising from such rejection, the later of: (i) the General Bar Date or the Governmental Bar Date, as applicable; and (ii) thirty (30) days after the effective date of the rejection of such executory contract or unexpired lease, including as to those Executory Contracts that are rejected effective upon entry of the Confirmation Order in accordance with Article VII.

1.73. “**Released Party**” shall mean each of the following in their respective capacity as such: (a) the Debtors; (b) the Estates; (c) Ankura, in its respective capacities as Prepetition Agent and the collateral manager appointed by the Bankruptcy Court in the Zohar Funds’ chapter 11 cases; (d) Zohar III, as secured lender to the Debtors; and (e) the Creditors’ Committee, and with respect to each of the foregoing Entities in clauses (a) through (e), their Representatives, each in their capacities as such. For the avoidance of doubt, notwithstanding any language herein to the contrary, nothing in the definition of Released Party or any other provision of this Plan shall constitute a release of Claims or Causes of Action against any member or Representative of the Creditors’ Committee other than solely in his/her/its capacity as a member or Representative of the Creditors’ Committee.

1.74. “**Representatives**” shall mean with respect to an Entity, all of that Entity’s current and former managed and controlled affiliates and subsidiaries, and its and each of the foregoing Entity’s respective officers, directors, managing members, principals, shareholders, members, partners, employees, agents, attorneys, professionals (including Professionals), accountants, investment bankers, financial consultants, and other representatives, and such Person’s respective heirs, executors, estates, and nominees, in each case in their capacity as such, provided, however, that notwithstanding the foregoing definitions, Representatives shall not include, and hereby expressly excludes, the Patriarch Stakeholders and their respective parents, affiliates, successors and assigns, shareholders, officers, directors, agents, employees, representatives, and attorneys, and neither the Patriarch Stakeholders nor any of their respective parents, affiliates, successors and assigns, shareholders, officers, directors, agents, employees, representatives, or attorneys shall be considered predecessors to Ankura for purposes of the Plan.

1.75. “**Sale**” shall mean the sale of substantially all of the Debtors’ Assets to the Purchaser pursuant to the Asset Purchase Agreement and the Sale Order, which Sale closed on or about December 31, 2020.

1.76. “**Sale Order**” shall mean the Order (I) Authorizing and Approving (A) the Sale of Substantially All of the Debtors’ Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests and (B) the Assumption and Assignment of Certain Contracts and Leases, and (II) Granting Related Relief, as was amended and/or supplemented from time to time [Docket Entry 196, as supplemented by Docket Entry 210].

1.77. “**Schedules**” shall mean the schedules of Assets and Liabilities, schedules of Executory Contracts, and Statements of Financial Affairs Filed by the Debtors pursuant to § 521 of the Bankruptcy Code and in substantial accordance with the Official Bankruptcy Forms, as the

same may have been amended, modified, or supplemented from time to time, which were filed in the Chapter 11 Cases.

1.78. “**Secured Claim**” shall mean, pursuant to § 506 of the Bankruptcy Code, that portion of a Claim that is secured by a valid, perfected and enforceable security interest, lien, mortgage, or other encumbrance, that is not subject to avoidance under applicable bankruptcy or non-bankruptcy law, in or upon any right, title or interest of one or more of the Debtors in and to property of one or both of the Estates, to the extent of the value of the Holder’s interest in such property as of the relevant determination date.

1.79. “**Settled Claim**” shall mean any Claim that has been settled, waived, and/or released pursuant to a Final Order of the Bankruptcy Court prior to the Effective Date, including through a stipulation approved by the Bankruptcy Court or Final Order approving a settlement under Bankruptcy Rule 9019. For the avoidance of doubt, Settled Claims shall not include any Claims held by Zohar III or the Zohar Funds.

1.80. “**Solicitation Procedures Order**” shall mean this Court’s Order establishing the procedures for solicitation of and voting on this Plan.

1.81. “**Tax**” or “**Taxes**” shall mean all income, gross receipts, sales, use, transfer, payroll, employment, franchise, profits, property, excise, or other similar taxes, estimated import duties, fees, and duties, value added taxes, assessments, or charges (whether payable directly or by withholding), together with any interest and any penalties, additions to tax, or additional amounts imposed by any taxing authority of a Governmental Unit with respect thereto.

1.82. “**Unclaimed Distributions**” shall mean any undeliverable or unclaimed Distributions.

1.83. “**Unimpaired**” shall mean, when used in reference to a Claim or Interest, any Claim or Interest that is not impaired within the meaning of § 1124 of the Bankruptcy Code.

1.84. “**U.S. Trustee**” shall mean the Office of the United States Trustee for the District of Delaware.

1.85. “**U.S. Trustee Fees**” shall mean fees payable pursuant to 28 U.S.C. § 1930.

1.86. “**Voting Agent**” shall mean Donlin, Recano & Company, Inc. or any successor approved or appointed by the Bankruptcy Court.

1.87. “**Voting Deadline**” shall mean the date and time established by the Bankruptcy Court by which ballots to accept or reject this Plan must be received by the Voting Agent in order to be counted, as set forth by the Solicitation Procedures Order

1.88. “**WMT**” shall mean White Mountain Tissue, LLC, including in its capacities prior to the Petition Date, as a debtor-in-possession in the Chapter 11 Cases, and as a reorganized Entity after the Effective Date.

ARTICLE II: BACKGROUND

2.01 General Background

(a) The Debtors' History

The Debtors are limited liability companies formed under the laws of the State of Delaware, with their principal places of business, prior to the Sale, located at 72 Cascade Flats, Gorham, New Hampshire. GPT was established in 2011 when, Patriarch Partners, with financing from the Zohar Funds, purchased the then-shuttered Gorham paper mill out of bankruptcy from FP Acquisitions LLC. In 2012, WMT was formed as a joint venture between GPT (51%) and Red Shield Acquisitions, LLC ("RSA") (49%). The Zohar Funds foreclosed on certain assets of RSA in 2014, including RSA's 49% membership interest in WMT.

Zohar III, Limited ("Zohar III") is the sole member and 100% owner of GPT. GPT is the only Class A Member of WMT, and GPT holds a 51% membership interest in WMT in its capacity as Class A Member. The remaining 49% membership interest in WMT is held by the Class B Members, which consist of Zohar I CDO 2003-1, Limited (29.273%); Zohar II 2005-1, Limited (15.714%); and Zohar III (55.013%).

Prior to the Sale, the Debtors operated at a mill site along the Androscoggin River in Gorham and Berlin, New Hampshire. The Debtors manufactured towel and tissue parent rolls for "at-home" and "away-from-home" (i.e., commercial or industrial) markets. For the at-home market, the Debtors manufactured parent rolls for the production of bath, facial tissue, towels, napkins, and other paper products. For the away-from-home market, the Debtors manufactured parent rolls for the production of industrial towels and wipes, hard wound towels, and multi-fold towels. For at-home products, production was run through the "TM06" dry crepe tissue machine, which was purchased in 2012 by WMT. Production for away-from-home products was run through the "PM09" towel machine owned by GPT.

(b) The Debtors' Prepetition Debt Structure and Related Liens

Prior to the Petition Date, the Debtors engaged in various transactions with multiple parties that resulted in the Debtors incurring certain debt obligations and granting liens on certain of the Debtors' Assets to secure those obligations. Those obligations and liens are summarized as follows:

- **GPT Credit Agreement.** Ankura, as co-administrative agent (as successor to Patriarch Partners Agency Services, LLC ("PPAS") and, together with PPAS, the "Prepetition Agents") with respect to Zohar III and PPAS, as co-administrative agent with respect to ARK II CLO 2001-1, LTD ("ARK II"), are participants to the Credit Agreement dated on or about May 13, 2011 (as amended, restated, supplemented or otherwise modified from time to time, the "GPT Credit Agreement"). Pursuant to the Security Agreement dated as of May 13, 2011, GPT granted liens on all or substantially all of its accounts and other personal property to Zohar III and ARK II. On or about May 13, 2011, the Prepetition Agent filed UCC Financing Statement No. 20111828154 with the Delaware Secretary of State asserting a lien on GPT's assets. Zohar III also filed UCC Financing Statement No.

20111828212 asserting a lien on all of GPT's assets. GPT also owned, as of the Petition Date, various parcels of real estate with related improvements and fixtures located in Gorham and Berlin, New Hampshire (collectively, the "GPT Real Estate"). Pursuant to that certain Mortgage, Assignment of Rents, Security Agreement and Fixture Filing, GPT granted to the participants in the GPT Credit Agreement a mortgage on the GPT Real Estate.

- **WMT Credit Agreement.** WMT (as borrower), Zohar III (as lender), and the Prepetition Agents are participants in the Credit Agreement dated on or about March 2012 (as amended, restated, supplemented or otherwise modified from time to time, the "WMT Credit Agreement"). Two loans were made under the WMT Credit Agreement by Zohar III as lender. Pursuant to the Security Agreement dated as April 17, 2012, WMT granted to Zohar III a security interest in all or nearly all of the assets of WMT, including accounts and personal property of WMT. The Prepetition Agent filed UCC Financing Statement No. 20121519042 asserting a lien on WMT's assets.
- **Bank of New Hampshire Credit Agreement.** Pursuant to that certain Loan Agreement, Security Agreement, and Promissory Note by and between the Bank of New Hampshire ("BONH") and WMT (the "BONH Credit Agreement") dated on or about August 30, 2012, BONH made a \$10,000,000.00 term loan to WMT for the purchase and installation of a new tissue machine known as "TMO6." In order to secure WMT's obligations under the BONH Credit Agreement, WMT granted to BONH a first priority security interest in a certain portion of the WMT's assets, namely the tissue machine TM06 (with certain components excluded per Schedule A to the Security Agreement) (all as more particularly described in BONH's UCC Financing Statement filed August 31, 2012 with initial filing number No. 20123384148 (Delaware Secretary of State) and UCC Financing Statement Amendment with amendment No. 20173914337 (Delaware Secretary of State) continuing said UCC Financing Statement, together with that certain UCC Financing Statement recorded as a fixture filing at Book 1358, Page 0601, Register of Deeds, Coos County, NH, and UCC Financing Statement Amendment record at Book 1503, Page 286, Registry of Deeds, Coos County, NH, continuing said UCC Financing Statement) (the "BONH Prepetition Collateral" and BONH's liens on such collateral, the "BONH Liens"). The outstanding principal balance under the BONH Credit Agreement as of the Petition Date was approximately \$3,365,000.00.
- **Property Tax Liens.** Prior to the Petition Date, the Towns of Berlin and Gorham, New Hampshire, recorded liens on certain of the GPT Real Estate arising from unpaid property tax obligations of GPT in the aggregate amount of approximately \$700,000.00.

(c) Events Leading to the Chapter 11 Cases

Prior to the Petition Date, the Debtors explored a range of options to address their ongoing challenges related to maintaining sufficient cash flow to satisfy their debt and operational obligations. Ultimately, due to cash flow concerns and the monetization process established under the global settlement agreement entered into the Zohar Funds' chapter 11 cases, the Debtors, together with their advisors, expended significant efforts marketing the Debtors' assets in the months leading up to the Petition Date. This marketing process included significant mailings and

calls to targeted, industry specific, potential buyers that the Debtors and their advisors believed might be interested in discussing a potential purchase of the Debtors' assets. Following the Debtors' receipt of indications of interest from several potential buyers, the Debtors began to engage in advanced discussions regarding a potential sale transaction for some or all of the Debtors' assets with such parties, including through a sale under § 363 of the Bankruptcy Code. The Debtors commenced the Chapter 11 Cases to maximize the value of their Estates for the benefit of all parties in interest through a going-concern sale process.

2.02 The Chapter 11 Cases

(a) The Debtors' Bankruptcy Filings and First Day Motions

On the Petition Date, each of the Debtors filed a voluntary chapter 11 bankruptcy petition. Substantially contemporaneously with filing the petitions, the Debtors filed a number of "first-day" motions, including motions seeking authority to fund prepetition payroll, maintain certain insurance policies, and maintain prepetition bank accounts. The Bankruptcy Court granted these motions on an interim and then final basis (as applicable).

As part of their first day pleadings, the Debtors also filed their *Motion for Entry of Interim and Final Orders, Pursuant to 11 U.S.C. §§ 105, 361, 362, 363(c), 363(e), 364 and 507 and Fed. R. Bankr. P. 2002, 4001 and 9014: (I) Authorizing Debtors to Obtain Postpetition Financing Pursuant to § 364 of the Bankruptcy Code; (II) Authorizing Use of Cash Collateral Pursuant to § 363 of the Bankruptcy Code; (III) Granting Liens and Super-Priority Claims; (IV) Granting Adequate Protection to the Prepetition Secured Parties; and (V) Setting a Final Hearing Pursuant to Fed. R. Bankr. P. 4001(b) and (c)* [Docket Entry 12] (the "DIP and Cash Collateral Motion"), which sought authority, on an interim and then final basis, to use cash collateral and to obtain postpetition financing up to the aggregate principal amount of \$1,500,000.00 (the "DIP Facility"), from Gorham DIP Financing, LLC (the "DIP Facility Lender"), an affiliate of the Purchaser. The Bankruptcy Court granted the DIP and Cash Collateral Motion on an interim basis on November 6, 2020 [Docket Entry 48], and on a final basis on December 2, 2020 [Docket Entry 137].

(b) Appointment of the Creditors' Committee

On November 10, 2020, the U.S. Trustee appointed the Creditors' Committee, which, as amended, includes three members: Recycling Associates, Inc.; Select Products LLC; and Blind Industries & Services of Maryland. The Creditors' Committee selected Reed Smith, LLP as its counsel.

(c) Motion for Approval of Bid Procedures, and the Sale of Substantially All of the Debtors' Assets

On November 7, 2020, the Debtors filed *their Motion for Entry of (I) an Order (A) Approving Bid Procedures in Connection with the Potential Sale of Substantially All of the Debtors' Assets, (B) Scheduling an Auction and a Sale Hearing, (C) Approving the Form and Manner of Notice Thereof, (D) Authorizing the Debtors to Enter Into the Stalking Horse Agreement, (E) Approving Bid Protections, (F) Approving Procedures for the Assumption and Assignment of Contracts and Leases, and (G) Granting Related Relief; and (II) an Order (A) Approving the Sale of Substantially All of the Debtors' Assets Free and Clear of All Liens, Claims,*

Encumbrances, and Interests, (B) Authorizing the Assumption and Assignment of Contracts and Leases, and (C) Granting Related Relief [Docket Entry 53] (the “Sale Motion”), which sought approval of, among other things, the Asset Purchase Agreement with the Purchaser as the stalking horse bidder, establishment of procedures for conducting an auction for the sale of substantially all of the Debtors’ assets, and authority to sell those assets to the winning bidder.

Both prior to and after the Final Order establishing bid procedures was entered on November 19, 2020 [Docket Entry 112] (the “Bid Procedures Order”), the Debtors and their investment banker, B. Riley Securities (“B. Riley”) expended significant effort to market the Debtors’ assets for sale. Specifically, prior to the Petition Date, B. Riley: (a) contacted 209 potential bidders; (b) sent non-disclosure agreements to 138 parties; and (c) executed non-disclosure agreements (“NDAs”) with 71 prospective buyers. Following the Petition Date and before the Bid Procedures Order, B. Riley executed NDAs with 17 additional interested parties. After the Bid Procedures Order, B. Riley sent an “Information Package” to 252 potential buyers, and the Debtors hosted parties from three interested buyers at their facilities in New Hampshire for site tours as part of the marketing process during the Chapter 11 Cases. In accordance with the Bid Procedures Order, the Debtors ultimately cancelled the auction because the Debtors did not receive a qualified bid other than from the Purchaser.

On December 18, 2020, the Bankruptcy Court entered the Sale Order, approving the Sale to the Purchaser and granting related relief. The Sale closed on December 31, 2020, at which time the DIP Facility was repaid and the Cash proceeds were disbursed to numerous parties and creditors. No proceeds from the Sale remained with the Debtors at closing.

(d) Summary of Sale Terms from Asset Purchase Agreement

The Asset Purchase Agreement, in conjunction with the Sale Order, sets forth the terms of the Sale to the Purchaser.³ Pursuant to the Asset Purchase Agreement, the Purchaser acquired, other than the “Excluded Assets” (as such term is defined in the Asset Purchase Agreement), all of the Debtors’ right, title, and interest in and to substantially all of the Debtors’ Assets and rights of every nature used in the ownership, operation, conduct or business of Debtors, including, but not limited to, the Debtors’ real property, personal property, the assumed contracts, licenses, and permits, in each case free and clear of any encumbrances, liens, claims, rights, remedies or interests, existing as of the closing, except for the Permitted Liens (as defined in the Asset Purchase Agreement).

The Excluded Assets not transferred to the Purchaser at closing included: (a) the Debtors’ cash, cash equivalents, accounts, accounts receivable, securities, credits, rights of reimbursement, set off rights, and rights of recoupment, including, without limitation, any reimbursement rights or other rights arising out of governmental programs; and/or any amounts due for the sale of tax credits; and (b) any and all causes of action of either or both of Sellers, whether known or unknown on the Closing Date, including without limitation, those arising under chapter 5 of the Bankruptcy Code; provided, however, that, except with respect to causes of action arising under chapter 5 of

³ All summaries herein of the Asset Purchase Agreement or Sale Order are qualified in their entirety by the terms of such documents, and to the extent of any inconsistency between any summary herein and the Asset Purchase Agreement or Sale Order, the terms of the Asset Purchase Agreement and Sale Order shall control.

the Bankruptcy Code, any and all causes of action or potential causes of action with respect to which the defendant could have a material and adverse impact on the operation of the Assets from and after Closing are included in the definition of “Assets” transferred to the Purchaser.

In consideration of the sale of the purchased assets to the Purchaser, and upon the terms and subject to the conditions set forth in the Asset Purchase Agreement and Sale Order, the aggregate consideration for the Sale included (subject to adjustments as set forth in Asset Purchase Agreement) the following: (i) \$8,750,000.00 in Cash (less the Purchaser’s deposit); (ii) a credit bid pursuant to § 363(k) of the Bankruptcy Code of all the DIP Financing Obligations (as defined in the Asset Purchase Agreement) held by the Purchaser; and (iii) the assumption by the Purchaser of the Assumed Liabilities (as defined in the Asset Purchase Agreement), which included the indebtedness owed by WMT to BONH.

(e) Settlement Agreement Between the Debtors, the Creditors’ Committee, Zohar III, and Ankura

Following the Sale closing, the Debtors engaged in discussions with the Creditors’ Committee, Zohar III, and Ankura regarding a plan to fund the winddown of the Debtors’ affairs and the Debtors’ exits from bankruptcy. On January 27, 2021, the Debtors filed their *Motion for Entry of an Order (I) Approving Settlement and Limited Notice Pursuant to Bankruptcy Code Section 105 and Federal Rule of Bankruptcy Procedure 9019; and (II) Granting Related Relief* [Docket Entry 241], which sought approval of a compromise set forth in the settlement agreement attached hereto as **Exhibit B** (the “Zohar Settlement Agreement”). The Bankruptcy Court approved the Zohar Settlement Agreement through entry of a Final Order on February 17, 2021 [Docket Entry 273].

Pursuant to the Zohar Settlement Agreement, in exchange for mutual releases and other consideration, Zohar III and Ankura agreed to, among other things, disburse to the Debtors **\$1,264,060.71** from the Cash that Zohar III and Ankura received at the closing of the Sale, which Cash the Debtors then used to fund certain Professional Fee Claims and approved management bonuses, with the remaining funds designated to pay actual and necessary expenses of pursuing, consummating, and funding a plan and other budgeted operating expenses of the Debtors. Zohar III and Ankura also agreed to “gift” a portion of their dividend under a plan or structured dismissal to certain other General Unsecured Claim Holders.

(f) The Debtors’ Motion to Reject Certain Executory Contracts and Unexpired Leases

On February 3, 2020, the Debtors filed their Omnibus Motion to Reject Lease or Executory Contract / First Omnibus Motion of Debtors for Entry of an Order (I) Authorizing the Debtors to Reject Certain Executory Contracts and Unexpired Leases Effective as of the Closing Date; and (II) Granting Certain Related Relief [Docket No. 252] (the “Rejection Motion”). The Bankruptcy Court granted the Rejection Motion on February 16, 2021 [Docket No. 267], pursuant to which the following executory contracts or unexpired leases were rejected, effective as of December 31, 2020:

Counterparty	Contract
Agera Energy	Electricity sales agreement dated 7/3/19
Arise, Inc.	Inspection agreement dated 1/9/20
Bowman Trailer Leasing	2 trailer storage leases
Competitive Energy Services, LLC	Payment of energy consulting fees
Competitive Energy Services, LLC	Energy Consulting - master consulting agreement
Convermat Corporation	PM9 Sales dated 9/1/11
Cross Insurance	Workers Compensation Insurance Policy
Douglas Pipeline Company	Natural Gas Pipeline Operation, Maintenance & Inspection Agreement dated 8/25/11
DTE Energy Trading Inc.	Energy consulting agreement
Public Service Company of New Hampshire	Transformer construction agreement regarding upgrades and removal of equipment at SPNH's Berlin East site. dated 5/4/11
Red Shield Acquisition LLC	Energy consulting - master consulting agreement
Wells Fargo Equipment Finance	Cat Fork Lift AT83F31551 Wells Fargo Lease 301-0164435
Wells Fargo Equipment Finance	Cat Fork Lift AT83F31214 Wells Fargo Lease 301-0164435

ARTICLE III: CONFIRMATION PROCEDURES

3.01 Confirmation Procedures

Among other things, the Solicitation Procedures Order approved the adequacy of the disclosures in the Combined Disclosure Statement and Plan on an interim basis and set certain deadlines for the solicitation of the Plan, voting on the Plan, filing objections to the Plan and a hearing to consider approval of the Plan.

The Confirmation Hearing has been scheduled for **December 17, 2021 at 10:00 a.m. (prevailing eastern time)** at the Bankruptcy Court, 824 North Market Street, 5th Floor, Courtroom 5, Wilmington, Delaware 19801 to consider: (a) final approval of the Plan as providing adequate information pursuant to § 1125 of the Bankruptcy Code; and (b) Confirmation of the Plan pursuant to § 1129 of the Bankruptcy Code. **The Confirmation Hearing may be adjourned from time to time by the Debtors without further notice, except for an announcement of the adjourned date made at the Confirmation Hearing or by Filing a notice with the Bankruptcy Court.**

3.02 Procedure for Objections

Any objection to final approval of the Combined Disclosure Statement and Plan as providing adequate information pursuant to § 1125 of the Bankruptcy Code and/or Confirmation of the Plan must be made in writing and Filed with the Bankruptcy Court and served on the following parties so as to be actually received on or before **December 8, 2021, at 4:00 p.m. (prevailing Eastern time)**: (a) counsel to the Debtors: Polsinelli PC, Christopher Ward (cward@polsinelli.com) and Shanti M. Katona (skatona@polsinelli.com); and Bernstein Shur Sawyer & Nelson, PA, Sam Anderson (sanderson@bernsteinshur.com) and Adam Prescott (aprescott@bernsteinshur.com); (b) counsel to the Creditors' Committee, Reed Smith LLP, Derek

Baker (dbaker@reedsmith.com) and Mark Eckard (meckard@reedsmith.com); and (c) the Office of the United States Trustee, Rosa Sierra (rosa.sierra@usdoj.gov).

UNLESS AN OBJECTION IS TIMELY FILED AND SERVED, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT AT THE CONFIRMATION HEARING.

3.03 Requirements for Confirmation

The Bankruptcy Court will confirm the Plan only if it meets all the applicable requirements of § 1129 of the Bankruptcy Code. Among other requirements, the Plan: (a) must be accepted by all Impaired Classes of Claims or Interests or, if rejected by an Impaired Class, the Plan must not “discriminate unfairly” against, and be “fair and equitable” with respect to, such Class; and (b) must be feasible. The Bankruptcy Court must also find that: (i) the Plan has classified Claims and Interests in a permissible manner; (ii) the Plan complies with the technical requirements of Chapter 11 of the Bankruptcy Code; and (iii) the Plan has been proposed in good faith.

3.04 Classification of Claims and Interests

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

The Bankruptcy Code also requires that a plan provide the same treatment for each claim or interest of a particular class unless the claim holder or interest holder agrees to a less favorable treatment of its claim or interest. The Debtors believe that the Plan complies with such standard.

EXCEPT AS SET FORTH IN THE PLAN, UNLESS SUCH MODIFICATION OF CLASSIFICATION MATERIALLY ADVERSELY AFFECTS THE TREATMENT OF A HOLDER OF A CLAIM AND REQUIRES RE-SOLICITATION, ACCEPTANCE OF THE PLAN BY ANY HOLDER OF A CLAIM PURSUANT TO THIS SOLICITATION WILL BE DEEMED TO BE A CONSENT TO THE PLAN’S TREATMENT OF SUCH HOLDER OF A CLAIM REGARDLESS OF THE CLASS AS TO WHICH SUCH HOLDER ULTIMATELY IS DEEMED TO BE A MEMBER.

3.05 Impaired Claims or Equity Interests

Pursuant to the provisions of the Bankruptcy Code, only classes of claims or interests that are “impaired” (as defined in § 1124 of the Bankruptcy Code) under a plan may vote to accept or reject such plan. Generally, a claim or interest is impaired under a plan if the holder’s legal, equitable, or contractual rights are changed under such plan.

Under the Plan, only Holders of Claims in Class 2 are Impaired and entitled to vote on the Plan. Under the Plan, Holders of Claims in Class 1 are Unimpaired and, therefore, not entitled to vote on the Plan. Finally, under the Plan, Holders of Interests in Class 3 are deemed to reject the Plan under § 1126(g) of the Bankruptcy Code.

3.06 Confirmation Without Necessary Acceptances; Cramdown

A plan may be confirmed, even if it is not accepted by all impaired classes, if the plan has been accepted by at least one impaired class of claims, and the plan meets the “cramdown” requirements set forth in § 1129(b) of the Bankruptcy Code. Section 1129(b) of the Bankruptcy Code requires that a court find that a plan “does not discriminate unfairly;” and (b) is “fair and equitable,” with respect to each non-accepting impaired class of claims or interests.

A plan does not “discriminate unfairly” if: (a) the legal rights of a non-accepting class are treated in a manner that is consistent with the treatment of other classes whose legal rights are similar to those of the non-accepting class; and (b) no class receives payments in excess of that which it is legally entitled to receive for its claims or interests.

The Bankruptcy Code provides a nonexclusive definition of the phrase “fair and equitable.” In order to determine whether a plan is “fair and equitable,” the Bankruptcy Code establishes “cram down” tests that include the following:

(a) **Unsecured Creditors.** Either: (i) each impaired unsecured creditor receives or retains under the plan property of a value equal to the amount of its allowed claim or; (ii) the holders of claims and interests that are junior to the claims of the dissenting class will not receive any property under the plan.

(b) **Equity Interests.** Either: (i) each holder of an equity interest will receive or retain under the plan property of a value equal to the greatest of the fixed liquidation preference to which such holder is entitled, the fixed redemption price to which such holder is entitled or the value of the interest; or (ii) the holder of an interest that is junior to the non-accepting class will not receive or retain any property under the plan.

The Debtors believe that the Plan is fair and equitable, and does not discriminate unfairly against any Holder of a Claim or Interest.

3.07 Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires that confirmation of a plan not be likely to be followed by the liquidation, or the need for further financial reorganization, of the debtors or any successor to the debtors (unless such liquidation or reorganization is proposed in the Plan).

Inasmuch as the Assets have been liquidated in the Chapter 11 Cases and the Plan provides for the Distribution of all of the remaining Cash to Holders of Allowed Claims in accordance with the Plan, for purposes of this test, the Debtors have analyzed the ability of the Liquidating Trust to meet its obligations under the Plan. Based on the Debtors’ analysis, the Liquidating Trustee will have sufficient assets to accomplish its tasks under the Plan. Specifically, as set forth in **Exhibit**

C, the Debtors project that the Liquidating Trustee will have sufficient Cash to pay Allowed Administrative Expense Claims, Priority Tax Claims, and Priority Non-Tax Claims, with remaining Cash allocated to fund, Pro Rata, Allowed General Unsecured Claims in Class 2. Therefore, the Debtors believe that the liquidation pursuant to the Plan meets the feasibility requirements of the Bankruptcy Code.

3.08 Best Interests Test and Liquidation Analysis

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

The Debtors’ liquidation analysis is attached hereto as **Exhibit D**. Because the Plan is a liquidating plan, the “liquidation value” in the hypothetical chapter 7 liquidation analysis for purposes of the “best interests” test is substantially similar to the estimates of the results of the chapter 11 liquidation contemplated by the Plan. However, the Debtors believe that in a chapter 7 liquidation, there would be additional costs and expenses that the Estates would incur as a result of liquidating the Estates in chapter 7, and the conversion also would jeopardize the Zohar Gift (defined below) and the other funds redistributed to the Debtors by Zohar III, to the detriment of most General Unsecured Claim Holders. Accordingly, the Debtors believe that Holders of Allowed Claims would receive less than anticipated under the Plan if the Chapter 11 Cases were converted to chapter 7 cases and, therefore, the classification and treatment of Claims and Interests in the Plan complies with § 1129(a)(7) of the Bankruptcy Code.

Finally, in addition to the foregoing, parts of the Zohar Settlement Agreement are conditioned upon confirmation of a plan or an order approving a structured dismissal by the Debtors. Conversion to chapter 7 could result in a breach of the Zohar Settlement Agreement, in which case Zohar III could: (i) seek to claw back the Segregated Cash (as defined in the Zohar Settlement Agreement); and/or (ii) refuse to make the Zohar Gift (defined below), which would significantly reduce the pro rata recovery to Holders of General Unsecured Claims. Accordingly, the Debtors believe that Holders of Allowed Claims would receive less favorable treatment in chapter 7 compared to the Plan for this reason as well.

3.09 Acceptance of the Plan

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 in such Class must vote to accept the Plan. At least one voting class, excluding the votes of Insiders, must actually vote to accept the Plan.

IF YOU ARE ENTITLED TO VOTE ON THE PLAN, YOU ARE URGED TO COMPLETE, DATE, SIGN AND PROMPTLY MAIL THE BALLOT YOU RECEIVE. PLEASE BE SURE TO COMPLETE THE BALLOT PROPERLY AND LEGIBLY AND TO IDENTIFY THE EXACT AMOUNT OF YOUR CLAIM AND THE NAME OF THE HOLDER.

ARTICLE IV:
CLASSIFICATION OF CLAIMS AND INTERESTS AND EXPECTED RECOVERIES

4.01 Overview of Classification.

Pursuant to § 1122 of the Bankruptcy Code, a Claim or Interest is placed in a particular Class for purposes of voting on this Plan and receiving Distributions under the Plan to the extent: (i) the Claim or Interest qualifies within the description of that Class; and (ii) the Claim or Equity Interest has not been paid, released, or otherwise compromised before the Effective Date. In accordance with § 1123(a)(1), Administrative Claims, Professional Fee Claims, and Priority Tax Claims are not classified under this Plan.

4.02 Identification and Treatment of Unclassified Claims

(a) **Administrative Claims.** On the Effective Date, each Holder of an Allowed Administrative Claim shall receive in full and final satisfaction of and in exchange for such Allowed Administrative Claim: (a) Cash equal to the amount of such Allowed Administrative Claim; or (b) such other treatment as to which the Debtor or the Liquidating Trustee, as applicable, and the Holder of such Allowed Administrative Claim shall have agreed upon in writing.

- (i) Final Administrative Claim Bar Date. Holders of Administrative Claims accruing from the Petition Date through the Effective Date, other than Professional Fee Claims, Claims specified in Local Rule 3002-1(a) of the Bankruptcy Court, and Claims for U.S. Trustee Fees, shall File with the Claims Agent and serve on the Debtors and the Liquidating Trustee requests for payment, in writing, together with supporting documents, substantially complying with the Bankruptcy Code, the Bankruptcy Rules and the Local Rules, so as to actually be received on or before the Final Administrative Claim Bar Date. Any such Claim not Filed by the Final Administrative Claim Bar Date shall be deemed waived, and the Holder of such Claim shall be forever barred from receiving payment on account thereof.
- (ii) Bar Date for Applications for Professional Fees. Professional Fee Claims are Administrative Claims and all applications for allowance and payment of Professional Fee Claims shall be Filed with the Bankruptcy Court on or before the Professional Fee Bar Date. If an application for a Professional Fee Claim is not Filed by the

Professional Fee Bar Date, such Professional Fee Claim shall be deemed waived and the Holder of such Claim shall be forever barred from receiving payment on account thereof.

- (iii) Section 503(b)(9) Claims. For the avoidance of doubt, the deadline for Filing requests for payment of 503(b)(9) Claims was the General Bar Date, and that deadline shall not be extended by the Plan or the Confirmation Order.
- (iv) Estimated Allowed Administrative Claims. The Debtors estimate that there will be approximately \$350,000.00 of Allowed Administrative Claims unpaid as of the Effective Date, with the actual amount of such Allowed Claims subject to applications for allowance of Professional Fee Claims and completion of the Claims Objection process.

(b) U.S. Trustee Fees. All U.S. Trustee Fees due and payable prior to the Effective Date shall be paid by the Debtors on the Effective Date. After the Effective Date, the Debtors and the Liquidating Trustee shall be jointly and severally liable to pay any and all U.S. Trustee Fees when due and payable. The Debtors and the Liquidating Trustee shall file all quarterly reports due prior to the Effective Date when they become due, in a form reasonably acceptable to the U.S. Trustee. After the Effective Date, each of the Debtors and the Liquidating Trustee shall file with the Bankruptcy Court separate quarterly reports when they become due, in a form reasonably acceptable to the U.S. Trustee. Each and every one of the Debtors and the Liquidating Trustee shall remain obligated to pay U.S. Trustee Fees to the Office of the U.S. Trustee until the earliest of that particular Debtor's case being closed, dismissed, or converted to a case under Chapter 7 of the Bankruptcy Code. The U.S. Trustee shall not be required to file any Administrative Claim in the Chapter 11 Cases and shall not be treated as providing any release under the Plan.

(c) Priority Tax Claims. On the Effective Date, each Holder of an Allowed Priority Tax Claim shall receive in full and final satisfaction of and in exchange for such Allowed Priority Tax Claim: (a) Cash equal to the amount of such Allowed Priority Tax Claim; (b) such other treatment as to which the Debtors or the Liquidating Trustee, as applicable, and the Holder of such Allowed Priority Tax Claim, shall have agreed upon in writing.

(d) Disputed Unclassified Claims. If an unclassified Claim listed under Section 4.02 is Disputed as of the Effective Date, payment on account of such Disputed Claim shall be made in accordance with Section 8.02 of the Plan.

4.03 Identification of Classes of Claims

(a) Treatment of Priority Unsecured Non-Tax Claims (Class 1). Each Holder of an Allowed Priority Unsecured Non-Tax Claim against the Debtor shall receive, on the Effective Date, on account of, and in exchange for, such Allowed Priority Unsecured Non-Tax Claim, either: (A) Cash equal to the full unpaid amount of such Allowed Priority Unsecured Non-Tax Claim; or (B) such other treatment as the Debtors, the Liquidating Trustee, and the Holder of

such Allowed Priority Unsecured Non-Tax Claim shall have agreed. If a Priority Unsecured Non-Tax Claim is not Allowed as of the Effective Date, such Priority Unsecured Non-Tax Claim shall be paid as soon as practicable after such Priority Unsecured Non-Tax Claim becomes an Allowed Claim, either: (A) Cash equal to the full unpaid amount of such Allowed Priority Unsecured Non-Tax Claim; or (B) such other treatment as the Debtor, the Liquidating Trustee, and the Holder of such Allowed Priority Unsecured Non-Tax Claim shall have agreed. Such Claims are, therefore, Unimpaired and not entitled to vote.

(b) Treatment of General Unsecured Claims (Class 2). After satisfaction in full of all Allowed Administrative Expense Claims, Allowed Professional Fee Claims, Allowed Priority Tax Claims, Allowed Priority Non-Tax Claims, and Liquidating Trust Expenses, each Holder of an Allowed General Unsecured Claim shall receive its Pro Rata share of any beneficial interest in the Cash remaining in the Liquidating Trust or such other treatment as may be agreed upon by such Holder and the Liquidating Trustee. Allowed General Unsecured Claims in Class 2 shall be subject to the Zohar Settlement Agreement, which is attached hereto as **Exhibit B** and is incorporated herein by reference. In accordance with the Zohar Settlement Agreement, after accounting for partial satisfaction of the Zohar Claims⁴ by the settlement payment made by the Debtors to Zohar III and Ankura (each, a “Deficiency Claim”), Zohar III and Ankura shall “gift” any respective recoveries they are entitled to receive on account of the Deficiency Claims in Class 2 by authorizing the Liquidating Trustee to redistribute to other non-Insider Claim Holders, Pro Rata, the Distribution that otherwise would be transferred on account of Deficiency Claims in Class 2 (the “Zohar Gift”) until such time as both: (i) Allowed Administrative and Allowed Priority Claims are satisfied in full; and (ii) Holders of Allowed General Unsecured Claims in Class 2 have received a 5.00% recovery on account of their Allowed General Unsecured Claims, up to a maximum aggregate Distribution to Holders of Allowed General Unsecured Claims in Class 2 of **\$500,000.00** (the “Recovery Threshold”). If and when the Recovery Threshold is achieved, (a) the Deficiency Claims shall be entitled to receive Pro Rata Distributions along with other Holders of Allowed General Unsecured Claims under Class 2 (the “Deficiency Claim Distribution”), and (b) the Disbursing Agent shall distribute the Deficiency Claim Distribution, if any, to Ankura in accordance with the Zohar Settlement Agreement.

For purposes of this Plan and Class 2, the Patriarch Stakeholders shall not receive a Distribution from the Zohar Gift. For the avoidance of doubt, however, the Patriarch Stakeholders shall be entitled to participate in Class 2 along with other Claim Holders to the extent of their Allowed General Unsecured Claims for all purposes other than Distributions from the Zohar Gift.

(c) Treatment of Equity Interests (Class 3). The Interests in Class Three are Impaired. Holders of Class Three Interests shall not receive or retain any property or interest in property on account of such Interests, such Interests shall be cancelled, extinguished, and

⁴ The “Zohar Claims” are defined in the Zohar Settlement Agreement as “the claims of Zohar III and Ankura (and any predecessor thereto) under the GPT Credit Agreement and WMT Credit Agreement, respectively, that were outstanding in the aggregate principal and interest amounts as of the Petition Date of **\$51,444,476.00** and **\$22,514,714.28**, respectively, inclusive of accrued and unpaid interest, other than default interest, but exclusive of fees, expenses, and indemnities, and fees payable to any administrative agent thereunder[.]”

discharged upon termination of the Liquidating Trust, and the Holders of Class Three Interests shall take nothing under the Plan.

4.04 Treatment of Classified Classes, Rights to Vote, and Estimated Distributions

The information in the table below is provided in summary form for illustrative purposes only and is subject to material change based on numerous contingencies, including the amount of Allowed Claims that exist after the Claims reconciliation and objection process:

Class/Designation	Plan Treatment	Status	Estimated Amount of Allowed Claims	Projected Recovery
Class 1: Allowed Priority Non-Tax Claims	Each Holder of an Allowed Priority Unsecured Non-Tax Claim against the Debtor shall receive, on the Effective Date, on account of, and in exchange for, such Allowed Priority Unsecured Non-Tax Claim, either: (A) Cash equal to the full unpaid amount of such Allowed Priority Unsecured Non-Tax Claim; or (B) such other treatment as the Debtors, the Liquidating Trustee, and the Holder of such Allowed Priority Unsecured Non-Tax Claim shall have agreed.	Unimpaired	\$2,000.00	100% Recovery
Class 2: Allowed General Unsecured Claims	After satisfaction in full of all Allowed Administrative Expense Claims, Allowed Professional Fee Claims, Allowed Priority Tax Claims, Allowed Priority Non-Tax Claims, and Liquidating Trust Expenses, each Holder of an Allowed General Unsecured Claim shall receive its Pro Rata share of any beneficial interest in the Cash remaining in the Liquidating Trust or such other treatment as may be agreed upon by such Holder and the Liquidating Trustee. Allowed General Unsecured Claims in Class 2 shall be subject to the Zohar Settlement Agreement, which is attached hereto as Exhibit B and is incorporated herein by reference, including as to the Zohar Gift.	Impaired; Entitled to Vote	\$7,000,000.00 ⁵	2-5% Pro Rata Recovery (excluding Zohar Claims)

⁵ Excludes Zohar III and Ankura Deficiency Claims.

Class 3: Equity Interests	The Interests in Class Three are Impaired. Holders of Class Three Interests shall not receive or retain any property or interest in property on account of such Interests, such Interests shall be cancelled, extinguished, and discharged upon termination of the Liquidating Trust, and the Holders of Class Three Interests shall take nothing under the Plan.	Impaired; Deemed to reject Plan and Not entitled to vote	N/A	Recovery: 0%
---------------------------	---	---	-----	--------------

4.05 Elimination of Classes for Voting Purposes

Any Class of Claims or equity Interests that is not occupied as of the date of the commencement of the Confirmation Hearing shall be deemed deleted from the Plan for purposes of voting on acceptance or rejection of the Plan by such Class under § 1129(a)(8) of the Bankruptcy Code.

4.06 Insurance

Notwithstanding anything to the contrary herein, unless elected otherwise by the Liquidating Trustee, if any Allowed Claim is covered by an Insurance Policy, such Claim shall first be paid from proceeds of such Insurance Policy to the extent such proceeds are available, with the balance, if any, treated in accordance with the provisions of the Plan governing the Class applicable to such Claim.

ARTICLE V: CERTAIN RISK FACTORS TO BE CONSIDERED PRIOR TO VOTING

THIS PLAN AND ITS IMPLEMENTATION ARE SUBJECT TO CERTAIN RISKS, INCLUDING, BUT NOT LIMITED TO, THE RISK FACTORS SET FORTH BELOW. HOLDERS OF CLAIMS WHO ARE ENTITLED TO VOTE ON THIS PLAN SHOULD READ AND CAREFULLY CONSIDER THE RISK FACTORS, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS PLAN AND THE DOCUMENTS DELIVERED TOGETHER HERewith OR REFERRED TO OR INCORPORATED BY REFERENCE HEREIN, BEFORE DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THIS PLAN. THESE FACTORS SHOULD NOT, HOWEVER, BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THIS PLAN AND ITS IMPLEMENTATION.

The following constitute a non-exhaustive list of risk factors associated with this Plan and its implementation:

- The Debtors can make no assurances that the requisite acceptances to the Plan will be received, and the Debtors may need to obtain acceptances to an alternative plan of liquidation for the Debtors, or otherwise, that may not have the support of the Creditors and/or may be required to liquidate the Estates under chapter 7 of the Bankruptcy Code.

- There is no assurance that the Bankruptcy Court, which may exercise substantial discretion as a court of equity, will confirm the Plan.
- Projected Distributions are based upon good faith estimates of the total amount of Claims ultimately Allowed and the funds available for distribution. There can be no assurance that the estimated Claim amounts set forth in the Plan are correct. Both the actual amount of Allowed Claims in a particular Class and the funds available for distribution to such Class may differ from the Debtors' estimates.
- The Debtors believe that all Claims and Interests have been appropriately classified in the Plan. To the extent that the Bankruptcy Court finds that the Plan does not satisfy such classification requirement, the Bankruptcy Court could deny Confirmation of the Plan. Issues or disputes relating to classification and/or treatment could result in a delay in the Confirmation and consummation of the Plan and could increase the risk that the Plan will not be consummated.
- The Plan provides for certain conditions that must be satisfied (or waived) prior to Confirmation and for certain other conditions that must be satisfied (or waived) prior to the Effective Date. As of the date of the Plan, there can be no assurance that any or all of the conditions in the Plan will be satisfied (or waived).
- There can be no assurance that the estimated Claim amounts set forth in the Plan are correct, and the actual Allowed amounts of Claims may differ from the estimates. Should these underlying assumptions prove incorrect, the actual Allowed amounts of Claims may vary from those estimated herein, thereby materially reducing the recovery to the Holders of General Unsecured Claims under the Plan.
- A critical aspect of the Debtors' ability to propose this Plan is the Debtors' successful settlement of many Administrative Claims throughout the Chapter 11 Cases, particularly larger Administrative Claims arising under § 503(b)(9) of the Bankruptcy Code. However, several Administrative Claims remain unresolved at this time. Should the Debtors be unable to resolve these outstanding Administrative Claims consistent with past compromises, or should Administrative Claims be Allowed in greater amounts than anticipated, the recovery to Holders of General Unsecured Claims under the Plan may be substantially reduced, and the Debtors' ability to satisfy the conditions for Confirmation may be jeopardized.
- There can be no assurance that the releases, as provided in Article IX of the Plan, will be granted. Failure of the Bankruptcy Court to grant such relief may result in a plan of liquidation that differs from the Plan or the Plan not being confirmed.
- **There are a number of material income tax considerations, risks and uncertainties associated with the Plan.**

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

**ARTICLE VI:
MEANS FOR IMPLEMENTATION OF THE PLAN**

6.01 Initial Liquidating Trustee

Wayne Johnson, the former chief financial officer of the Debtors prior to the Sale, shall be the initial Liquidating Trustee. Mr. Johnson has more than 35 years of experience in the forest products industry, and he has managed financial organizations in packaging manufacturing operations, converting operations, and paper manufacturing operations. Mr. Johnson is familiar with the Debtors' former operations, the Assets, the Sale, and the Chapter 11 Cases. The Debtors believe that Mr. Johnson is well qualified to serve as the Liquidating Trustee in an efficient and cost-effective manner. The Liquidating Trustee shall be required to consult with the designated representative of the Creditors' Committee and the Zohar Funds, respectively, prior to any material decisions regarding the Liquidating Trust.

6.02 Dissolution

From and after the Effective Date, each of the Debtors for all purposes shall be deemed to have dissolved and withdrawn its business operations from any state or country in which it was previously conducting, or is registered or licensed to conduct, its business operations, and shall not be required to File any document, pay any sum or take any other action, in order to effectuate such dissolution and withdrawal, provided, however, the Debtors, with the consent of the Liquidating Trustee, may elect to delay the dissolution of certain Debtors beyond the Effective Date, if they determine such delay is in the best interest of the parties in interest. In the event that the dissolution of certain Debtors is delayed beyond the Effective Date, the Liquidating Trustee shall dissolve such Debtors as soon as reasonably practical.

6.03 Release of Liens and Security Instruments

Except as otherwise provided in the Plan, on the Effective Date, all liens against any Assets to be distributed under the Plan shall be fully released, and all of the right, title, and interest of any Holder of such liens, including any rights to any collateral thereunder, shall attach to and be enforceable solely against any net proceeds of sales of such Assets. For the avoidance of doubt, all mortgages, deeds of trust, liens, pledges, or other security interests against any Assets to be distributed under the Plan shall be fully released on the Effective Date without any further action of any party, including, but not limited to, further order of the Bankruptcy Court or filing updated Schedules or statements typically filed pursuant to the Uniform Commercial Code.

6.04 Cancellation of Notes and Instruments

As of the Effective Date, except to the extent otherwise provided in the Plan, all notes, agreements, and securities evidencing Claims and the rights thereunder of the Holders thereof, shall, with respect to the Debtors, be canceled and terminated, and such instruments shall evidence no such rights, except the right to receive the Distributions provided for in this Plan.

6.05 Vesting and Sale or Other Disposition of Assets; Representative of the Estate; Liquidating Trust Expenses

On the Effective Date, all of the Assets shall vest in the Liquidating Trust, free and clear of all Claims, liens, charges, other encumbrances, or Interests, except for the obligations under this Plan. On and after the Effective Date, the Liquidating Trustee may use, acquire, and dispose of Assets and compromise or settle any Claims without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions imposed by the Plan or the Confirmation Order. The Liquidating Trustee, on and after the Effective Date, may conduct any sales or liquidations of Assets on any terms he or she deems appropriate, without further order of the Bankruptcy Court, except as otherwise provided in the Plan or the Confirmation Order. The Liquidating Trustee, on and after the Effective Date, shall be authorized to pay the Liquidating Trust Expenses, including professional fees and reasonable fees of the representatives of the Creditors' Committee and the Zohar Funds incurred in connection with section 6.01 hereof (other than those fees constituting a Professional Fee Claim), in the Liquidating Trustee's reasonable discretion, without further Order or notice to any party, except as otherwise set forth in the Combined Disclosure Statement and Plan.

6.06 Purpose of Liquidating Trust

The Liquidating Trust shall be established for the purpose of liquidating the remaining Assets of the Debtors and their Estate, prosecuting any Causes of Action transferred to the Liquidating Trust to maximize recoveries for the benefit of the Holders of Claims, and making Distributions in accordance with the Combined Disclosure Statement and Plan, with no objective to continue or engage in the conduct of a trade or business in accordance with Treas. Reg. § 301.7701-4(d). The Liquidating Trust is intended to qualify as a "grantor trust" for federal income tax purposes and, to the extent permitted by applicable law, for state and local income tax purposes, with the Liquidating Trust Beneficiaries treated as grantors and owners of the trust.

In connection with the consummation of this Combined Disclosure Statement and Plan, the Debtors and the Liquidating Trustee shall comply with all withholding and reporting requirements imposed by any federal, state, or local taxing authority and all Distributions hereunder shall be subject to any such withholding and reporting requirements. All Holders of Claims entitled to Distributions of under the Combined Disclosure Statement and Plan, as a condition to receiving any Distribution, shall provide the Liquidating Trustee with a completed and executed Tax Form W-8 or Tax Form W-9, or similar form within 60 days of a written request by the Liquidating Trustee or be forever barred from receiving a Distribution.

6.07 Pooled Assets and Joint Liquidation; Combined Liabilities for Purposes of Liquidating Trust Disbursements.

For purposes of this Combined Disclosure Statement and Plan, and to ensure the fair and efficient administration of the Chapter 11 Cases and the Liquidating Trust, the Assets shall be pooled upon vesting in the Liquidating Trust and administrated jointly by the Liquidating Trustee. Further, Disbursements shall be made from the Liquidating Trust in accordance with the Plan, Trust Agreement, and related documents based on a combined registry of Allowed Claims between the Debtors.

6.08 Approval of Certain Settlement Agreements

In addition to the Settled Claims, the Debtors have reached in the ordinary course settlements, subject to Bankruptcy Court approval, regarding certain Claims and Causes of Action with the following creditors: (i) SCA Transaction Services, LLC (“SCA”); and (ii) Recycling Associates, Inc. (“Recycling Associates”). Copies of the settlement agreements with SCA and Recycling Associates are enclosed at **Exhibit E** and **Exhibit F**, respectively. Entry of the Confirmation Order shall constitute approval by the Bankruptcy Court of the settlements with SCA and Recycling Associates.

6.09 Preservation of All Causes of Action and Standing

In accordance with § 1123(b) of the Bankruptcy Code, the Liquidating Trust shall be exclusively vested with, retain, and may enforce and prosecute any and all claims that the Debtors or the Estates may have against any Person or Entity that constitute Causes of Action, subject to the provisions of this Plan. The Liquidating Trustee shall have standing on behalf of the Debtors and the Estates for the purposes of investigating, pursuing, prosecuting, settling, collecting, litigating, and/or recovering any Assets that the Debtors or the Estates have or may pursue, subject to the provisions of this Plan.

6.10 Effectuating Documents and Further Transactions

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

6.11 Insurance Policies

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

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

6.12 Dissolution of Creditors' Committee

Following the Effective Date, the Creditors' Committee shall continue in existence and have standing and capacity solely to prepare and prosecute applications for the payment of fees and reimbursement of expenses incurred by the Creditors' Committee or its respective Professionals. Following the completion of the foregoing, the Creditors' Committee shall be dissolved, and the members of the Creditors' Committee shall be released and discharged from any further authority, duties, responsibilities, and obligations related to, or arising from, the Chapter 11 Cases, except in such capacity as advisor to the Liquidating Trustee as set forth herein.

6.13 Transfer of Privilege/No Waiver

On the Effective Date, all of the Debtors' evidentiary privileges, including the attorney-client privilege and work-product doctrine, shall be deemed transferred to the Liquidating Trust. Nothing herein shall be deemed a waiver of the Debtors' or the Estates' rights of privilege.

6.14 Termination of the Claims Agent

At any time following the Effective Date, the Liquidating Trustee shall be authorized to terminate the services of the Claims Agent by providing thirty (30) days written notice to the Claims Agent and the clerk of the Bankruptcy Court, and without need for order of the Bankruptcy Court or any other party. Following termination, the Claims Agent shall provide the Liquidating Trustee and the Bankruptcy Court with a copy of the claims register and a copy of all filed proofs of Claim. The Bankruptcy Court will retain jurisdiction to hear any dispute in the event that the Liquidating Trustee and Claims Agent cannot agree upon the amount of fees and expenses sought by the Claims Agent.

6.15 Records

Upon the Effective Date, and the Liquidating Trustee shall retain those documents maintained by the Debtors in the ordinary course of business and which were not otherwise transferred to the Purchaser pursuant to the Asset Purchase Agreement. After receipt of such documents, the Liquidating Trustee shall be authorized to destroy any documents he or she deems necessary or appropriate in his or her reasonable judgment; provided, however, that the Liquidating Trustee shall not destroy any documents, including but not limited to tax documents, that the Liquidating Trust is required to retain under applicable law.

6.16 Final Decree

Notwithstanding anything in the Bankruptcy Code, Bankruptcy Rules, or Local Rules to the contrary, at any time following the Effective Date, the Liquidating Trustee shall be authorized to file a motion for entry of a final decree closing the Chapter 11 Cases.

ARTICLE VII: EXECUTORY CONTRACTS

7.01 Rejection of Executory Contracts and Unexpired Leases

Except for any Executory Contracts or Unexpired Leases of the Debtors: (i) that previously were assumed or rejected by an Order of the Bankruptcy Court pursuant to § 365 of the Bankruptcy Code; (ii) as to which a motion for approval of the assumption or rejection of such contract or lease has been filed and served prior to, and remains pending as of, the Confirmation Date; or (iii) that were previously assumed and assigned to the Purchaser, every Executory Contract and Unexpired Lease entered into by the Debtors prior to the Petition Date that has not previously expired or terminated pursuant to its own terms shall be deemed rejected in accordance with § 365 of the Bankruptcy Code effective immediately as of entry of the Confirmation Order. The Confirmation Order shall constitute an order of the Bankruptcy Court approving such rejection, pursuant to § 365 of the Bankruptcy Code.

The Debtors believe that there are no remaining Executory Contracts or Unexpired Leases that have not been assumed or rejected pursuant to a prior Bankruptcy Court order.

7.02 Bar Date for Rejection Damages Claims

If the rejection of an Executory Contract or Unexpired Lease pursuant to the Plan or otherwise gives rise to a Claim by the other party to such Executory Contract or Unexpired Lease, such Claim shall be forever barred and shall not be enforceable against the Debtors and the Estates unless a proof of Claim is Filed with the Bankruptcy Court on or before the Rejection Damages Bar Date. Allowed Rejection Claims shall be classified as General Unsecured Claims in Class 2 of the Plan.

7.03 Pre-Existing Obligations to the Debtors Under Executory Contracts and Unexpired Leases

Rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of pre-existing obligations owed to the Debtors under such Executory Contracts or Unexpired Leases. Notwithstanding any applicable non-bankruptcy law to the contrary, the Debtors expressly reserve and do not waive any right to receive, or any continuing obligation of a counterparty to provide, warranties, indemnifications or continued maintenance obligations on goods or services previously purchased by the contracting Debtors from counterparties to rejected Executory Contracts or Unexpired Leases.

ARTICLE VIII:
PROVISIONS GOVERNING RESOLUTION OF CLAIMS AND
DISTRIBUTIONS OF ASSETS UNDER THE PLAN

8.01 Claim Objections

(a) Right to Object to Claims.

Notwithstanding any requirements that may be imposed pursuant to the Bankruptcy Code or Bankruptcy Rules, except insofar as a Claim is Allowed under the Plan on and after the Effective Date, the Liquidating Trustee shall have the authority, but not the obligation, to do any of the following with respect to any Claims or Interests: (i) file, withdraw, or litigate to judgment Objections to and requests for estimation of Claims; (ii) settle or compromise any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court or any other party; and (iii) administer and adjust the Claims register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court or any other party, provided, however, that the consent rights of Zohar III and Ankura under the Zohar Settlement Agreement shall survive the Plan notwithstanding anything in this section to the contrary. The Liquidating Trustee shall succeed to any pending objections to Claims filed by the Debtors prior to the Effective Date and shall have and retain any and all rights and defenses the Debtors had immediately prior to the Effective Date with respect to any Disputed Claim. Other parties in interest shall retain the right to object to Claims as provided by § 502(a) of the Bankruptcy Code.

(b) Disallowance of Intercompany Claims.

Entry of the Confirmation Order shall constitute an order disallowing the Intercompany Claims in their entirety. The Holders of the Disallowed Intercompany Claims shall not be entitled to Distributions under the Plan.

8.02 Distribution Provisions

(a) Distributions to be Made and Adequate Reserves. The Liquidating Trustee and/or the Disbursing Agent shall be responsible for making Distributions under the Plan. The Liquidating Trustee shall also establish and maintain a reserve of Cash to satisfy anticipated Administrative Claims, Priority Tax Claims, Priority Non-Tax Claims, and Professional Fee Claims, as well as anticipated Liquidating Trust Expenses.

(b) No Liability. The Liquidating Trustee and Disbursing Agent shall only be required to act and make distributions in accordance with the terms of the Plan, the Trust Agreement, the Zohar Settlement Agreement, and related documents. Except on account of gross negligence, fraud, illegality, or willful misconduct, the Liquidating Trustee shall have no: (i) liability to any party for actions taken in accordance with the Plan or in reasonable reliance upon information provided to him or her in accordance with the Plan, the Trust Agreement, the Zohar Settlement Agreement, and related documents; or (ii) obligation or liability for Distributions under the Plan to any party who does not hold a Claim against the Debtors as of the Effective Date or any other date on which a Distribution is made or who does not otherwise comply with the terms of the Plan, the Trust Agreement, and related documents. Except on account of gross negligence,

fraud, illegality, or willful misconduct, Ankura shall have no liability to any Entity for any Distributions made in accordance with the Zohar Settlement Agreement.

(c) **Distributions on Account of Disputed Claims.** Except as otherwise provided in the Plan, a Final Order, or as agreed between the relevant parties, Distributions on account of Disputed Claims, if any, that become Allowed, shall be made by the Liquidating Trustee at such periodic intervals as the Liquidating Trustee determines to be reasonably prudent in his or her discretion.

(d) **No Distributions Pending Disputes.** Except as otherwise provided in the Plan: (a) no distribution shall be made with respect to any Disputed Claim until such Claim becomes an Allowed Claim (as applicable); and (b) unless agreed otherwise by the Liquidating Trustee, no Distribution shall be made to any Person that holds both an Allowed Claim and a Disputed Claim, or any Person that is or may be the subject of a Cause of Action, until such Person's Disputed Claim and the Cause of Action (as applicable) have been resolved by agreement with the Liquidating Trustee or a Final Order. Upon a Disputed Claim becoming an Allowed Claim, such Allowed Claim shall be entitled to Distributions in accordance with its treatment under this Plan, and where such treatment provides for Cash payment on the Effective Date for such Claim, payment shall be made as soon as practicable after becoming an Allowed Claim.

(e) **Unclaimed Distributions.** Any Entity that fails to claim any Cash within sixty (60) days from the date upon which a Distribution is first made to such Entity shall forfeit all rights to any Distribution under the Plan, and the Liquidating Trustee shall be authorized to cancel any Distribution that is not timely claimed. Upon forfeiture, the Claim of any Creditor or Interest Holder with respect to such funds shall be irrevocably waived and forever barred against all of the Debtors, the Estates, and the Liquidating Trust.

(f) **Delivery of Distributions and Undeliverable Distributions to Holders of Claims.** Except as otherwise provided in the Plan, Distributions to Holders of Allowed Claims shall be made to Holders of record as of the date of a Distribution by the Liquidating Trustee, as set forth on the latest date of the following documents: (a) to the address of payment set forth on any of the Proofs of Claim Filed by such Holder or other representative identified therein (or at the last known addresses of such Holder if no proof of Claim is Filed); (b) at the addresses set forth in any written notices of address changes delivered to the Debtors after the date of any related proof of Claim and prior to the Effective Date; and (c) at the addresses reflected in the Schedules if no proof of Claim has been Filed and the Debtors have not received a written notice of a change of address prior to the Effective Date.

(g) **Undeliverable Distributions.** The Liquidating Trustee shall make one attempt to make the Distributions contemplated hereunder. The Liquidating Trustee in his or her sole discretion may, but shall have no obligation to, attempt to locate Holders of undeliverable Distributions. Any Distributions returned to the Liquidating Trustee as undeliverable or the like shall remain in the possession of the Liquidating Trust, until such time as a Distribution becomes deliverable, and no further Distributions shall be made to such Holder unless such Holder notifies the Liquidating Trustee of its then-current address.

(h) **De Minimis Distributions.** If any individual Distribution under the Plan to the Holder of an Allowed Claim would be less than **\$50.00**, the Liquidating Trustee may cancel such Distribution, unless the Holder of such de minimis Allowed Claim requests payment in writing from the Debtors.

(i) **Remainder Amounts after Final Distribution.** After final Distributions have been made in accordance with the terms of the Plan, if the aggregate amount of Unclaimed Distributions and Undeliverable Distributions is less than **\$5,000.00**, in lieu of making additional Distributions, the Liquidating Trustee may donate such amount to Delaware Pro Se Bankruptcy Foundation and/or a non-profit entity in the State of New Hampshire selected by the Liquidating Trustee in his or her reasonable discretion.

ARTICLE IX: RELEASES, INJUNCTION, AND RELATED PROVISIONS

9.01 Releases by the Debtors

As of the Effective Date, for good and valuable consideration, including the contributions of the Released Parties in facilitating the administration of the Chapter 11 Cases and other actions contemplated by the Plan and the other contracts, instruments, releases, agreements, or documents executed and delivered in connection with the Plan, the Released Parties are deemed forever released and discharged by the Debtors and the Estates from any and all Claims, obligations, rights, suits, damages, Causes of Action, remedies and liabilities whatsoever, including, but not limited to, any derivative claims, asserted or assertable on behalf of the Debtors or the Estates, whether known or unknown, foreseen or unforeseen, liquidated or unliquidated, fixed or contingent, matured or unmatured, existing or hereinafter arising, in law, equity or otherwise, that the Debtors, the Estates, or their affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Entity, based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the Chapter 11 Cases, the Plan, the Disclosure Statement, the Zohar Settlement Agreement, or related agreements, instruments, or other documents, including, but not limited to, any rights or remedies under § 506 of the Bankruptcy Code, other than Claims or liabilities to the extent arising out of or relating to any act or omission of a Released Party that constitutes gross negligence, actual fraud, or willful misconduct, or criminal conduct, as determined by a Final Order by a court of competent jurisdiction.

9.02 Releases by Certain Third Parties

ON AND AS OF THE EFFECTIVE DATE, AND FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE ACKNOWLEDGED, THE RELEASED PARTIES SHALL BE FOREVER RELEASED FROM ANY AND ALL CLAIMS, OBLIGATIONS, ACTIONS, SUITS, RIGHTS, DEBTS, ACCOUNTS, CAUSES OF ACTION, REMEDIES, AVOIDANCE ACTIONS, AGREEMENTS, PROMISES, DAMAGES, JUDGMENTS, DEMANDS, DEFENSES, AND LIABILITIES THROUGHOUT THE WORLD UNDER ANY LAW OR COURT RULING THROUGH THE EFFECTIVE DATE (INCLUDING ALL CLAIMS BASED ON OR

ARISING OUT OF FACTS OR CIRCUMSTANCES THAT EXISTED AS OF OR PRIOR TO THE EFFECTIVE DATE, INCLUDING CLAIMS BASED ON NEGLIGENCE OR STRICT LIABILITY, AND FURTHER INCLUDING ANY DERIVATIVE CLAIMS ASSERTED ON BEHALF OF THE DEBTORS, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREINAFTER ARISING, IN LAW, EQUITY OR OTHERWISE), WHICH THE DEBTORS, THEIR ESTATES, CREDITORS, OR OTHER PERSONS RECEIVING OR WHO ARE ENTITLED TO RECEIVE DISTRIBUTIONS UNDER THE PLAN MAY HAVE AGAINST ANY OF THEM IN ANY WAY RELATED TO THE CHAPTER 11 CASES, THE DEBTORS, THE PLAN, THE DISCLOSURE STATEMENT, THE ZOHAR SETTLEMENT AGREEMENT, OR RELATED AGREEMENTS, INSTRUMENTS, OR OTHER DOCUMENTS; PROVIDED, HOWEVER, THAT THE FOREGOING RELEASE IS GRANTED ONLY BY PARTIES THAT AFFIRMATIVELY CONSENT TO SUCH RELEASES AS FOLLOWS: (A) ENTITIES ENTITLED TO VOTE ON THE PLAN THAT RETURNED A BALLOT AND EITHER (1) VOTED TO ACCEPT THE PLAN AND/OR (2) CHECKED THE OPT-IN BOX ON THE BALLOT; AND (B) ENTITIES THAT WERE NOT ENTITLED TO VOTE ON THE PLAN BUT CHECKED THE OPT IN BOX ON THE NOTICE OF NON-VOTING STATUS; PROVIDED, FURTHER, HOWEVER, THAT THE RELEASE PROVIDED IN THIS SECTION SHALL NOT EXTEND TO ANY CLAIMS BY ANY GOVERNMENTAL UNIT WITH RESPECT TO CRIMINAL LIABILITY UNDER APPLICABLE LAW, WILLFUL MISCONDUCT, OR BAD FAITH UNDER APPLICABLE LAW, OR ULTRA VIRES ACTS UNDER APPLICABLE LAW.

9.03 Exculpation and Limitation of Liability

(a) The Exculpated Parties shall neither have nor incur any liability to any Entity for any claims or causes of action arising on or after the Petition Date and prior to the Effective Date, for any act taken or omitted to be taken in connection with, or related to: (i) the Chapter 11 Cases; (ii) formulating, negotiating, preparing, disseminating, implementing, administering, confirming, or effecting the consummation of the Plan, the Disclosure Statement, or any other contract, instrument, release, or other agreement or document created or entered into in connection with the Plan; (iii) any other postpetition act taken or omitted to be taken in connection with or in contemplation of the restructuring of the Debtors; or (iv) the approval of the Disclosure Statement or Confirmation or consummation of the Plan; provided, however, that the foregoing provisions shall have no effect on the liability of any Entity that results from any such act or omission that is determined in a Final Order of the Bankruptcy Court or other court of competent jurisdiction to have constituted gross negligence or willful misconduct; provided, further, however, that the Exculpated Parties shall each be entitled to rely upon the advice of counsel concerning their duties pursuant to, or in connection with, the above-referenced documents, actions, or inactions.

(b) The Exculpated Parties have, and upon Confirmation of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code with regard to the solicitation and distributions pursuant to the Plan, and, therefore, are not, and on account of such Distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such Distributions made pursuant to the Plan.

9.04 Injunctions

(a) FROM AND AFTER THE EFFECTIVE DATE, ALL ENTITIES WHOSE CLAIMS HAVE BEEN RELEASED OR EXCULPATED UNDER THIS PLAN ARE PERMANENTLY ENJOINED FROM COMMENCING OR CONTINUING IN ANY MANNER, ANY CAUSE OF ACTION RELEASED OR TO BE RELEASED PURSUANT TO THE PLAN OR THE CONFIRMATION ORDER.

(b) FROM AND AFTER THE EFFECTIVE DATE, TO THE EXTENT OF THE RELEASES AND EXCULPATION GRANTED IN SECTIONS 9.01 THROUGH 9.03 (INCLUSIVE), THE APPLICABLE RELEASING PARTIES SHALL BE PERMANENTLY ENJOINED FROM COMMENCING OR CONTINUING IN ANY MANNER AGAINST THE RELEASED PARTIES AND THE EXCULPATED PARTIES AND THEIR ASSETS AND PROPERTIES, AS THE CASE MAY BE, ANY SUIT, ACTION OR OTHER PROCEEDING, ON ACCOUNT OF OR RESPECTING ANY CLAIM, DEMAND, LIABILITY, OBLIGATION, DEBT, RIGHT, CAUSE OF ACTION, INTEREST OR REMEDY RELEASED OR TO BE RELEASED UNDER THIS PLAN.

(c) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THE PLAN, RELATED DOCUMENTS, OR FOR OBLIGATIONS ISSUED PURSUANT TO THE PLAN, ALL ENTITIES WHO HAVE HELD, HOLD OR MAY HOLD CLAIMS OR INTERESTS THAT HAVE BEEN RELEASED PURSUANT TO THE PLAN OR THAT ARE SUBJECT TO THE EXCULPATORY PROVISIONS OF SECTION 9.03, ARE PERMANENTLY ENJOINED, FROM AND AFTER THE EFFECTIVE DATE, FROM TAKING ANY OF THE FOLLOWING ACTIONS: (I) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; (II) ENFORCING, ATTACHING, COLLECTING OR RECOVERING BY ANY MANNER OR MEANS ANY JUDGMENT, AWARD, DECREE OR ORDER AGAINST SUCH ENTITIES ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; (III) CREATING, PERFECTING OR ENFORCING ANY ENCUMBRANCE OF ANY KIND AGAINST SUCH ENTITIES OR THE PROPERTY OR ESTATES OF SUCH ENTITIES ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; (IV) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS RELEASED, OR SETTLED PURSUANT TO THE PLAN; AND (V) ACTING OR PROCEEDING IN ANY MANNER, IN ANY PLACE WHATSOEVER, THAT DOES NOT CONFORM WITH THE PROVISIONS OF THE PLAN TO THE FULL EXTENT PERMITTED BY APPLICABLE LAW.

(d) THE RIGHTS AFFORDED IN THE PLAN AND THE TREATMENT OF ALL CLAIMS AND INTERESTS HEREIN SHALL BE IN EXCHANGE FOR AND IN COMPLETE SATISFACTION OF ALL CLAIMS AND INTERESTS OF ANY NATURE WHATSOEVER, INCLUDING ANY INTEREST ACCRUED ON CLAIMS FROM AND AFTER THE PETITION DATE, AGAINST THE DEBTORS OR ANY OF THEIR

ASSETS, PROPERTY OR ESTATES. ON THE EFFECTIVE DATE, ALL SUCH CLAIMS AGAINST THE DEBTORS SHALL BE FULLY RELEASED, AND ALL SUCH CLAIMS AND INTERESTS SHALL BE DEEMED SURRENDERED AND EXTINGUISHED.

**ARTICLE X:
CONDITIONS TO CONFIRMATION AND EFFECTIVE DATE**

10.01 Conditions Precedent to Confirmation

It shall be a condition to Confirmation hereof that the following provisions, terms, and conditions shall have been satisfied, unless otherwise waived pursuant to Section 10.03:

(a) The Bankruptcy Court shall have entered an order, in form and substance acceptable to the Debtors, approving the Disclosure Statement as containing adequate information within the meaning of § 1125 of the Bankruptcy Code; and

(b) The Bankruptcy Court shall have entered an order confirming the Plan, and the Plan, the Confirmation Order, and any documents filed in relation to or to supplement the Plan shall be in a form and substance acceptable to the Debtors.

10.02 Conditions Precedent to the Effective Date

It shall be a condition to the Effective Date that the following provisions, terms, and conditions shall have been satisfied, unless waived pursuant to Section 10.03:

(a) The Bankruptcy Court shall have entered the Confirmation Order; and

(b) No order of a court shall have been entered and remain in effect restraining the Debtors from consummating the Plan and the transactions contemplated therein, and the Confirmation Order shall be a Final Order and shall be in full force and effect.

10.03 Waiver of Conditions

The conditions to Confirmation of the Plan and to the occurrence of the Effective Date set forth in this Article X may be waived at any time by the Debtors in their discretion.

10.04 Effect of Failure of Conditions

If the Effective Date does not occur, the Plan shall be null and void in all respects and nothing contained in the Plan shall: (i) constitute a waiver or release of any claims by or Claims against the Debtors; (ii) prejudice in any manner the rights of the Debtors, any Holders of a Claim or Interest or any other entity; or (iii) constitute an admission, acknowledgment, offer, or undertaking by the Debtors, the Creditors' Committee, any Creditors or Interest Holders, or any other Entity in any respect.

10.05 Filing of Notice of the Effective Date.

On the Effective Date, or as shortly thereafter as reasonably practicable, the Debtors shall file a notice of the Effective Date with the Bankruptcy Court. The Debtors shall not be required to serve the notice of Effective Date on any party other than those parties that receive notice via the Bankruptcy Court's CM/ECF filing system or that have requested notice under Bankruptcy Rule 2002.

ARTICLE XI: MODIFICATION, REVOCATION OR WITHDRAWAL OF PLAN

11.01 Modification and Amendments

Except as otherwise specifically provided herein, the Debtors reserve the right to modify the Plan as to material terms and seek Confirmation consistent with the Bankruptcy Code and Bankruptcy Rules and, as appropriate, not re-solicit votes on such modified Plan. In addition, prior to the Effective Date, the Debtors may make appropriate technical adjustments and modifications to the Plan, without further order or approval of the Bankruptcy Court; provided, however, that such technical adjustments and modifications do not adversely affect in a material way the treatment of Holders of Allowed Claims or Interests.

11.02 Effect of Confirmation on Modifications

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

11.03 Revocation or Withdrawal of the Plan

The Debtors reserve the right to revoke or withdraw the Plan before the Effective Date, without prejudice to the Debtors' ability or right to file another plan in the future.

ARTICLE XII: JURISDICTION

12.01 Bankruptcy Court Jurisdiction

Notwithstanding the entry of the Confirmation Order or the occurrence of the Effective Date, the Bankruptcy Court shall retain and have exclusive jurisdiction over the Chapter 11 Cases to the maximum extent as is legally permissible, including, without limitation, for the following purposes:

(a) To allow, disallow, determine, liquidate, classify or establish the priority or secured or unsecured status of or estimate any Claim or Equity Interest, including, without limitation, the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the allowance or priority of Claims or Equity Interests;

(b) To ensure that distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;

(c) To determine any and all applications or motions pending before the Bankruptcy Court on the Effective Date of the Plan, including without limitation any motions for the rejection, assumption or assumption and assignment of any Executory Contract;

(d) To consider and approve any modification of the Plan, remedy any defect or omission, or reconcile any inconsistency in the Plan, or any order of the Bankruptcy Court, including the Confirmation Order;

(e) To determine all controversies, suits and disputes that may arise in connection with the interpretation, enforcement or consummation of the Plan or any entity's obligations in connection with the Plan, or to defend any of the rights, benefits, Estate property transferred, created, or otherwise provided or confirmed by the Plan or the Confirmation Order or to recover damages or other relief for violations thereof;

(f) To consider and act on the compromise and settlement of any claim or cause of action by or against the Debtors, the Estates, or the Liquidating Trustee;

(g) To decide or resolve any and all applications, motions, adversary proceedings, contested or litigated matters, and any other matters, or grant or deny any applications involving the Debtors, or the Estates that may be pending on the Effective Date or that may be brought by the Debtors, or any other related proceedings by the Debtors, and to enter and enforce any default judgment on any of the foregoing;

(h) To decide or resolve any and all applications for Professional Fee Claims;

(i) To issue orders in aid of execution and implementation of the Plan to the extent authorized by § 1142 of the Bankruptcy Code or provided by the terms of the Plan;

(j) To decide issues concerning the federal or state tax liability of the Debtors which may arise in connection with the confirmation or consummation of the Plan;

(k) To interpret and enforce any orders entered by the Bankruptcy Court in the Chapter 11 Cases; and

(l) To enter an order closing the Chapter 11 Cases when all matters contemplating the use of such retained jurisdiction have been resolved and satisfied.

12.02 Limitation on Jurisdiction

In no event shall the provisions of the Plan be deemed to confer in the Bankruptcy Court jurisdiction greater than that established by the provisions of 28 U.S.C. §§ 157 and 1334, as well as the applicable circumstances that continue jurisdiction for defense and enforcement of the Plan. For the avoidance of doubt, however, such jurisdiction shall be deemed, by the entry of the Confirmation Order, to:

(a) Permit entry of a final judgment by the Bankruptcy Court in any core proceeding referenced in 28 U.S.C. § 157(b) and to hear and resolve such proceedings in accordance with 28 U.S.C. § 157(c) and any and all related proceedings, including, without limitation, all proceedings concerning disputes with, or Causes of Action or Claims against, any Person that the Debtors, the Estates, or the Liquidating Trust or any of their successors or assigns, may have;

(b) Include jurisdiction over the recovery of any Estate property (or property transferred by the Debtors with Bankruptcy Court approval) from any Person wrongly asserting ownership, possession or control of the same, whether pursuant to §§ 542, 543, 549, and/or 550 of the Bankruptcy Code or otherwise; and

(c) Permit the taking of any default judgment against any Person who has submitted himself, herself or itself to the jurisdiction of the Bankruptcy Court.

ARTICLE XIII: **MISCELLANEOUS**

13.01 Exemption from Taxes

To the extent the Plan and the Confirmation Order provide for: (a) the issuance, transfer or exchange of notes, debt instruments and equity securities under or in connection with the Plan; and (b) the creation, execution, and delivery of agreements or other documents creating or evidencing the formation of the Liquidating Trust and any right or interest in the Liquidating Trust, pursuant to § 1146 of the Bankruptcy Code and the Plan, any such act described or contemplated herein shall not be subject to any stamp tax, transfer tax, filing or recording tax, or other similar tax.

13.02 Compliance with Tax Requirements

Notwithstanding anything to the contrary in this Plan, the Debtors shall be entitled to deduct any federal, state, or local withholding taxes from any distributions made with respect to Allowed Claims, as appropriate. The Debtors shall be authorized to take all actions necessary to comply with applicable withholding and reporting requirements, including, without limitation, applying a portion of any distribution of Cash to be made under the Plan to pay applicable withholding Taxes. Any amounts withheld pursuant to the immediately preceding sentence shall be deemed to have been distributed and received by the applicable recipient for all purposes of the Plan.

Notwithstanding any other provision of the Plan, each Holder of an Allowed Claim that has received a Distribution under the Plan shall have sole and exclusive responsibility for the satisfaction or payment of any tax obligation imposed by any Governmental Unit, including income, withholding and other tax obligation, on account of such Distribution. The Liquidating Trustee shall have the right, but not the obligation, to not make a Distribution until the applicable recipient has made arrangements satisfactory to the Liquidating Trustee for the payment of any Tax obligations. For tax purposes, distributions received in respect of Allowed Claims will be allocated first to the principal amount of such Claims until such principal amount is paid in full

and then to any interest accrued on such Claim prior to the Petition Date, and the remaining portion of such Distributions, if any, will apply to any interest on such Claim after the Petition Date.

The Liquidating Trustee shall be authorized to require each Holder of a Claim to provide it with an executed Form W-9, Form W-8, or any other tax form, documentation or certification as may be requested by the Liquidating Trustee as a condition precedent to being sent a Distribution. If a Holder of an Allowed Claim does not provide the Liquidating Trustee with an executed Form W-9, Form W-8 or other requested tax form within 90 days after the date of the Liquidating Trustee's initial request, the Liquidating Trustee may, in his or her sole discretion: (a) make such Distribution net of applicable withholding; or (b) reserve such Distribution, in which case (i) such Holder shall be deemed to have forfeited the right to receive any Distribution under the Plan, (ii) any such Distribution shall revert to the source of such Distribution for Distribution on account of other Allowed Claims, and (iii) the Claim of the Holder originally entitled to such Distribution shall be irrevocably waived and forever barred without further order of the Bankruptcy Court. The Liquidating Trustee reserves the right to allocate and distribute all Distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support and other spousal awards, liens, and similar encumbrances.

13.03 Defenses and Setoff

Nothing contained in this Plan shall constitute a waiver or release by the Debtors, the Estates, or the Liquidating Trustee of any right rights in respect of legal and equitable objections, defenses, setoffs, or recoupment. To the extent permitted by applicable law, the Liquidating Trustee may, but shall not be required to, set off or recoup against any Claim and the payments or other Distributions to be made under the Plan in respect of such Claim, claims of any nature whatsoever that arose before the Petition Date that the Debtors, the Estates, or the Liquidating Trustee may have against the Holder of such Claim or Interest.

13.04 Governing Law

Except to the extent the Bankruptcy Code or the Bankruptcy Rules are applicable, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of law thereof.

13.05 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 of such Entity.

13.06 Management

On and after the Effective Date, the Debtors' existing management (the "Manager") shall continue to act solely to the limited extent necessary to: (i) facilitate the filing of the 2020 tax returns; and (ii) complete any other tasks the Manager reasonably determines are necessary to wind down the Debtors and their Estates which are not the responsibility of the Liquidating Trustee under this Combined Disclosure Statement and Plan. Upon completion of those limited set of

tasks, the Manager shall be deemed to have resigned. Immediately on the Effective Date, the Debtors' other remaining members, directors, managers, and officers, and any remaining employees shall be deemed to have resigned.

13.07 Transfer of Claims

Any transfer of a Claim shall be in accordance with Bankruptcy Rule 3001(e) and the terms of this Section. Notice of any such transfer shall be forwarded to counsel for the Debtors and the Liquidating Trustee. All transfers must be of one hundred percent (100%) of the transferor's interest in the Claim.

13.08 Post-Effective Date Service List

Pursuant to Bankruptcy Rule 2002 and any applicable Local Rule, notice of all post-Confirmation matters for which notice is required to be given shall be deemed sufficient if served upon counsel for the U.S. Trustee, counsel to the Debtors, counsel for the Liquidating Trustee, and all persons on the Bankruptcy Rule 2002 service list. **With the exception of the Debtors and the U.S. Trustee, any Person desiring to remain on the Debtor's Bankruptcy Rule 2002 service list shall be required to file a request for continued service and to serve such request upon counsel to the Liquidating Trustee within thirty (30) days after the Effective Date. Persons who do not file a request for continued service within thirty (30) days after the Effective Date shall be removed from the Debtors' Bankruptcy Rule 2002 service list.**

13.09 Notices

To be effective, any notice or other document required by the Plan or the Confirmation Order to be served on or delivered to counsel to the Debtors, the Creditors' Committee, and the U.S. Trustee, excluding any document that must be or is filed through the Bankruptcy Court's CM/ECF system, must be sent by email to:

If to the Debtors:

Email: cward@polsinelli.com

Email: skatona@polsinelli.com

Email: sanderson@bernseinshur.com

Email: aprescott@bernsteinshur.com

If to the Creditors' Committee:

Email: dbaker@reedsmith.com

Email: meckard@reedsmith.com

If to the U.S. Trustee:

Email: rosa.sierra@usdoj.gov

13.10 Immediate Binding Effect

Notwithstanding Bankruptcy Rules 3020(e), 6004(h), and 7062 and/or any other Bankruptcy Rule, upon the occurrence of the Confirmation Date, the terms of the Plan shall be immediately effective and enforceable and deemed binding upon the Debtors, any and all Holders of Claims and Interests (irrespective of whether such Claims or Interests are Allowed or Disallowed or were voted to accept or reject the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges, and injunctions described in the Plan, each entity acquiring property under the Plan, and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with one or more of the Debtors.

13.11 Severability of Plan Provisions

If, before the Effective Date, any term or provision of the Plan is held by the Bankruptcy Court or any other court exercising jurisdiction to be invalid, void or unenforceable, the Bankruptcy Court or other court exercising jurisdiction 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 so long as such term or provision is acceptable to the Debtors. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation. **The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (i) valid and enforceable pursuant to its terms; (ii) integral to the Plan and may not be deleted or modified without the Debtors' consent; and (iii) non-severable and mutually dependent.**

13.12 Exhibits

All exhibits and documents to the Plan are incorporated into and are a part of the Plan as if set forth in full in the Plan. The Debtors reserve the right to amend the Exhibits to the Plan any time prior to Confirmation, subject to appropriate notice.

13.13 U.S. Trustee Fees

All U.S. Trustee Fees due and payable prior to the Effective Date shall be paid by the Debtors on the Effective Date. After the Effective Date, the Debtors and the Liquidating Trustee shall be jointly and severally liable to pay any and all U.S. Trustee Fees when due and payable. The Debtors and the Liquidating Trustee shall file all quarterly reports due prior to the Effective Date when they become due, in a form reasonably acceptable to the U.S. Trustee. After the Effective Date, each of the Debtors and the Liquidating Trustee shall file with the Bankruptcy Court separate quarterly reports when they become due, in a form reasonably acceptable to the U.S. Trustee. Each and every one of the Debtors and the Liquidating Trustee shall remain obligated to pay U.S. Trustee Fees to the Office of the U.S. Trustee until the earliest of that particular Debtor's case being closed, dismissed, or converted to a case under Chapter 7 of the

Bankruptcy Code. The U.S. Trustee shall not be required to file any Administrative Claim in the Chapter 11 Cases and shall not be treated as providing any release under the Plan.

13.14 No Admissions

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

13.15 Conflicts Among Plan Documents

To the extent of a conflict between the Plan and/or the Disclosure Statement (as each may be amended from time to time) and the Confirmation Order, the Confirmation Order shall govern.

13.16 Recommendation

In the opinion of the Debtors, the Combined Disclosure Statement and Plan is superior and preferable to the alternatives described in the Combined Disclosure Statement and Plan. Further, the value being provided to creditors under the Combined Disclosure Statement and Plan was subject to a competitive process. Accordingly, the Debtors recommend that Holders of Claims entitled to vote on the Combined Disclosure Statement and Plan vote to accept the Combined Disclosure Statement and Plan and support Confirmation.

Dated: October 26, 2021

/s/ Richard Arnold

RICHARD ARNOLD

Authorized Party

Gorham Paper and Tissue, LLC and
White Mountain Tissue, LLC

Exhibit A
Liquidating Trust Agreement

LIQUIDATING TRUST AGREEMENT

THIS LIQUIDATING TRUST AGREEMENT (the “Trust Agreement”) is made and entered into as of _____, _____, by and among Gorham Paper and Tissue, LLC and White Mountain Tissue, LLC (together, the “Debtors”), on the one hand, and Wayne Johnson, solely in his capacity as trustee of the Liquidating Trust (the “Trustee” and, together with the Debtors, the “Parties”), on the other hand.

WHEREAS, on November 4, 2020, the Debtors filed petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”); and

WHEREAS, the Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) has entered an order (the “Confirmation Order”) confirming the Debtors’ Combined Disclosure Statement and Chapter 11 Plan of Liquidation Dated September 9, 2021 (the “Plan”); and

WHEREAS, the Plan provides for the establishment of the Liquidating Trust for the purpose of receiving the Estates’ remaining assets (the “Liquidating Trust Assets”), liquidating the Liquidating Trust Assets, and distributing the proceeds of the Liquidating Trust Assets as provided for by the terms of the Plan, the Confirmation Order, and this Trust Agreement; and

WHEREAS, it is desired that the powers of the Trustee in regard to the Liquidating Trust and the purposes of the Liquidating Trust be limited so that the Liquidating Trust created hereby qualifies as a liquidating trust for federal income tax purposes; and

WHEREAS, pursuant to the Confirmation Order, the Trustee is to serve as trustee of the Liquidating Trust, subject to Bankruptcy Court oversight as described herein and in the Plan and Confirmation Order.

NOW THEREFORE, it is agreed between the Parties as follows:

ARTICLE ONE

1.1 Terms Defined. All capitalized terms, singular or plural, used in this Trust Agreement, unless defined otherwise herein, shall have the meaning ascribed to such terms in the Plan. In addition, the following terms shall have the following meanings when used herein:

- (a) “Beneficiaries” shall mean the Holders of Allowed Claims under the Plan to whom Distributions must be made pursuant to the Plan and Confirmation Order.
- (b) “Net Proceeds” shall mean the Cash component, if any, of the Liquidating Trust Assets and Cash proceeds realized from the sale or liquidation of the Liquidating Trust Assets, minus the Liquidating Trust Expenses.
- (c) “Trust Estate” shall mean all of the Liquidating Trust Assets transferred to

the Liquidating Trust (and the proceeds therefrom) and held from time to time by the Trustee pursuant to this Trust Agreement.

1.2 Other Definitional Provisions. The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Trust Agreement shall refer to this Trust Agreement as a whole and not to any particular provision of this Trust Agreement, and section references are to this Trust Agreement unless otherwise specified.

ARTICLE TWO

Authority of and Certain Directions to Trustee; Declaration of Liquidating Trust

2.1 Creation of the Liquidating Trust. The Debtors hereby create the Liquidating Trust for the benefit of the Beneficiaries, and the Liquidating Trust is subject to the jurisdiction of the Bankruptcy Court and is subject to the terms and conditions of the Plan and the Confirmation Order.

2.2 Purpose of Liquidating Trust. The Liquidating Trust is organized for the sole purpose of collecting and distributing the Liquidating Trust Assets in accordance with the Plan and the Confirmation Order, and with the purpose of effectuating and consummating the Plan and the Confirmation Order, and with no objective to engage in the conduct of a trade or business. The Trustee shall report the Liquidating Trust for federal income tax purposes as a liquidating trust in accordance with Treasury Regulations, Section 301.7701-4(d) and as a “grantor trust” subject to the provisions of Subchapter J, Subpart E of the Internal Revenue Code of 1986, as amended (the “IRS Code”). The Beneficiaries of the Liquidating Trust shall be treated as the grantors and deemed owners of the Liquidating Trust for income tax purposes under Section 677 of the IRS Code. The Trustee is hereby authorized to take all reasonable and necessary action to carry out the express purpose of the Liquidating Trust, to conserve and protect the Trust Estate, and to distribute the Net Proceeds to the Beneficiaries in a prompt, efficient, and orderly fashion in accordance with the provisions hereof, and in accordance with the Plan and the Confirmation Order.

2.3 Transfer to Trustee. Subject to the terms of the Plan and the Confirmation Order, the Debtors hereby grant unto the Trustee all of their rights, title, and interest in and to the Liquidating Trust Assets, in trust for the uses and purposes stated herein, and the Trustee hereby accepts such Liquidating Trust Assets and such trust. The transfer of the Liquidating Trust Assets to the Liquidating Trust shall occur as provided for by the terms of the Plan and the Confirmation Order. Such transfer shall be treated as a transfer of the Liquidating Trust Assets to the Beneficiaries for all purposes under the IRS Code. The Liquidating Trust Assets shall be valued for income tax purposes on a consistent basis and such value shall be used for all applicable tax reporting requirements. The information, representations of value, and/or other documents provided by the Debtors shall be the basis for valuing the Liquidating Trust Assets.

2.4 Title to Trust Estate. Title to the Trust Estate shall vest in the Trustee without any requirement of filing or recording of documents of conveyance under otherwise applicable non-bankruptcy law. The Trustee shall hold legal title to all Liquidating Trust Assets at any time constituting a part of the Trust Estate and shall hold the Liquidating Trust Assets in trust to be

administered and distributed pursuant to the terms of this Trust Agreement, the Plan, and the Confirmation Order, for the benefit of the Beneficiaries. The Trustee is authorized to make Disbursements and other payments from the Trust Estate in accordance with the provisions of this Trust Agreement, and in accordance with and subject to the terms and conditions of the Plan and the Confirmation Order.

2.5 Documents to be Executed by Trustee. The Trustee is hereby authorized to execute and deliver, or accept delivery on behalf of the Liquidating Trust, the following documents:

- (a) Any and all documents necessary to enable the Liquidating Trust Assets or any proceeds thereof to be registered in the name of the Trustee on behalf of the Liquidating Trust, as the same shall be necessary or advisable;
- (b) Any and all other documents as may be necessary or appropriate for consummation of the transactions contemplated by the Plan, the Confirmation Order, or this Trust Agreement including, but not limited to, the filing of any and all complaints, answers, discovery papers, settlement agreements, releases, and other documents necessary or appropriate to prosecute or settle any claims or issues arising out of or relating to the Liquidating Trust Assets; and
- (c) Any and all documents as may be necessary or appropriate to consummate the Plan and/or comply with Confirmation Order.

2.6 Instruments of Further Assurance; Power of Attorney. The Debtors and their agents, employees, representatives, and attorneys shall, upon reasonable request of the Trustee, execute, acknowledge, and deliver such further instruments and do such further acts as may be necessary or proper to effectively carry out the purposes of this Trust Agreement. In addition, the Debtors hereby grant to the Trustee a durable power of attorney to execute such documents and do such things as may be reasonable or necessary on behalf of the Debtors to carry out the purpose of the Trust as called for under this Trust Agreement, the Plan, and the Confirmation Order.

ARTICLE THREE **Beneficial Interests**

3.1 The beneficial interests hereunder shall be governed solely by the Plan, the Confirmation Order, all compromises and orders incorporated into the Plan, any orders in aid of consummation or effectuation thereof, and, in particular, the determination of all Allowed Claims.

3.2 In determining the Beneficiaries hereunder, the Trustee shall have the right, pursuant to and subject to the Plan and the Confirmation Order, to object to claims, and rely upon the public records of the Bankruptcy Court and of any other court that may, by appeal or otherwise, become involved in any part of the chapter 11 proceedings of the Debtors.

ARTICLE FOUR
Collection, Application, and Distribution of Trust Estate

4.1 Collection of Trust Moneys. All Liquidating Trust Assets, to the extent not in the form of Cash, shall be collected by the Trustee, reduced to Cash whenever practicable, and held as a part of the Trust Estate.

4.2 Distributions by Trustee. The Trustee shall, from time to time, in keeping with the availability of Cash in the Trust Estate, distribute available Cash to the Beneficiaries pursuant to the provisions of the Plan and the Confirmation Order. All Distributions shall be made in accordance with, and subject to the requirements of, the Plan and the Confirmation Order.

4.3 Unclaimed Distributions. Any Entity that fails to claim any Cash within sixty (60) days from the date upon which a Distribution is first made to such Entity shall forfeit all rights to any Distribution under the Plan, and the Trustee shall be authorized to cancel any Distribution that is not timely claimed. Upon forfeiture, the Claim of any Beneficiary with respect to such funds shall be irrevocably waived and forever barred against all of the Debtors, the Estates, and the Liquidating Trust.

4.4 Taxes, Withholding and Other Charges.

- (a) The Beneficiaries of the Trust are responsible for reporting and paying any income tax due on their respective shares of any net income earned by the Trust, whether or not a reserve is established for Disputed Claims. Each Beneficiary's share of such net income shall be determined pro rata, in accordance with the Plan, on the basis of each Beneficiary's share of the Trust Estate during the relevant time period.
- (b) Notwithstanding any other provision of this Trust Agreement, the Trustee is authorized to pay any taxes on long-term gain on the sale or disposition of any Liquidating Trust Assets, and withholding and paying to the United States and any state income and employment taxes required to be withheld from wages paid to employees, if any, of the Liquidating Trust.
- (c) Notwithstanding the foregoing, the Trustee shall have the right (but not the obligation) with respect to the United States or any state or political subdivision or entity to contest the imposition of any tax or other charge.

4.5 Payment of Liquidating Trust Expenses. The Trustee shall pay from the Trust Estate the Liquidating Trust Expenses, which shall include, but are not limited to, the reasonable fees, costs, and expenses of the Liquidating Trust, including insurance, professional fees, and compensation to the Trustee. Such payments may be made without advance notice to or prior approval of any party.

4.6 Reports to Beneficiaries. As soon as practicable after the end of each fiscal year

of the Trust and after termination of the Liquidating Trust, the Trustee shall submit a written Form 1041 informational return with allocation of income among Beneficiaries and account to those Beneficiaries who request it showing the assets and liabilities of the Liquidating Trust at the end of such fiscal year or upon termination and the receipts and disbursements of the Trustee for such fiscal year.

ARTICLE FIVE
Powers and Duties of the Trustee

5.1 Powers. The Trustee shall hold the legal title to all of the Liquidating Trust Assets at any time constituting a part of the Trust Estate and shall hold such Liquidating Trust Assets in trust to be administered and disposed of by the Trustee pursuant to the terms of this Trust Agreement (and the terms of the Plan and the Confirmation Order) for the benefit of the Beneficiaries, subject to the Plan and the Confirmation Order, and such other orders as may be entered by the Bankruptcy Court relating thereto. The Trustee shall have power to act in such manner as the Trustee may deem necessary or appropriate to conserve and protect the Trust Estate and/or to confer the benefits intended by this Trust Agreement on the Beneficiaries, and, without limitation, the Trustee shall have, without the need to seek Bankruptcy Court approval, the following specific powers, authority, and other matters:

- (a) To collect and receive any and all money and other property of whatsoever kind or nature due to or owing or belonging to the Liquidating Trust and to give full discharge and acquittance therefor;
- (b) To open bank accounts with the right to make withdrawals therefrom and to obtain and maintain all relevant insurance in relation to the Debtors and the Liquidating Trust, and tax identification number(s) for the Liquidating Trust;
- (c) Subject to the Plan and the Confirmation Order, to institute or defend all Causes of Action and proceedings for interpleaders to collect money, object to claims, or otherwise, and to take such other action as the Trustee may deem necessary or desirable to prevent a default pertaining to instruments relating to or forming a part of the Trust Estate;
- (d) To perform any act authorized, permitted, or required under any instruments relating to or forming a part of the Trust Estate whether in the nature of an approval, consent, demand, or notice thereunder or otherwise;
- (e) To cancel, terminate, or amend any instruments relating to or forming a part of the Trust Estate;
- (f) Subject to the Plan and the Confirmation Order, to employ agents, attorneys, accountants, and consultants, and to confer upon them such authority as the Trustee may deem expedient, and to pay reasonable compensation therefore;

- (g) To perform all acts authorized, permitted, or required, and to take such other action as the Trustee may deem necessary or desirable to effectuate or consummate the Plan and the Confirmation Order as the same shall pertain to the Liquidating Trust and the Liquidating Trust Assets, including, without limitation, all such power and authority as is necessary to perform acts necessary, permitted, or required pursuant to the Plan and the Confirmation Order, and any compromises, orders, and agreements that are an integral part of the Plan or Confirmation as related to the Liquidating Trust and the Liquidating Trust Assets; and
- (h) All powers, abilities, duties, authority, rights, titles, and interests as are granted to the Trustee and the Liquidating Trust, including the right to sell or dispose of the Liquidating Trust Assets, including, subject to the Plan and the Confirmation Order, to prosecute, settle, and/or resolve the Causes of Action, and such other and further rights and powers as may be directed by the Bankruptcy Court as related to the Liquidating Trust and Liquidating Trust Assets.

5.2 Additional Powers and Rights of Trustee. Subject to any express limitations herein, the Trustee shall have, and may exercise with respect to any and all Liquidating Trust Assets, and in the administration and distribution of the Trust Estate, all powers and rights now or hereafter conferred on trustees by the laws of the State of Delaware, and all powers and rights permitted or contemplated by the Plan or the Confirmation Order or such further order as may be entered by the Bankruptcy Court.

5.3 Limitations on Trustee. The Trustee shall not at any time, on behalf of the Liquidating Trust, enter into or engage in any business, nor shall the Trustee exercise its investment powers beyond making investments in demand and time deposits in banks, savings, or similar financial institutions, or temporary investments such as short-term certificates of deposit or treasury bills. The Trustee shall be subject to all terms and conditions of the Plan, the Confirmation Order, and such further orders, on notice to the Trustee, as may be entered by the Bankruptcy Court.

5.4 Settlement of Litigation. Other than as provided for by the Plan and the Confirmation Order, the Trustee shall have full and complete discretion in settling any Objections or Causes of Action (including actions in which one or more of the Debtors may be named as a defendant) and in relation to selling or discounting any Liquidating Trust Asset.

ARTICLE SIX

Concerning the Trustee

6.1 Generally. The Trustee accepts the Liquidating Trust created by this Trust Agreement and agrees to execute the Trust Agreement upon the conditions hereof, including the following:

- (a) The Trustee shall serve without bond;
- (b) The Trustee shall perform: (i) such duties and obligations as are specifically set forth in this Trust Agreement; and (ii) such duties and obligations as are set forth in the Plan and/or the Confirmation Order;
- (c) The Trustee shall not be responsible in any manner whatsoever for the validity or sufficiency of this Trust Agreement;
- (d) The Trustee shall be protected in acting upon any paper or document reasonably believed by the Trustee and upon due inquiry appearing to be genuine;
- (e) The Trustee shall not be liable for any acts or omissions of any agents, representatives, accountants, or attorneys selected by or acting for the Trustee if such agents or attorneys were selected with reasonable care; and
- (f) The Trustee may consult with legal counsel, accountants, appraisers, consultants, or other professional counsel, and any act or failure to act done or omitted in good faith in accordance with the opinion of any such person and/or counsel shall create no liability on the part of the Trustee.

6.2 Transferee Liabilities/Indemnification. If any liability shall be asserted against the Liquidating Trust or the Trustee as the transferees of the Liquidating Trust Assets, for acts while carrying out the Trustee's duties as Trustee, on account of any claimed liability of or through one or more of the Debtors, the Trustee may use part or all of the Liquidating Trust Assets as may be necessary in contesting any such claimed liability and in payment, compromise, settlement, and discharge thereof on terms reasonably satisfactory to the Trustee. In no event shall the Trustee be liable for or be required to use Liquidating Trust Assets for such purposes.

ARTICLE SEVEN

Protection of Persons Dealing with the Trustee

7.1 Reliance on Statement by Trustee. Any person dealing with the Trustee shall be fully protected in relying upon the Trustee's certificate that the Trustee has authority to take any action under this Liquidating Trust.

7.2 Application of Money Paid or Transferred to Trustee. No person dealing with the Trustee shall be required to follow the application by the Trustee of any money or property which may be paid or transferred to the Trustee.

ARTICLE EIGHT

Compensation of Trustee

8.1 Amount of Compensation. The Trustee shall receive compensation for services

performed hereunder at the Trustee's regular hourly rates charged for such services, subject to annual increases of not more than 5%.

8.2 Expenses. The Trustee shall be reimbursed from the Trust Estate for all fees, costs and expenses reasonably incurred by the Trustee in the performance of the Trustee's duties in accordance with this Trust Agreement.

ARTICLE NINE

Successor Trustee

9.1 Resignation and Removal. The Trustee may resign and be discharged from the Trustee's obligations as Trustee, without cause (or be required to resign with cause), upon notice to the Debtors and the Debtors' appointment of a substitute Trustee.

9.2 Acceptance of Appointment by Successor Trustee. Any successor Trustee appointed shall execute an instrument accepting such appointment hereunder.

ARTICLE TEN

Termination

10.1 Termination. The Liquidating Trust shall terminate upon the fulfillment of its purpose, consummation of the Plan, and the closing of the Chapter 11 Cases, or within six (6) years after the effective date of the Liquidating Trust, whichever shall occur first. Notwithstanding the foregoing, in the event the Trustee shall have been unable, after reasonable efforts, to distribute the Trust Estate within the initial six (6) year term of this Trust Agreement, the Trustee shall have the right to extend the term of the Liquidating Trust for successive one-year renewal terms until the Trust Estate can be fully distributed.

Prior to or contemporaneously with the termination of the Liquidating Trust, the Trustee shall satisfy or provide for payment of all expenses, liabilities, and obligations of the Liquidating Trust known to it and shall distribute the Trust Estate to the Beneficiaries as provided for herein and in accordance with the Plan and the Confirmation Order.

The Trustee shall have a reasonable period of time after the termination of the Liquidating Trust in which to wind up the administration of the Liquidating Trust and to make a Distribution of the Net Proceeds. During this period of time, the Trustee shall continue to have, and shall exercise, all powers granted to the Trustee until the Net Proceeds of the Liquidating Trust are distributed in accordance with the Plan, the Confirmation Order, and this Trust Agreement.

ARTICLE ELEVEN

Plan and Confirmation Order

11.1 Notwithstanding any provision or term of this Trust Agreement, the Liquidating Trust, the Trustee, the Trust Estate, and all terms and conditions of this Trust Agreement, shall be subject to the terms and conditions of the Plan, the Confirmation Order, and other additional

orders as may be entered in relation to the Chapter 11 Cases by the Bankruptcy Court. In addition, the Liquidating Trust, the Trustee, and the Trust Estate shall be subject to the jurisdiction of the Bankruptcy Court to the extent provided for by the terms of the Plan and the Confirmation Order.

ARTICLE TWELVE

Miscellaneous Provisions

12.1 Filing Documents. This Trust Agreement may be filed or recorded in such office or offices as the Trustee may determine to be necessary or desirable.

12.2 Laws as to Construction. This Trust Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

12.3 Headings. The captions and headings used in this Trust Agreement are for convenience only and do not in any way limit or amplify the terms and provisions hereof.

12.4 Binding Effect. This Trust Agreement shall inure to the benefit of and be binding upon the Trustee and the Beneficiaries and their respective successors and assigns.

12.5 Severability. In the event any provision of this Trust Agreement shall be finally determined by a court with jurisdiction to be invalid or unenforceable to any extent, the remainder of this Trust Agreement shall not be affected thereby, unless the invalidity or unenforceability materially changes the purpose of the Trust, in which case the Trust Agreement shall be deemed void in its entirety.

12.6 Notices. Any notice or other communication by the Trustee to any Beneficiary hereunder shall be deemed to have been sufficiently given, for all purposes, if given by being deposited, postage prepaid, in a post office or letter box addressed to such Beneficiary at its address as shown on the pleadings or other instruments on record with the Bankruptcy Court or via electronic mail to the address reasonably believed to be correct for such Beneficiaries. Any notices to the Trustee shall, in respect to the initial Trustee, be made by electronic mail to:

Wayne Johnson

[]

-and-

D. Sam Anderson, Esq.
Bernstein, Shur, Sawyer & Nelson, P.A.
100 Middle Street, P.O. Box 9729
Portland, ME 04104
sanderson@bernsteinshur.com

-and-

Shanti M. Katona
POL SINELLI PC
222 Delaware Avenue, Suite 1101
Wilmington, Delaware 19801
skatona@polsinelli.com

In seeking Bankruptcy Court approval of any action requiring Bankruptcy Court approval hereunder or under the Plan or Confirmation Order, the Trustee shall not be obligated to provide notice to all creditors of the Debtors; except as otherwise provided in the Plan, notice shall be provided only to the parties named in the matter before the Bankruptcy Court, parties having filed a notice of appearance and demand for service in the Chapter 11 Cases, and the United States Trustee's Office.

12.7 Counterparts and Facsimile Delivery. This Trust Agreement may be executed in multiple counterparts and may be executed and delivered by facsimile (PDF or its equivalent) copies of signature page(s), each of which shall be deemed to be an original and all of which taken together shall constitute a single instrument. Subject to entry of the Confirmation Order, this Trust Agreement shall be effective as of the date upon the actual receipt of signed signature pages from each of the signatories hereto.

12.8 Fiscal Year. The Trust's fiscal year shall end on the last day of December of each calendar year unless the Trustee deems it advisable to establish some other date on which the fiscal year of the Liquidating Trust shall end.

12.9 Title to Trust Estate. No Beneficiary shall have title to any part of the Trust Estate. No transfer, by operation of law or otherwise, of the right and interest of any Beneficiary in and to the Trust Estate or hereunder shall operate to terminate this Trust Agreement or the Liquidating Trust or to entitle any successor or transferee of such Beneficiary to an accounting with respect to the Trust Estate or to the transfer to it of title to any part of the Trust Estate.

12.10 Acceptance by Trustee. The Trustee, by executing this Trust Agreement, accepts the Trust herein created and provided for and accepts all of the rights, powers, privileges, duties, and responsibilities of the Trustee hereunder and agrees to exercise and perform the same subject to the terms of this Trust Agreement and make Distributions to the Beneficiaries in accordance with the provisions of this Trust Agreement.

12.11 Amendment. This Trust Agreement may be materially amended only upon the entry of an order in the Bankruptcy Court after notice to and an opportunity for hearing by, counsel to the Estates and the Trustee, and after such further notice and hearing as is appropriate.

[intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the Parties have caused this Trust Agreement to be signed, sealed, and executed, all as of the day and year first above written.

**GORHAM PAPER AND TISSUE, LLC AND WHITE
MOUNTAIN TISSUE, LLC**
DEBTORS AND DEBTORS-IN-POSSESSION

By: /s/
Name:
Its: Responsible Officer

WAYNE JOHNSON,
LIQUIDATING TRUSTEE

By: /s/
Wayne Johnson, solely in his capacity as
Liquidating Trustee

Exhibit B
Zohar Settlement Agreement

SETTLEMENT AGREEMENT

This Settlement Agreement (the “Agreement”) is entered into as of January 27, 2021, by and among: (i) Gorham Paper and Tissue, LLC and White Mountain Tissue, LLC (collectively, the “Debtors”); (ii) Zohar III, Limited, in its capacity as a secured lender to the Debtors (“Zohar III”), and Zohar III, Limited in all other capacities (“Zohar as Member” and, together with Zohar III, “Zohar”); (iii) Ankura Trust Company, LLC in its capacity as administrative agent and secured creditor (“Ankura”); and (iv) the Official Committee of Unsecured Creditors (the “Committee”) appointed in the Chapter 11 Cases (defined below). Collectively, the Debtors, Zohar, Ankura, and the Committee are referred to herein as the “Parties.”

WHEREAS, on November 4, 2020 (the “Petition Date”), the Debtors filed voluntary petitions for relief under 11 U.S.C. § 101 *et seq.*, with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) to commence the chapter 11 bankruptcy cases styled as *In re Gorham Paper and Tissue, LLC, et al.*, Lead Case No. 20-12814 (KBO) (the “Chapter 11 Cases”).

WHEREAS, pursuant to that certain Credit Agreement, dated on or about May 13, 2011 (as amended, restated, supplemented or otherwise modified from time to time, the “GPT Credit Agreement”), and that certain Credit Agreement, dated on or about April 17, 2012 (as amended, restated, supplemented or otherwise modified from time to time, the “WMT Credit Agreement”), and with Ankura as administrative agent (as successor to Patriarch Partners Agency Services, LLC) with respect to Zohar III, Zohar III made certain loans and advances to, and/or provided other financial accommodations to or for the benefit of, one or both Debtors from time to time.

WHEREAS, the claims of Zohar III and Ankura (and any predecessor thereto) under the GPT Credit Agreement and WMT Credit Agreement, respectively, were outstanding in the aggregate principal and interest amounts as of the Petition Date of **\$51,444,476.00** and **\$22,514,714.28**, respectively, inclusive of accrued and unpaid interest, other than default interest, but exclusive of fees, expenses, and indemnities, and fees payable to any administrative agent thereunder (collectively, the “Zohar Claims”).

WHEREAS, on December 2, 2020, the Bankruptcy Court entered the *Final Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 363(c), 363(e), 364 and 507 and Fed. R. Bankr. P. 2002, 4001 and 9014: (I) Authorizing the Debtors to Obtain Postpetition Financing pursuant to § 364 of the Bankruptcy Code; (II) Authorizing Use of Cash Collateral Pursuant to § 363 of the Bankruptcy Code; (III) Granting Liens and Super-Priority Claims; and (IV) Granting Adequate Protection to the Prepetition Secured Parties* [Docket No. 137] (the “Final DIP Order”).

WHEREAS, pursuant to the Final DIP Order, the Committee has until February 1, 2021 (the “Challenge Deadline”) to challenge any stipulations, admissions, releases, and waivers contained in the Final DIP Order regarding Zohar III’s and Ankura’s liens and claims against the Debtors (each, a “Challenge”).

WHEREAS, on December 18, 2020, the Bankruptcy Court entered the *Order (I) Authorizing and Approving (A) the Sale of Substantially All of the Debtors’ Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests and (B) the Assumption and Assignment of*

Certain Contracts and Leases, and (II) Granting Related Relief [Docket No. 196] (the “Sale Order”), which, among other things, authorized the Debtors to sell substantially all of their assets to Gorham Acquisition, LLC (the “Sale”).

WHEREAS, the Sale closed on December 31, 2020, and in accordance with the Sale Order, on January 4, 2021, the escrow agent for the Sale disbursed on account of the Zohar Claims the amount of \$4,464,060.71 from the proceeds of the Sale to a segregated account held by Ankura and/or one of its affiliated entities (the “Segregated Account”).

WHEREAS, the Parties intend to resolve, among other things, any Challenge and affirmative claims and causes of action against Zohar III or Ankura, if any, that could be brought by the Debtors, their estates, and/or the Committee or any other person or entity on behalf of the Debtors’ estates, and to facilitate the Debtors’ successful exit from the Chapter 11 Cases through a plan of reorganization or structured dismissal.

NOW, THEREFORE, in consideration of the foregoing recitals, each of which are true and correct and which are incorporated into and made an integral part of this Agreement, and the terms and conditions hereinafter set forth, the Parties hereby agree as follows:

1. **Settlement Motion and Settlement Order.** Within five (5) business days of the execution of this Agreement by all Parties, the Debtors shall file a motion (the “Settlement Motion”) pursuant to Bankruptcy Rule 9019 and other applicable law seeking entry of an order by the Bankruptcy Court approving this Agreement (the “Settlement Order”). The Settlement Motion and Settlement Order shall be in form and substance reasonably acceptable to all Settling Parties.

2. **Effective Date.** This Agreement shall become effective upon the Settlement Order becoming a final, non-appealable order of the Bankruptcy Court (the “Effective Date”).

3. **Allowance of the Zohar Claims and Release of Committee Challenge Rights.** Upon the Effective Date, the Zohar Claims shall be deemed fully and finally allowed, the Debtors’ estates and their representatives and the Committee shall release any right to assert a Challenge to the Zohar Claims, and the Challenge Deadline shall be deemed to have lapsed regarding the Zohar Claims. Upon execution of this Agreement by all Parties, the Challenge Period shall be tolled until the earlier of: (i) the Effective Date, or (ii) five (5) business days after entry of an order denying the Settlement Motion.

4. **Indefeasible Payment to Zohar III and Ankura.** Upon the Effective Date, the Debtors, their estates, and the Committee agree to the indefeasible release of \$3,200,000.00 from the Segregated Account to Ankura in its capacity as administrative agent, to be applied by Ankura to the Zohar Claims on account of and in accordance with the GPT Credit Agreement and WMT Credit Agreement (such payment, the “Settlement Payment”).

5. **Release of Remaining Funds in the Segregated Account to the Debtors.** Upon the Effective Date, Zohar III and Ankura shall release and disburse to the Debtors from the Segregated Account the remaining cash therein after the Settlement Payment, which such amount shall be \$1,264,060.71 (the “Segregated Cash”). The Segregated Cash shall first be used by the Debtors to pay: (i) professional fees, other than any fees or expenses owed to B. Riley Securities (“B. Riley”), relating to the Chapter 11 Cases; (ii) accrued management bonuses in an amount not

to exceed **\$566,000.00** (with such payment subject to entry of an order by the Bankruptcy Court approving payment of those management bonuses); and (iii) fees and expenses owed to B. Riley in an amount not to exceed **\$950,000.00** (with such payment subject to entry of an order by the Bankruptcy Court approving a final fee application on behalf of B. Riley). Any remaining Segregated Cash after funding the foregoing expenses shall be used by the Debtors to pay: (x) actual and necessary expenses of pursuing, consummating, and funding a plan of reorganization in, or structured dismissal of, the Chapter 11 Cases; and (y) the operating expenses of the Debtors. For the avoidance of doubt, the amount of Segregated Cash released to the Debtors shall not be reduced if B. Riley's compensation and/or the management bonuses are not allowed by the Bankruptcy Court or are allowed by the Bankruptcy Court in a lower amount.

6. **Continued Authority to Use Cash and Other Assets.** Any and all cash and/or assets in the Debtors' estates as of the Effective Date or to be received after the Effective Date other than Segregated Cash (collectively, the "Estate Cash") shall be used to fund some or all of the following: (i) expenses set forth in Paragraph 5 of this Agreement; (ii) settlements entered into among the Debtors and creditors of the Debtors with respect to administrative expense claims; (iii) expenses previously approved in relation to the Final DIP Order; or (iv) other expenses set forth in the Budget (as defined below).

7. **Budget.** The Debtors are authorized to use Segregated Cash and Estate Cash in accordance with the budget (the "Budget") attached hereto as **Exhibit A**. Upon the execution of this Agreement, the Budget shall replace the budget approved by the Final DIP Order, and the Debtors shall file a notice in the Chapter 11 Cases reflecting such substitution. The Budget shall be subject to change by the Debtors with the consent of the Committee and Zohar III, with such consent not to be unreasonably withheld.

8. **Budget Variances.** The Settling Parties recognize that revenue and/or line-item expenses in the Budget may be higher or lower than projected in the Budget, and the timing of revenue and/or disbursements may vary from the projected timing in the Budget. Zohar III consents to any line-item or timing variances in the Budget, provided, however, that aggregate actual disbursements shall not exceed aggregate projected disbursements in the Budget. To the extent of surplus cash after actual, approved disbursements are made in accordance with the Budget, including surplus cash created because actual revenue was higher and/or actual expenses were lower than projected in the Budget, the Debtors may use that surplus cash to fund remaining expenses in accordance with Paragraphs 5 and 6 of this Agreement.

9. **Carve-Out.** For the avoidance of doubt, any and all amounts payable under the Carve-Out (as defined in the Final DIP Order) shall be funded solely from Segregated Cash and/or the Estate Cash, and under no circumstances shall the Settlement Payment be subject to any reduction, setoff, offset, avoidance, counterclaims, cross-claims, defenses, disallowance, impairment, recoupment, or any other challenges under any applicable law or regulation by any person or entity.

10. **Reporting Obligations.** The Debtors shall provide Zohar III with weekly cash flow statements and other customary reporting, including weekly Budget variance reports, in a manner consistent with the Debtors' reporting under the Final DIP Order.

11. **Zohar III Consent Rights to Certain Settlements.** The Debtors and the Committee shall obtain Zohar III's consent prior to the settlement of any avoidance action claims asserted against any party that holds a section 503(b)(9) claim in an asserted amount in excess of **\$100,000.00**, which consent shall not be unreasonably withheld by Zohar III.

12. **Terms and Effect of Plan or Structured Dismissal.** In any confirmed plan or structured dismissal in the Chapter 11 Cases, the Zohar Claims, after accounting for partial satisfaction by the Settlement Payment (including any claim under section 507(b) of the Bankruptcy Code) (each, a "Deficiency Claim"), shall be treated as follows: (a) Zohar III and Ankura shall "gift" any respective recoveries they are entitled to receive on account of their Deficiency Claims to other non-insider claim holders (which such non-insider claim holders shall expressly exclude the following: the Ark Entities (including Ark Angels, LLC; Ark Angels II, LLC; Ark Angels III, LLC; Ark Angels VIII, LLC; Ark Investment Partners II, LP; Ark II CLO 2001-1, Ltd. LD Investments, LLC; Lynn Tilton); the Octaluna LLC Entities (including Octaluna LLC; Octaluna II, LLC; Octaluna III, LLC); the Patriarch Partners Entities (including Patriarch Partners, LLC; Patriarch Partners VIII, LLC; Patriarch Partners, XIV, LLC; Patriarch Partners XV, LLC); Patriarch Partners Management Group, LLC; Patriarch Partners Agency Services, LLC; and Zohar Holdings, LLC (collectively, the "Patriarch Stakeholders")) until allowed administrative and priority claims are satisfied in full and until allowed general unsecured claims receive a 5% recovery on account of their allowed claims (inclusive of any pro rata distribution on account of the holders' own claims); provided, however, that any amount "gifted" to holders of general unsecured claims shall not exceed, in the aggregate, **\$500,000.00** (the "Recovery Threshold"). If and when the Recovery Threshold is achieved, Ankura in its capacity as administrative agent shall receive any recoveries on account of the Deficiency Claims, and Ankura shall distribute such proceeds to Zohar III and Ankura on account of and in accordance with the GPT Credit Agreement and WMT Credit Agreement. Upon the effective date of any structured dismissal or plan, any remaining Segregated Cash and/or Estate Cash shall be used by the Debtors in accordance with the Bankruptcy Court order approving or confirming, as applicable, such structured dismissal or plan.

13. **Retention of Jurisdiction.** The Settlement Order shall provide that the Bankruptcy Court retains jurisdiction over the enforcement and interpretation of the Agreement, the Settlement Order, and any related agreements among the Parties.

14. **Releases.** The following releases shall be effective immediately upon the Effective Date:

(a) Zohar, Ankura, the Committee, and their respective parents, affiliates, successors and assigns, shareholders, officers, directors, agents, employees, representatives, and attorneys shall forever release Richard Arnold, Wayne Johnson, and Bradley Scher from any and all claims, causes of action, suits, debts, liens, obligations, liabilities, accounts, damages, defenses, sums of money, reckonings, bonds, bills, variances, covenants, contracts, controversies, agreements, promises, trespasses, judgments, executions, losses, costs, and expenses (including attorneys' fees), demands, in law or in equity, whether known or unknown, or hereafter becoming known, of any kind, character, or nature whatsoever, fixed or contingent, arising from the beginning of time to and including the Effective Date.

(b) The Debtors, their estates, and the Committee, acting for itself and derivatively on behalf of the Debtors and their estates, and each of their respective successors, assigns, and representatives, shall forever release (i) Zohar III, (ii) Ankura, (iii) Ankura's current and former parents, subsidiaries, affiliates, successors, predecessors, heirs, executors, assigns, and each of Ankura's and the foregoing entities' respective current and former shareholders, members, managers, partners, limited partners, general partners, principals, officers, directors, agents, employees, representatives, accountants, advisors, consultants, and attorneys, and (iv) each of Zohar III's successors and assigns, officers, directors, agents, employees, representatives, accountants, advisors, consultants, and attorneys (the parties in clauses (iii) and (iv), solely in their capacities as to Ankura and Zohar III and not in any other capacities) from any and all claims, causes of action, suits, debts, liens, obligations, liabilities, accounts, damages, defenses, sums of money, reckonings, bonds, bills, variances, covenants, contracts, controversies, agreements, promises, trespasses, judgments, executions, losses, costs, and expenses (including attorneys' fees), and demands, in law, at equity, or otherwise, whether known or unknown, or hereafter becoming known, or foreseen or unforeseen, of any kind, character, or nature whatsoever, and whether fixed or contingent, liquidated or unliquidated, for indemnification, tort, contract, or otherwise, and whether, existing or hereafter arising from the beginning of time to and including the Effective Date; provided, however, that the foregoing releases in clause (iv) of this subparagraph shall not include, and hereby expressly exclude, the Patriarch Stakeholders and their respective parents, affiliates, successors and assigns, shareholders, officers, directors, agents, employees, representatives, and attorneys, and that neither the Patriarch Stakeholders nor any of their respective parents, affiliates, successors and assigns, shareholders, officers, directors, agents, employees, representatives, or attorneys shall be considered predecessors to Ankura for purposes of this release.

15. **No Admissions of Liability.** This Agreement is a compromise of claims and shall never be construed as an admission of liability or responsibility for any purpose by any of the Parties.

16. **Choice of Law.** In the event United States bankruptcy law is inapplicable, this Agreement shall be governed by the laws of the State of Delaware and shall be construed and interpreted in accordance with its laws, notwithstanding its conflict of laws, principles or any other rule or regulation that would result in the application of any other state's law.

17. **Authority to Execute This Agreement.** Each individual signing this Agreement on behalf of any Party represents and warrants that he/she has full authority to do so, subject to any applicable order by the Bankruptcy Court.

18. **Entire Agreement.** The Parties acknowledge that this Agreement and the Settlement Order constitute the entire agreement between the Parties with respect to the subject matters hereof, and all prior agreements, term sheets, negotiations, and understandings with respect to the subject matter hereof are canceled and superseded by the same.

19. **Severability.** Should any provision of this Agreement be held by any court of competent jurisdiction to be illegal, invalid or unenforceable for any reason, then the remaining

portions of this Agreement will nonetheless remain in full force and effect, unless such portion of the Agreement is so material that its deletion would violate the obvious purpose and intent of the Parties.

20. **No Oral Modification.** The Parties agree that this Agreement may not be varied in its terms by an oral agreement or representation or otherwise, except by an instrument in writing of subsequent date hereof executed by all of the Parties.

21. **Execution in Separate Parts.** This Agreement may be executed in one or more counterparts, any of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same agreement. Facsimile or otherwise electronically transmitted signatures shall be deemed to have the full force and effect of original ink signatures.

[remainder of page intentionally left blank; signature page to follow]

AGREED TO BY:

GORHAM PAPER AND TISSUE, LLC

Date: _____

By: _____

Its: _____

WHITE MOUNTAIN TISSUE, LLC

Date: _____

By: _____

Its: _____

ZOHAR III, LIMITED

Date: _____

By: _____

Its: _____

ANKURA TRUST COMPANY, LLC

Date: _____

By: _____

Its: _____

OFFICIAL COMMITTEE OF UNSECURED CREDITORS

Date: _____

By: _____

Its: _____

Exhibit A to Settlement Agreement

CONSOLIDATED	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17	Week 18	Totals
GORHAM PAPER AND TISSUE and WHITE MOUNTAIN TISSUE	1/9/21	1/16/21	1/23/21	1/30/21	2/6/21	2/13/21	2/20/21	2/27/21	3/6/21	Week 1 thru 18
	Fcst3	Fcst3	Fcst3	Fcst3	Fcst3	Fcst3	Fcst3	Fcst3	Fcst3	Fcst3
Total Receipts	91,906	-	789,396	91,830	65,000	120,492	-	-	-	5,905,579
Fuel	-	-	-	-	5,847	27,591	-	-	-	433,934
Power	-	36,735	56,680	-	25,470	-	-	-	-	489,669
Labor	-	-	10,000	-	10,000	-	-	-	-	972,608
Benefits & Insurance	16,816	38,369	21,171	21,171	21,171	-	-	-	-	511,995
Other	2,718	8,831	23,994	109,002	5,000	9,306	-	-	-	429,329
Unforeseen Expenses										-
Operational Disbursements	19,534	83,935	111,845	130,173	67,488	36,897	-	-	-	6,308,320
Operational Cash Flow	72,373	(83,935)	677,551	(38,343)	(2,488)	83,595	-	-	-	(402,741)
Assuming a 11/03 filing:										
Legal/Professional Payments	125,000	50,000	-	-	-	-	-	-	-	425,000
Debtor Local Counsel	-	-	-	-	-	-	-	-	-	150,000
Utilities Adequate Assurance Deposit	-	-	-	-	-	-	-	-	-	75,000
Utility Assurance Refund	(75,001)	-	-	(24,066)	-	-	-	-	-	(99,067)
Claims Agent	10,407	-	-	79,593	-	-	-	-	-	106,695
Committee Counsel & FA	-	-	300,000	100,000	-	-	-	-	-	400,000
Trustee Fees	-	-	-	62,751	-	-	-	-	154,306	217,058
Management Bonus (@80%) (See Note 1)	-	-	-	452,990	-	-	-	-	-	452,990
B Riley Payment (@80%) (See Note 1)	-	-	-	750,000	-	-	-	-	-	750,000
Final Assumed Liabilities Adjustment (Est)	-	-	-	-	-	-	50,000	-	-	50,000
Total Payments	79,940	133,935	411,845	1,551,441	67,488	36,897	50,000	-	154,306	8,835,995
Cash effect	11,967	(133,935)	377,551	(1,459,611)	(2,488)	83,595	(50,000)	-	(154,306)	(2,930,416)
NSF Checks Returned										299,560
Adjusted Beginning Balance										312,998
DIP Funding										1,500,000
Sale Cash Proceeds										8,750,000
DIP Repayment										(1,586,643)
PMSI										(28,750)
Property Taxes										(740,762)
Assumed Liabilities Adjustment										81,308
Transfer/Recording Fee										(26,095)
Brookfield Cure										(352,791)
Payment to ARKII										(1,632,207)
Payment to Zohar										(3,200,000)
503(b)9 Claims (See Note 2)									-	-
Preference Claims									-	-
Committee Dividend									-	-
Projected Cash Balance	1,700,727	1,566,792	1,944,343	484,731	482,243	565,839	515,839	515,839	361,533	361,533
	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok
	1,264,061	1,264,061	1,264,061	-	-	-	-	-	-	-
	436,666	302,731	680,282	484,731	482,243	565,839	515,839	515,839	361,533	361,533

NOTE: (1) the Management Bonuses and the B. Riley fees should be paid on the Effective Date of the settlement with Zohar or as soon thereafter as approved by the Court (as necessary)

NOTE: (2) Budget does not include payments for 503(b)(9) claims or settlements, which the Debtor may fund in accordance with the Settlement Agreement with Zohar. Budget also does not include payments on all structured dismissal or plan obligations, including dividend to holders of general unsecured claims, which may be authorized by the Settlement Agreement or applicable Court orders.

Exhibit C
Feasibility Analysis

Weekly Cash Reporting

CONSOLIDATED		Week 43	Week 44	Week 45	Week 46	Week 47	Week 48	Week 49	Week 50	Week 51	Week 52	Week 53
GORHAM PAPER AND TISSUE and		8/28/21	9/4/21	9/11/21	9/18/21	9/25/21	10/2/21	10/9/21	10/16/21	10/23/21	10/30/21	11/6/21
WHITE MOUNTAIN TISSUE		Fcst7	Fcst7	Fcst7	Fcst7	Fcst7	Fcst7	Fcst7	Fcst7	Fcst7	Fcst7	Fcst7
		<u>Cash In</u>	<u>Cash In</u>	<u>Cash In</u>	<u>Cash In</u>	<u>Cash In</u>	<u>Cash In</u>	<u>Cash In</u>	<u>Cash In</u>	<u>Cash In</u>	<u>Cash In</u>	<u>Cash In</u>
Total Receipts	Bridgeview											
	Action Recovery											
		<u>Cash Out</u>	<u>Cash Out</u>	<u>Cash Out</u>	<u>Cash Out</u>	<u>Cash Out</u>	<u>Cash Out</u>	<u>Cash Out</u>	<u>Cash Out</u>	<u>Cash Out</u>	<u>Cash Out</u>	<u>Cash Out</u>
Labor	Dick and Wayne			3,137					3,000			
Other	Operating Exp.											
	Bank Fees		990				990				990	
	Misc	820										
Operational Disbursements		820	990	3,137	-	-	990	-	3,000	-	990	-
Operational Cash Flow		(820)	(990)	(3,137)	-	-	(990)	-	(3,000)	-	(990)	-
Legal/Professional Payments	Bernstein											
Debtor Local Counsel	Polsinetti											
Committee Counsel & FA	Reed											
	Argus											
	Donlin Recano											
Trustee Fees	US Trustee										3,750	
503(b)9 Claims	Others (at 50%)											
POST Trust and Professional Fees												
NCF		(820)	(990)	(3,137)	-	-	(990)	-	(3,000)	-	(4,740)	-
Total Payments		820	990	3,137	-	-	990	-	3,000	-	4,740	-
Cash effect		(820)	(990)	(3,137)	-	-	(990)	-	(3,000)	-	(4,740)	-
Projected Cash Balance		350,000	349,010	345,873	345,873	345,873	344,883	344,883	341,883	341,883	337,143	337,143

Weekly Cash Reporting

CONSOLIDATED		Week 54	Week 55	Week 56	Week 57	Week 58	Week 59	Week 60	Week 61	2022	Totals
GORHAM PAPER AND TISSUE and WHITE MOUNTAIN TISSUE		11/13/21	11/20/21	11/27/21	12/4/21	12/11/21	12/18/21	12/25/21	1/1/22	2022	
		<u>Fcst7</u>	<u>Fcst7</u>	<u>Fcst7</u>	<u>Fcst7</u>	<u>Fcst7</u>	<u>Fcst7</u>	<u>Fcst7</u>	<u>Fcst7</u>	<u>Fcst7</u>	<u>Fcst7</u>
		<u>Cash In</u>	<u>Cash In</u>	<u>Cash In</u>	<u>Cash In</u>	<u>Cash In</u>	<u>Cash In</u>	<u>Cash In</u>	<u>Cash In</u>	<u>Cash In</u>	<u>Cash In</u>
Total Receipts	Bridgeview									11,000	11,000
	Action Recovery									250,000	250,000
		<u>Cash Out</u>	<u>Cash Out</u>	<u>Cash Out</u>	<u>Cash Out</u>	<u>Cash Out</u>	<u>Cash Out</u>	<u>Cash Out</u>	<u>Cash Out</u>	<u>Cash Out</u>	<u>Cash Out</u>
Labor	Dick and Wayne	3,000								-	9,137
Other	Operating Exp.									78,346	78,346
	Bank Fees										2,970
	Misc										820
Operational Disbursements		3,000	-	-	-	-	-	-	-	78,346	91,273
Operational Cash Flow		(3,000)	-	-	-	-	-	-	-	182,654	169,727
Legal/Professional Payments	Bernstein									75,000	75,000
Debtor Local Counsel	Polsinetti									50,000	50,000
Committee Counsel & FA	Reed									38,547	38,547
	Argus										-
	Donlin Recano									15,000	15,000
Trustee Fees	US Trustee									3,750	7,500
503(b)9 Claims	Others (at 50%)									79,500	79,500
POST Trust and Professional Fees										50,000	50,000
NCF		(3,000)	-	-	-	-	-	-	-	(129,143)	(145,819)
Total Payments		3,000	-	-	-	-	-	-	-	390,143	406,819
Cash effect		(3,000)	-	-	-	-	-	-	-	(129,143)	(145,819)
Projected Cash Balance		334,143	334,143	334,143	334,143	334,143	334,143	334,143	334,143	205,000	205,000

Exhibit D

Liquidation Analysis

Disclaimer

This liquidation analysis and the conclusions set forth herein represent the Debtors' best judgment regarding the results of such a liquidation. This liquidation analysis was prepared for the sole purpose of assisting the Bankruptcy Court and holders of impaired claims or Interests in making this determination and should not be used for any other purpose.

Nothing contained in this liquidation analysis is intended as or constitutes a concession or admission for any purpose other than the presentation of a hypothetical Chapter 7 liquidation analysis for purposes of meeting the requirements of § 1129(a)(7) of the Bankruptcy Code. Capitalized terms used, but not otherwise defined herein, shall have the meaning ascribed to such terms in the Combined Disclosure Statement and Plan.

The liquidation analysis is shown on a consolidated basis and reflects the estimated cash proceeds, net of liquidation-related costs, that would be available for Distribution to creditors if the Debtors liquidated under Chapter 7 of the Bankruptcy Code commencing on September 1, 2021. Also reflected is an analysis of estimated cash proceeds available under the Debtors' Plan for purposes of comparison. A number of estimates and assumptions underlie the analysis that, while considered reasonable, are inherently subject to significant uncertainties and contingencies beyond the control of the Debtors and their advisors.

THERE CAN BE NO ASSURANCE THAT THE VALUES REFLECTED IN THE LIQUIDATION ANALYSIS WOULD BE REALIZED IF THE DEBTORS WERE, IN FACT, TO LIQUIDATE UNDER CHAPTER 7.

Conversion to Chapter 7 and Appointment of a Chapter 7 Trustee

This liquidation analysis assumes that the Debtors' liquidation would commence under the direction of a Chapter 7 trustee and would continue for a period of at least four months. During this time, it is assumed that the Chapter 7 trustee would hire professionals to effectuate an estate liquidation. All of the Debtors' remaining Assets would be liquidated and the Cash proceeds, net of liquidation-related costs, would then be distributed to creditors in accordance with the priorities established under the Bankruptcy Code.

The liquidation analysis contains an estimate of the value of claims that ultimately would become Allowed Claims based on the Debtors' books and records. The Debtors have not evaluated, nor has the Bankruptcy Court determined, the amount of each such Claim. Accordingly, the final amount of Allowed Claims may differ from the amounts presented in this liquidation analysis.

EXHIBIT

D

Hypothetical Chapter 7 Liquidation Analysis
(\$ in actual)

	Chapter 11 Plan	Hypothetical Liquidation	Difference	Notes
PROCEEDS FOR DISTRIBUTION				
Cash on Hand	\$350,000.00	\$350,000.00	\$0.00	A
Causes of Action Recovery	\$250,000.00	\$250,000.00	\$0.00	B
Accounts Receivable Collection	\$11,000.00	\$11,000.00	\$0.00	C
Other Liquidated Assets	\$0.00	\$0.00	\$0.00	
TOTAL PROCEEDS AVAILABLE FOR DISTRIBUTION	\$611,000.00	\$611,000.00	\$0.00	
ESTIMATED ADMINISTRATIVE AND PRIORITY EXPENSES				
Unpaid Pre-Effective Date Ch. 11 Administrative Claims	\$348,500.00	\$348,500.00	\$0.00	D
Unpaid Priority and Priority Tax Claims	\$0.00	\$0.00	\$0.00	
Chapter 7 Trustee Fees and Professional Expenses	\$0.00	\$250,000.00	(\$250,000.00)	
Chapter 11 Post-Effective Date Trust and Professional Fees and Expenses	\$50,000.00	\$0.00	\$50,000.00	
Chapter 11 U.S. Trustee Fees	\$7,500.00	\$7,500.00	\$0.00	
ESTIMATED TOTAL DISTRIBUTIONS FOR ADMINISTRATIVE AND PRIORITY CLAIMS	\$406,000.00	\$606,000.00	(\$200,000.00)	
NET PROCEEDS AVAILABLE FOR GENERAL UNSECURED CREDITORS (CLASS 2)	<u>\$205,000.00</u>	<u>\$5,000.00</u>	<u>\$200,000.00</u>	E

NOTES

A: Cash balance estimated as of September 1, 2021

B: Proceeds of Avoidance Causes of Action

C: Excludes uncollectable intercompany A/R; includes pending settlement funds held in escrow

D: All claims and expenses are estimated based on information available to the Debtors. Actual amounts may vary based on numerous factors, including results of claim objection process. Assumes settling remaining 503(b)(9) claims. Includes professional fees subject to Court approval.

E: The Zohar III settlement is conditioned on confirmation of a plan or a structured dismissal. The Debtors believe that conversion to Chapter 7 may constitute a default under the settlement, which would: (i) entitle Zohar III to a return of its carve-out to the Debtors, and (ii) eliminate the Zohar "gift" to unsecured creditors, thus significantly reducing the pro rata recovery for the general unsecured class. These additional events are not accounted for in the liquidation analysis.

Exhibit E
SCA Agreement

SETTLEMENT AGREEMENT

This Settlement Agreement (the "Agreement") is entered into as of June 4, 2021, by and among: (i) Gorham Paper and Tissue, LLC and White Mountain Tissue, LLC (collectively, the "Debtors"); and (ii) SCA Transaction Services, LLC ("SCA"). Collectively, the Debtors and SCA are referred to herein as the "Parties."

WHEREAS, on November 4, 2020 (the "Petition Date"), the Debtors filed voluntary petitions for relief under 11 U.S.C. § 101 et seq., with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") to commence the chapter 11 bankruptcy cases styled as *In re Gorham Paper and Tissue, LLC, et al.*, Lead Case No. 20-12814 (KBO) (the "Chapter 11 Cases").

WHEREAS, in the 90 days prior to the Petition Date, one or both of the Debtors transferred funds to SCA in the aggregate amount of \$39,000.00 (the "Transfers"). Certain of the Transfers may be avoidable by the Debtors as preference payments pursuant to § 547 of the Bankruptcy Code, and SCA may have defenses to the avoidance of some or all of the Transfers.

WHEREAS, the Debtors scheduled a general unsecured claim held by SCA in the amount of \$25,000.00 (together, the "SCA Claim").

WHEREAS, the Parties intend to resolve through this Agreement, among other things, any and all liability relating to the Transfers and the SCA Claim.

NOW, THEREFORE, in consideration of the foregoing recitals, each of which are true and correct and which are incorporated into and made an integral part of this Agreement, and the terms and conditions hereinafter set forth, the Parties hereby agree as follows:

1. **Settlement Payment.** Not more than five (5) business days after execution of this Agreement by all Parties, SCA shall pay to the Debtors the amount of \$5,000.00 (the "Settlement Payment"). The Debtors shall hold the Settlement Payment in escrow until the Effective Date, at which time the Settlement Payment shall be released to the Debtors.

2. **Effective Date.** This Agreement shall become effective upon the entry of an order granting this Agreement by Bankruptcy Court (the "Effective Date"), including pursuant to Bankruptcy Rule 9019 or an order confirming a plan of liquidation.

3. **Releases.** Except for the obligations contained in this Agreement, upon the Effective Date and release of the Settlement Payment:

(a) SCA releases and discharges the Debtors, the Debtors' bankruptcy estates, and their respective successors and assigns (but not including any purchaser(s) of the Debtors' assets for matters arising on or after the date of sale), shareholders, officers, directors, agents, employees, representatives and attorneys, solely in their respective capacities for the Debtors, the Debtors' bankruptcy estates, and any subsequently appointed trustee (including a chapter 7 trustee, chapter 11 trustee or liquidating trustee), from any and all claims, causes of action, suits, debts, liens, obligations, liabilities, accounts, damages, defenses, sums of money, reckonings, bonds, bills, variances, covenants,

contracts, controversies, agreements, promises, trespasses, judgments, executions, losses, setoffs, recoupments, costs, expenses (including attorneys' fees), demands, in law or in equity, whether known or unknown, or hereafter becoming known, of any kind, character, or nature whatsoever, fixed or contingent, liquidated or unliquidated, arising from the beginning of time to the date of this Agreement, including, but not limited to, the SCA Claim; and

(b) The Debtors, the Debtors' bankruptcy estates, and their respective successors and assigns (including a chapter 7 trustee, chapter 11 trustee, or liquidating trustee), release and discharge SCA and its current and former shareholders, officers, directors, agents, employees, representatives and attorneys, solely in their respective capacities for SCA, from any and all claims, causes of action, suits, debts, liens, obligations, liabilities, accounts, damages, defenses, sums of money, reckonings, bonds, bills, variances, covenants, contracts, controversies, agreements, promises, trespasses, judgments, executions, losses, setoffs, recoupments, costs, expenses (including attorneys' fees), demands, in law or in equity, whether known or unknown, or hereafter becoming known, of any kind, character, or nature whatsoever, fixed or contingent, liquidated or unliquidated, arising from the beginning of time to the date of this Agreement, including, but not limited to, the Transfers.

4. **Condition Precedent and Jurisdiction.** The Parties expressly acknowledge that this Agreement is conditioned on and subject to approval by the Bankruptcy Court. If this Agreement is not approved by the Bankruptcy Court, then this Agreement shall be null and void and of no force or effect, and the Settlement Payment shall be returned to SCA. The Bankruptcy Court shall retain jurisdiction to resolve any disputes or controversies arising from or related to this Agreement. The Parties consent to the jurisdiction of the Bankruptcy Court to resolve any disputes or controversies between the Parties arising from or related to this Agreement.

5. **No Admissions of Liability.** This Agreement is a compromise of claims and shall never be construed as an admission of liability or responsibility for any purpose by any of the Parties.

6. **Choice of Law.** In the event United States bankruptcy law is inapplicable, this Agreement shall be governed by the laws of the State of Delaware and shall be construed and interpreted in accordance with its laws, notwithstanding its conflict of laws, principles or any other rule or regulation that would result in the application of any other state's law.

7. **Authority to Execute This Agreement.** Each individual signing this Agreement on behalf of any Party represents and warrants that he/she has full authority to do so, subject to any applicable order by the Bankruptcy Court.

8. **Entire Agreement.** The Parties acknowledge that this Agreement and the Settlement Order constitute the entire agreement between the Parties with respect to the subject matters hereof, and all prior agreements, term sheets, negotiations, and understandings with respect to the subject matter hereof are canceled and superseded by the same.

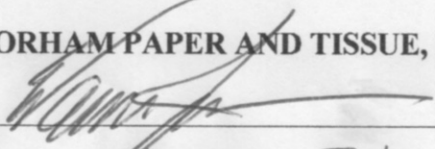
9. **No Oral Modification.** The Parties agree that this Agreement may not be varied in its terms by an oral agreement or representation or otherwise, except by an instrument in writing of subsequent date hereof executed by all of the Parties.

10. **Execution in Separate Parts.** This Agreement may be executed in one or more counterparts, any of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same agreement. Facsimile or otherwise electronically transmitted signatures shall be deemed to have the full force and effect of original ink signatures.

SEEN AND AGREED TO BY:

Date: 6/15/21

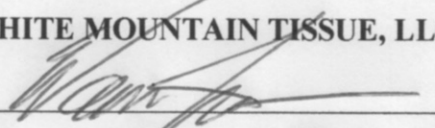
GORHAM PAPER AND TISSUE, LLC

By:  WAYNE Johnson

Its: CFO

Date: 6/15/21

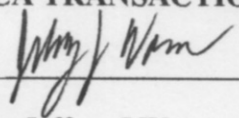
WHITE MOUNTAIN TISSUE, LLC

By:  WAYNE Johnson

Its: CFO

Date: June 4, 2021

SCA TRANSACTION SERVICES, LLC

By:  Jeffrey J Woerner

Its: Member

Exhibit F
Recycling Associates Agreement

SETTLEMENT AGREEMENT

This Settlement Agreement (the "Agreement") is entered into as of June __, 2021, by and among: (i) Gorham Paper and Tissue, LLC and White Mountain Tissue, LLC (collectively, the "Debtors"); and (ii) Recycling Associates, Inc. ("Recycling Assocs."). Collectively, the Debtors and Recycling Assocs. referred to herein as the "Parties."

WHEREAS, on November 4, 2020 (the "Petition Date"), the Debtors filed voluntary petitions for relief under 11 U.S.C. § 101 et seq., with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") to commence the chapter 11 bankruptcy cases styled as *In re Gorham Paper and Tissue, LLC, et al.*, Lead Case No. 20-12814 (KBO) (the "Chapter 11 Cases").

WHEREAS, in the 90 days prior to the Petition Date, one or both of the Debtors transferred funds to Recycling Assocs. in the aggregate amount of \$260,722.00 (the "Transfers"). Certain of the Transfers may be avoidable by the Debtors as preference payments pursuant to § 547 of the Bankruptcy Code, and Recycling Assocs. may have defenses to the avoidance of some or all of the Transfers.

WHEREAS, on December 5, 2020, Recycling Assocs. filed Proof of Claim No. 10 in the Bankruptcy Cases asserting an administrative expense claim under § 503(b)(9) of the Bankruptcy Code in the amount of \$77,369.78 (the "Proof Claim").

WHEREAS, the Debtors scheduled Recycling Assocs. as holding a disputed claim under § 503(b)(9) in the amount of \$77,369.68 and a disputed general unsecured claim in the amount of \$947,801.17 (the "Scheduled Claims") and, together with the Proof of Claim and any other claims held by Recycling Assocs. against the Debtors, the "Recycling Assocs. Claims").

WHEREAS, based on certain paper products purchased by Recycling Assocs. from the Debtors, Recycling Assocs. owes the Debtors \$72,300.00, a portion of which may be subject to reduction for quality credits (the "Receivable").

WHEREAS, the Parties intend to resolve through this Agreement, among other things, any and all liability relating to the Transfers, the Recycling Assocs. Claims, and the Receivable.

NOW, THEREFORE, in consideration of the foregoing recitals, each of which are true and correct and which are incorporated into and made an integral part of this Agreement, and the terms and conditions hereinafter set forth, the Parties hereby agree as follows:

1. **Settlement Payment.** Not more than five (5) business days after execution of this Agreement by all Parties, Recycling Assocs. shall pay to the Debtors the amount of \$28,000.00 (the "Settlement Payment"). The Debtors shall hold the Settlement Payment in escrow until the Effective Date, at which time the Settlement Payment shall be released to the Debtors without any further notice or approval.

2. **Effective Date.** This Agreement shall become effective upon the entry of an order granting this Agreement by the Bankruptcy Court (the "Effective Date"), including pursuant to Bankruptcy Rule 9019 or an order confirming a plan of liquidation.

3. **Releases.** Except for the obligations contained in this Agreement, upon the Effective Date and release of the Settlement Payment:

(a) Recycling Assocs. releases and discharges the Debtors, the Debtors' bankruptcy estates, and their respective successors and assigns (but not including any purchaser(s) of the Debtors' assets for matters arising on or after the date of sale), shareholders, officers, directors, agents, employees, representatives and attorneys, solely in their respective capacities for the Debtors, the Debtors' bankruptcy estates, and any subsequently appointed trustee (including a chapter 7 trustee, chapter 11 trustee or liquidating trustee), from any and all claims, causes of action, suits, debts, liens, obligations, liabilities, accounts, damages, defenses, sums of money, reckonings, bonds, bills, variances, covenants, contracts, controversies, agreements, promises, trespasses, judgments, executions, losses, setoffs, recoupments, costs, expenses (including attorneys' fees), demands, in law or in equity, whether known or unknown, or hereafter becoming known, of any kind, character, or nature whatsoever, fixed or contingent, liquidated or unliquidated, arising from the beginning of time to the date of this Agreement, including, but not limited to, the Recycling Assocs. Claims; and

(b) The Debtors, the Debtors' bankruptcy estates, and their respective successors and assigns (including a chapter 7 trustee, chapter 11 trustee, or liquidating trustee), release and discharge Recycling Assocs. and its current and former shareholders, officers, directors, agents, employees, representatives and attorneys, solely in their respective capacities for Recycling Assocs., from any and all claims, causes of action, suits, debts, liens, obligations, liabilities, accounts, damages, defenses, sums of money, reckonings, bonds, bills, variances, covenants, contracts, controversies, agreements, promises, trespasses, judgments, executions, losses, setoffs, recoupments, costs, expenses (including attorneys' fees), demands, in law or in equity, whether known or unknown, or hereafter becoming known, of any kind, character, or nature whatsoever, fixed or contingent, liquidated or unliquidated, arising from the beginning of time to the date of this Agreement, including, but not limited to, the Transfers and the Receivable.

4. **Condition Precedent and Jurisdiction.** The Parties expressly acknowledge that this Agreement is conditioned on and subject to approval by the Bankruptcy Court. If this Agreement is not approved by the Bankruptcy Court, then this Agreement shall be null and void and of no force or effect, and the Settlement Payment shall be returned to Recycling Assocs. The Bankruptcy Court shall retain jurisdiction to resolve any disputes or controversies arising from or related to this Agreement. The Parties consent to the jurisdiction of the Bankruptcy Court to resolve any disputes or controversies between the Parties arising from or related to this Agreement.

5. **No Admissions of Liability.** This Agreement is a compromise of claims and shall never be construed as an admission of liability or responsibility for any purpose by any of the Parties.

6. **Choice of Law.** In the event United States bankruptcy law is inapplicable, this Agreement shall be governed by the laws of the State of Delaware and shall be construed and

interpreted in accordance with its laws, notwithstanding its conflict of laws, principles or any other rule or regulation that would result in the application of any other state's law.

7. **Authority to Execute This Agreement.** Each individual signing this Agreement on behalf of any Party represents and warrants that he/she has full authority to do so, subject to any applicable order by the Bankruptcy Court.

8. **Entire Agreement.** The Parties acknowledge that this Agreement and the Settlement Order constitute the entire agreement between the Parties with respect to the subject matters hereof, and all prior agreements, term sheets, negotiations, and understandings with respect to the subject matter hereof are canceled and superseded by the same.


9. **No Oral Modification.** The Parties agree that this Agreement may not be varied in its terms by an oral agreement or representation or otherwise, except by an instrument in writing of subsequent date hereof executed by all of the Parties.

10. **Execution in Separate Parts.** This Agreement may be executed in one or more counterparts, any of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same agreement. Facsimile or otherwise electronically transmitted signatures shall be deemed to have the full force and effect of original ink signatures.

SEEN AND AGREED TO BY:

Date: 6/10/21

GORHAM PAPER AND TISSUE, LLC



By: Wayne Johnson

Its: CFO

Date: 6/10/21

WHITE MOUNTAIN TISSUE, LLC

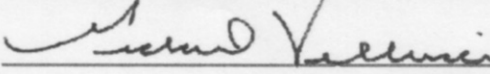


By: Wayne Johnson

Its: CFO

Date: 6/8/2021

RECYCLING ASSOCIATES, INC.



By: Michael Vellucci

Its: Vice President