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UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

In re: TRINITAS ADVANTAGED AGRICULTURE PARTNERS IV, LP, *et al.*,[1] Debtors.	Case No. 24-50211 (DM) (Lead Case) Chapter 11 (Jointly Administered) **DISCLOSURE STATEMENT FOR JOINT CHAPTER 11 PLAN OF LIQUIDATION DATED AUGUST 4, 2026**

[1] The last four digits of Trinitas Advantaged Agriculture Partners IV, LP's tax identification number are 3730. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at https://www.donlinrecano.com/trinitas. The Debtors' service address is 2055 Woodside Road, Suite 195, Redwood City, CA 94061.

DISCLAIMER

THIS DISCLOSURE STATEMENT PROVIDES INFORMATION REGARDING THE *JOINT CHAPTER 11 PLAN OF LIQUIDATION DATED AUGUST 4, 2026* (REFERRED TO HEREIN AS THE PLAN) OF TRINITAS ADVANTAGED AGRICULTURAL PARTNERS IV, LP AND ITS AFFILIATED DEBTORS, WHICH PLAN THE DEBTORS AND THE COMMITTEE (COLLECTIVELY REFERRED TO AND DEFINED HEREIN AS THE PLAN PROPONENTS) ARE SEEKING TO HAVE CONFIRMED BY THE BANKRUPTCY COURT. THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS INCLUDED FOR PURPOSES OF SOLICITING ACCEPTANCES TO, AND CONFIRMATION OF, THE PLAN AND MAY NOT BE RELIED ON FOR ANY OTHER PURPOSE. APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE A DETERMINATION OR RECOMMENDATION BY THE BANKRUPTCY COURT REGARDING THE FAIRNESS OR THE MERITS OF THE PLAN.

THIS DISCLOSURE STATEMENT CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE PLAN, CERTAIN STATUTORY PROVISIONS, AND CERTAIN DOCUMENTS RELATING TO THE PLAN. IN THE EVENT OF ANY CONFLICT, INCONSISTENCY, OR DISCREPANCY BETWEEN THE TERMS AND PROVISIONS IN THE PLAN AND THIS DISCLOSURE STATEMENT, THE PLAN SHALL GOVERN FOR ALL PURPOSES. ALL HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN SHOULD READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING ON THE PLAN.

THE STATEMENTS CONTAINED HEREIN HAVE BEEN MADE AS OF THE DATE HEREOF UNLESS OTHERWISE SPECIFIED. HOLDERS OF CLAIMS AND EQUITY INTERESTS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER AT THE TIME OF SUCH REVIEW THAT THERE HAVE BEEN NO CHANGES IN THE FACTS SET FORTH HEREIN. ALTHOUGH THE PLAN PROPONENTS HAVE MADE AN EFFORT TO DISCLOSE WHERE CHANGES IN PRESENT

CIRCUMSTANCES COULD REASONABLY BE EXPECTED TO AFFECT MATERIALLY THE RECOVERIES UNDER THE PLAN, THIS DISCLOSURE STATEMENT IS QUALIFIED TO THE EXTENT CERTAIN EVENTS DO OR DO NOT OCCUR.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR ANY OTHER NON-BANKRUPTCY LAW. THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY FEDERAL, STATE, LOCAL, OR FOREIGN REGULATORY AGENCY, NOR HAS THE SEC OR ANY OTHER SUCH AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT. ALL PERSONS OR ENTITIES SHOULD EVALUATE THIS DISCLOSURE STATEMENT AND THE PLAN IN LIGHT OF THE SPECIFIC PURPOSE FOR WHICH THE DOCUMENTS WERE PREPARED.

THE PLAN PROPONENTS MAKE STATEMENTS IN THIS DISCLOSURE STATEMENT THAT MAY BE CONSIDERED FORWARD-LOOKING STATEMENTS UNDER THE FEDERAL SECURITIES LAWS. STATEMENTS CONCERNING THESE AND OTHER MATTERS ARE NOT GUARANTEES AND REPRESENT THE DEBTORS' AND THE COMMITTEE'S ESTIMATES AND ASSUMPTIONS ONLY AS OF THE DATE SUCH STATEMENTS WERE MADE AND INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, AND OTHER UNKNOWN FACTORS THAT COULD IMPACT THE JOINT PLAN OR DISTRIBUTIONS THEREUNDER. IN ADDITION TO STATEMENTS THAT EXPLICITLY DESCRIBE SUCH RISKS AND UNCERTAINTIES, READERS ARE URGED TO CONSIDER STATEMENTS LABELED WITH THE TERMS "BELIEVES," "BELIEF," "EXPECTS," "INTENDS," "ANTICIPATES," "PLANS," OR SIMILAR TERMS TO BE UNCERTAIN AND FORWARD-LOOKING. CREDITORS AND OTHER INTERESTED PARTIES SHOULD

ALSO REVIEW THE SECTION OF THIS DISCLOSURE STATEMENT ENTITLED "RISK FACTORS" FOR A DISCUSSION OF CERTAIN FACTORS THAT MAY AFFECT THE PLAN AND DISTRIBUTIONS THEREUNDER.

THE PLAN PROPONENTS RESERVE THE RIGHT TO AMEND OR SUPPLEMENT THIS PROPOSED DISCLOSURE STATEMENT AT OR BEFORE THE CONFIRMATION HEARING.

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THE EXHIBITS AND SCHEDULES ATTACHED TO THIS DISCLOSURE STATEMENT ARE INCORPORATED BY REFERENCE AS THOUGH FULLY SET FORTH HEREIN

I. INTRODUCTION

A. Summary

The Debtors and the Committee (each as defined below) in the above-captioned chapter 11 cases (the "Chapter 11 Cases") hereby submit this disclosure statement (the "Disclosure Statement") pursuant to section 1125 of title 11 of the United States Code (the "Bankruptcy Code"), in connection with the solicitation of votes on the *Joint Chapter 11 Plan of Liquidation dated August 4, 2026*, proposed by the Debtors and the Committee (as amended, modified, or supplemented from time to time pursuant to its terms, the "Plan").[2]

This Disclosure Statement describes in detail the historical background that led to the bankruptcy cases of Trinitas Advantaged Agriculture Partners, IV, LP, a limited partnership organized under the laws of Delaware ("TAAP IV") and the following wholly owned subsidiaries of TAAP IV (collectively, the "Debtor Farm Subsidiaries" and, together with Trinitas Farming, LLC ("Trinitas Farming") and TAAP IV, the "Debtors"), all of which, including Trinitas Farming, are formed under the laws of the State of California: Dixon East LLC; Turf Ranch LLC; Rasmussen LLC; Johl LLC; Chiala LLC; Hall Ranch LLC; Porterville LLC; Tule River Ranch, LLC; Dinuba Ranch, LLC; Jeffrey Ranch, LLC; Toor Ranch, LLC; Lamb Ranch, LLC; Fry Road, LLC; Adobe Ranch, LLC; Marucci Ranch, LLC; Ratto Ranch, LLC; and Phelps Ranch, LLC. TAAP IV is also the sole member of Debtor Trinitas Farming.

The Plan is a liquidating chapter 11 plan. The Plan provides for proceeds of assets liquidated and/or to be liquidated over time to be distributed by the Plan Administrator to holders of Allowed Claims in accordance with the terms of the Plan and the provisions of the Bankruptcy Code. Except as otherwise provided by order of the Bankruptcy Court, Distributions will occur on the Effective Date or as soon thereafter as is practicable. The Debtors will cease to be debtors in possession on the Effective Date and the Estates' assets and liabilities will be distributed by the Plan Administrator in accordance with the terms of the Plan.

[2] All capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Plan.

Subject to the restrictions on modifications set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, as well as those restrictions on modifications set forth in Article XIV.C of the Plan, the Plan Proponents expressly reserve the right to alter, amend, or modify the Plan one or more times before its substantial consummation.

B. Overview of the Plan

Chapter 11 is the chapter of the Bankruptcy Code primarily used for business reorganization. Under chapter 11, a debtor is authorized to reorganize its business for the benefit of its constituents. A bankruptcy plan is a vehicle for satisfying the rights of holders of claims against and equity interests in a debtor. Consummation of a plan is the overriding purpose of a chapter 11 case.

In these Chapter 11 Cases, the Plan contemplates a liquidation of each of the Debtors and is therefore referred to as a "plan of liquidation." A plan of liquidation sets forth the means for treatment of claims against and equity interests in a debtor. Confirmation of a plan of liquidation by a bankruptcy court makes such plan binding on the debtor and any creditor of, or interest holder in, the debtor, whether or not such creditor or interest holder (i) is impaired under or has accepted the plan or (ii) receives or retains any property under the plan.

The Debtors' real estate portfolio and related assets and farm equipment have been sold, and the proceeds used to pay down the Rabo Secured Claim. The Debtors have also sold all of their equipment and their indirect interest in WL Olives (defined below), with those proceeds being distributed to Rabo or the Debtors in accordance with the Case Issues Stipulation and the Compromise and Settlement Agreement. After concluding the sales of substantially all of the Debtors' tangible assets during these Chapter 11 Cases, the Debtors' remaining assets consist of approximately $5 million in cash, which the Plan Proponents propose to distribute pursuant to the Plan, including approximately $3 million of Rabo GUC Gift Cash, which, together with the proceeds from any other Rabo GUC Gift Assets, if any, the Plan Proponents propose to distribute to the Holders of Allowed Class 4A General Unsecured Claims.

The Plan provides for the appointment of a Plan Administrator, who will administer and liquidate all remaining property of the Debtors and their Estates, and whose expenses and fees will be paid pursuant to the Plan, all as described more fully in Article V of the Plan. The Plan also provides for Plan Distributions to be made to certain Holders of Administrative Claims, Professional Fee Claims, Priority Tax Claims, Other Secured Claims, Priority Claims, and General Unsecured Claims. The Plan further provides for deemed consolidation of all of the Debtors as of the Effective Date. Finally, the Plan contemplates the cancellation of all Equity Interests in the Debtors, the dissolution and wind up of the affairs of the Debtors, and the administration of any remaining assets of the Estates by the Plan Administrator.

II. BACKGROUND AND DISCLOSURES

A. Background

1. The Debtors' Corporate Structure

Debtor TAAP IV is an investment vehicle that was organized in 2015 by Trinitas Partners, LLC, a California limited liability company ("Trinitas Partners"), to acquire, develop, cultivate, and operate primarily almond ranches in the Central Valley of California. The general partner of TAAP IV is Trinitas GP. TAAP IV owned and, through its subsidiary, Debtor Trinitas Farming, operated 17 almond ranches (the "Almond Ranches"), each of which was held by a separate Debtor Farm Subsidiary. The Almond Ranches covered 7,856 planted acres in Solano, Contra Costa, San Joaquin, Fresno, and Tulare Counties.

Trinitas Partners provided advisory services to TAAP IV pursuant to an advisory agreement, which entitled Trinitas Partners to receive a management fee, which fee, as of the Petition Date, had accrued but not been paid for some time.

In addition to the Debtor Farm Subsidiaries, TAAP IV is the sole member and manager of non-Debtor South Olive Holdings, LLC ("South Olive"). South Olive owned an approximately 79% economic interest in WL Olives, LLC, a Delaware limited liability company ("WL Olives"), the remaining approximately 21% of which was owned by Westlake Farms, Inc., a California corporation ("Westlake Farms"), which was in turn owned by the family of Ceil Howe III, a principal of Trinitas Partners, or trusts affiliated with Mr. Howe's family. As of the Petition Date, WL Olives owned a 754-acre olive ranch and was managed by South Olive. A corporate organization chart of the Debtors and their affiliated non-Debtor entities is attached hereto as **Exhibit A**.

2. The Debtors' Businesses

Through the Debtor Farm Subsidiaries and WL Olives, TAAP IV owned 8,610 planted acres of land (the "Portfolio"). Of these, 3,095 acres were in the "Delta" region (Solano County), 3,218 acres in the "Dixon" region (Contra Costa and San Joaquin Counties), and 1,543 acres in the "Southlands" region (Fresno and Tulare Counties). The balance (754 acres) is comprised of the olive ranch owned by WL Olives.

Historically, and until shortly before the Petition Date, Trinitas Farming served as a "clearinghouse" for the financial transactions involved in purchasing goods and services for the Debtor Farm Subsidiaries. Trinitas Farming's shared services offered the parties convenience and economies of scale by providing shared vendor arrangements and equipment across multiple properties. Trinitas Farming provided these services at allocated cost, *i.e.*, with no markup or profit to Trinitas Farming. These services included, but were not limited to, farm production management and services related to maintaining crop health, agronomy, pest control, harvesting, sustainability, equipment/fleet operations, procurement, and finance/accounting.

In addition to providing services to the Debtor Farm Subsidiaries, Trinitas Farming provided the same services, on a shared, allocated-cost basis (including the allocated cost of Trinitas Farming's payroll), to non-Debtor Pomona Farming LP, now named Pomona Farming, LLC ("Pomona"), which owns almond and other orchards/farms adjacent or close to some of the Portfolio properties. Trinitas Farming provided these services to Pomona pursuant to a Farm Services Agreement dated March 31, 2017, on the same at-cost terms as those provided to the Debtors.

Until shortly before the Petition Date, Trinitas Farming employed 51 employees who provided farm services to the Portfolio properties and Pomona. Because Pomona's farm portfolio is significantly larger than the Debtors' Portfolio, as of shortly before the Petition Date, approximately 80% of the services provided by Trinitas Farming were provided to, and paid for by, Pomona ranches; the vast majority of the work performed by Trinitas Farming's employees was performed for Pomona properties and paid for by Pomona.

Shortly before the Petition Date, in light of the Debtors' financial situation, the Debtors determined that it would be in the Debtors' and their creditors' best interests to reduce ongoing obligations, including to employees, vendors, and Pomona, by terminating Trinitas Farming's employees, having Pomona rehire the same employees, and entering into an Amended and Restated Farm Services Agreement (the "Amended and Restated Farm Services Agreement"), dated February 15, 2024. Pursuant to the Amended and Restated Farm Services Agreement, Pomona provided the same services to the Debtor Farm Subsidiaries and other orchards owned by TAAP IV as were previously provided to Pomona by Trinitas Farming under the original Farm Services Agreement, on the same at-cost basis and the same or similar terms. The Amended and Restated Farm Services Agreement terminated by agreement of the parties thereto on March 31, 2025.

3. The Debtors' Capital Structure

a. Equity

The Almond Ranches acquired by the Debtors generally required development and time to reach peak production capacity and therefore required considerable initial investment before reaching positive cashflow. The vast majority of TAAP IV's equity is held by institutional investor limited partners that are unrelated to any of the members of Trinitas Partners. The limited partners contributed approximately $197 million of capital to TAAP IV.

b. Rabo's Secured Debt

The Debtors were further capitalized with secured debt provided by Rabo. On or about November 15, 2022, TAAP IV entered into a loan agreement (the "Loan Agreement") with Rabo, as administrative agent and lender, to provide TAAP IV with a term loan of up to $130 million (the "Term Loan") and delayed draw loans (the "Delayed Draw Loans") of up to $38 million, all upon the terms and conditions set forth therein (the "Loan"). As of the Petition Date, the Term Loan had been fully disbursed, and $29 million of Delayed Draw Loans were outstanding.

All of the Debtor Farm Subsidiaries guaranteed repayment of the Loan pursuant to the Loan Agreement. Repayment of the Loan was secured by deeds of trust and fixture filings recorded against title to all of the Debtor Farm Subsidiaries' real property. The Loan was also secured by a validly-perfected lien in and to all of the Debtor Farm Subsidiaries' other assets.

As of the Petition Date, the Loan balance was approximately $161 million, comprising $159 million in principal, plus approximately $1.8 million in interest (including default interest (discussed further below) but excluding certain fees and costs).

c. Unsecured Debt

In addition to the foregoing obligations, the Debtors owed approximately $2.9 million to the Holders of Allowed Class 4A Claims, and Pomona asserted that, as of the Petition Date, Trinitas Farming owed $10,858,774.00 to Pomona.[3]

4. Events Leading Up to the Chapter 11 Filing

A number of factors led to the need to file these Chapter 11 Cases.

a. Market Events and Operations

First, and most importantly, almond prices dropped to near record lows and have been at extremely low levels for over two years. The current average price of almonds is about $1.74 per pound, sharply below the trailing 10-year average almond prices of approximately $2.50 per pound. Adjusted for inflation, current prices are at an all-time low, and a significant portion of California's almond growers and producers are selling below their cost of production and operation. Unlike many other businesses and some other types of agriculture, almond farmers are not able to "turn off" their almond trees or "turn down" the trees by eliminating or dramatically reducing their farming activities in order to reduce expenses when almond prices are low. Doing so would kill or meaningfully impair the almond trees, destroying the stream of future almond production. Therefore, the Debtors' almond orchards needed to be prudently farmed and operated until the market recovered and prices improved.

[3] Pomona advanced certain payments to Trinitas Farming for its pro rata share of costs and expenses incurred by Trinitas Farming for Pomona's benefit for which Trinitas Farming did not pay the corresponding third-party vendors as of the Petition Date.

Second, rising interest rates have dramatically increased the cost of debt service. While the Term Loan is a fixed rate loan, the Delayed Draw Loans are set at a floating rate, pegged to SOFR (which has nearly doubled since the Debtors entered into the Loan) and adjusted monthly. As a result, the Debtors' quarterly interest payment obligations increased significantly in the 15 months since the Loan was made until the Petition Date.

Third, as of the Petition Date, the Debtors' orchards were not old enough to generate mature production of almonds. As a result, they still required an additional two or so years of farming and operations before they would be able to generate mature almond production and corresponding revenue, leading to the need to fund operating losses as a part of the normal development cycle of young almond orchards. (This need would exist even if almond prices suddenly reverted to normal ranges.) As such, the Debtors' operations remained cashflow-negative. The rising cost of capital has made the Debtors' capital needs harder to address.

b. Attempts to Raise Capital and Sell Assets

The Debtors and Rabo began discussions in the middle of 2023 regarding a restructuring of the debt owed to Rabo and/or a partial or complete sale of the Portfolio. In the months leading up to the Petition Date, the Debtors also, in consultation with Rabo, continued to seek potential opportunities to sell some of the Portfolio, including WL Olives, in order to pay down the Rabo debt and/or use the sale proceeds to fund working capital for the remaining orchards. Increased interest rates, however, had put significant downward pressure on the value of all real estate, including agricultural land, and the Debtors ultimately were unable to reach an agreement to sell any portion of the Portfolio on terms that were acceptable to the Debtors and Rabo.

c. Events of Default

On or about February 6, 2024, Rabo served TAAP IV and the Debtor Farm Subsidiaries with a Notice of Default and Imposition of Default Interest Under Loan Documents (the "Notice of Default"). The Notice of Default asserted events of default with respect to the impairment of ability to repay the Loan as a result of a Material Adverse Effect and breach of the covenant requiring a 60% loan to value ratio with respect to outstanding loans. Pursuant to the Notice of

Default, Rabo imposed the Default Rate with respect to the Term Loan and the Delayed Draw Loans, with a reservation of its other rights and remedies.

Following discussions with Rabo, the Debtors and Rabo agreed that it would be in the best interests of the Debtors and their creditors for the Debtors to commence these proceedings and for Rabo to provide debtor-in-possession financing, as described more fully below, to fund an orderly and managed sale process of the Portfolio, as a whole or in lots, to pay off the Rabo debt and satisfy other outstanding debt.

B. Commencement of the Chapter 11 Cases

On February 19, 2024 (the "Petition Date"), with the support of Rabo, the Debtors commenced voluntary cases under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of California to implement an orderly sale and liquidation of their assets for the benefit of creditors and other stakeholders. The Chapter 11 Cases are being jointly administered under the case caption: *In re Trinitas Advantaged Agriculture Partners Iv, LP, et al.*, case No. 24-50211 (DM).

The following is a brief description of certain major events that have occurred during these Chapter 11 Cases.

1. First Day Filings

On or about Petition Date, the Debtors Filed certain "first day" motions and applications with the Bankruptcy Court (the "First Day Motions") seeking certain immediate relief to aid in the efficient administration of these Chapter 11 Cases and to facilitate the Debtors' transition to debtor-in-possession status. The Bankruptcy Court held a hearing on these first-day motions on February 22, 2024, with subsequent hearings held thereafter, with respect to certain of the First Day Motions. In connection with these hearings, the Bankruptcy Court entered a series of customary "first day" orders, including an order to jointly administer the Debtors' Cases; an order authorizing the Debtors to maintain their prepetition bank accounts and cash management system; an order permitting the payment of certain prepetition tax liabilities; and a motion establishing procedures to provide utilities serving the Debtors with adequate assurance of payment pursuant to section 366 of the Bankruptcy Code.

2. DIP Financing Motion

Among the First Day Motions that the Debtors brought and for which relief was granted (first on a series of interim bases, and ultimately, on a final basis) was a motion (the "DIP Motion") seeking interim and final approval to obtain debtor-in-possession financing (the "DIP Loan" or "DIP Facility") from Rabo to, among other things, pay the costs of their operations and the administrative costs of the Chapter 11 Cases.

Pursuant to the DIP Motion, the Debtors sought and obtained interim Bankruptcy Court approval for an initial draw of $1 million and a second draw of $5.5 million, as well as final Bankruptcy Court approval to borrow up to a total of $30 million (including the first and second draws) on the terms and conditions set forth in the DIP Facility (which included milestones for the sale of all of the Almond Ranches) and an adequate protection lien in favor of Rabo in its capacity as prepetition lender.

3. Debtors' Professionals

With approval of the Bankruptcy Court, the Debtors have retained the following professionals to advise them: (a) Keller Benvenutti Kim LLP, as general insolvency counsel; (b) Arch & Beam Global, LLC, as financial advisor; (c) ArentFox Schiff LLP as special corporate and real estate counsel; (d) Moss Adams LLP, as tax advisor; (e) Kokjer, Pierotti, Maiocco & Duck LLP, as successor tax advisor, upon the resignation of Moss Adams; (f) MD Graham & Associates, Inc. d/b/a GBB Advisors and Graham and Associates (the "Farm Broker") as real estate broker; (g) Donlin, Recano & Company, LLC (f/k/a Donlin, Recano & Company, Inc.), as administrative advisor (in addition to serving as claims and noticing agent); and (h) Onyx Asset Advisors, LLC to serve, in partnership with Martella & Black Auction Co., as sale agent for the sale of the Debtors' farm equipment (the "Equipment Sale Agent").

4. Appointment of the Unsecured Creditors' Committee and Committee Professionals

On March 7, 2024, the United States Trustee appointed the following individuals/entities to serve on an Official Committee of Unsecured Creditors, to represent the interests of general unsecured creditors in these cases: Scott A. Eastom on behalf of The Hulling Company; Coult Dennis on behalf of Superior Soil Supplements LLC; and Marcus Galvin.

The Committee retained legal counsel and financial advisors to assist it in these cases. Counsel to the Creditors' Committee are Raines Feldman Littrell LLP and Husch Blackwell LLP, and the Committee retained Dundon Advisers, LLC as its financial adviser.

5. Section 341(a) Meeting of Creditors

The initial meeting of creditors under section 341(a) of the Bankruptcy Code was held on March 25, 2024, and thereafter continued to May 1, 2024. At the initial meeting of creditors, the U.S. Trustee and creditors asked questions of a representative of the Debtors.

6. Schedules, Statements of Financial Affairs, and Claims Bar Dates

On April 17, 2024, the Debtors Filed their Schedules of Assets and Liabilities and Statements of Financial Affairs. *See* Docket Nos. 176–213.

The Bankruptcy Court established (i) June 24, 2024, at 11:59 p.m. (prevailing Pacific Time) as the deadline (or "bar date") for Creditors (other than governmental units) to File proofs of claim against the Debtors (including Claims arising under section 503(b)(9) of the Bankruptcy Code); and (ii) September 23, 2024, at 11:59 p.m. (prevailing Pacific Time) as the deadline for any governmental unit (as such term is defined in section 101(27) of the Bankruptcy Code) to File proofs of claim against the Debtors.

C. The Sales of the Debtors' Assets

The DIP Loan included among its conditions the requirement that the Debtors meet certain milestones with respect to the sale of their assets. Consistent with those milestones, the Debtors retained an experienced and qualified real estate broker to market and sell the Portfolio. The Farm Broker ran a Court-approved sale process that culminated in an auction (the "Auction") on June 6, 2024.

On March 29, 2024, the Debtors Filed a motion (the "Bid Procedures Motion") proposing a timeline for the Auction and the necessary qualifications and preconditions for a potential bidder to submit a bid and participate. The Bid Procedures Motion, as modified, was approved by an order (the "Bid Procedures Order") entered by the Court on April 29, 2024. Thereafter, the

Debtors, their professionals, and the Farm Broker conducted the Auction in compliance with the Bid Procedures Order.

1. The Auction of the Almond Ranches

The Auction was held by the Debtors on June 6, 2024, and was overseen both by the Committee and Rabo. A transcript of the proceedings was recorded by a court reporter.

All of the Almond Ranches were sold at the Auction with the exception of the Phelps Ranch, the Porterville Ranch, and the Toor East Ranch (although the closing of the sale of the Lamb Ranch was delayed until December 6, 2024, to address certain issues raised by the buyer). The results of the Auction are summarized below:

Property	Successful Bidder(s)	Successful Bid
Adobe	Vital Farmland	$35,648,900.00
Lamb Ranch		
Marcucci Ranch		
Lerda Ranch	Joe Lawrence Ribeiro Family Partnership	$8,258,217.00
Picanso Ranch	US Agriculture, LLC	$8,024,237.00
Dinuba Ranch	Gursewak Brar	$2,960,595.00
Toor West	Gary Fernandes	$3,017,475.00
Johl Ranch	Scott Nagra & Kewal Singh	$6,580,000.00
Onsum Ranch (Dixon East)	Ravindra & Naina Balupari	$2,050,000.00
Jeffrey 17 Ranch	Sukjheet Batth	$3,600,000.00
Ratto 1–5	Joseph P. Ratto & Linda A. Ratto 2000 Revocable Trust	$4,353,920.00
Hall North	SF Florin LP	$40,000,000.00
Hall South		
Rasmussen 150 Ranch		

Property	Successful Bidder(s)	Successful Bid
Rasmussen 277 Ranch		
Rasmussen 315 Ranch		
Chiala 1 Ranch		
Chiala 2 Ranch		
Chiala 3 Ranch		
Turf Ranch		
Fry Road Ranch	Kewal Singh & Scott Nagra	$7,000,000.00

The following were selected as back up bidders in accordance with the Bid Procedures:

Property	Back-Up Bidder(s)	Back-Up Bid
Lamb Ranch	Kalyani Jaladi	$20,500,000.00
Marcucci Ranch		
Lerda Ranch	US Agriculture, LLC	$7,152,494.00
Johl Ranch	Mandeep Singh	$6,430,000.00
Onsum Ranch (Dixon East)	Mandeep Singh	$2,000,000.00

Pursuant to rights reserved in the Bid Procedures Order, the Committee Filed certain objections in connection with the Debtors' request to the Court to approve the results of the Auction. Those objections were resolved by way of the Carve Out Stipulation (discussed below) by and between Rabo and the Committee.

Pursuant to the stipulation, the Committee withdrew its objection at the sale hearing and on June 17, 2024, and the Court entered an order (the "Sale Order"), confirming the results of the Auction.

The Debtors closed transactions with all of the successful bidders, generating net sale proceeds of $118,941,218.85, which proceeds were paid to Rabo on account of the DIP financing first, and then on account of Rabo's prepetition debt after the DIP Facility had been paid in full.

2. Sale of the Remaining Almond Ranches

Three of the Almond Ranches were not sold at the Auction described above: (a) the Toor East Ranch; (b) the Porterville Ranch; and (c) the Phelps Ranch. After the Auction, the Farm Broker and the Debtors solicited and received offers for these Almond Ranches that were deemed credible and within the range of an acceptable price. Based on these offers, the Farm Broker and the Debtors, in consultation with Rabo and the Committee, negotiated the following agreements for the sale of the foregoing properties:

A. **Toor East**: A sale of Toor East Ranch to Road 88, LLC for a purchase price of $932,960.00 plus reimbursement of cultural costs incurred by the seller with respect to 2024 and 2025 crops in the amount of $130,500.00. The sale was approved by the Bankruptcy Court by order entered on September 12, 2024 [Docket No. 519] and closed on September 26, 2024. This sale generated net proceeds of $1,065,029.39, which were paid to Rabo on account of its prepetition debt.

B. **Porterville**: A sale of the Porterville Ranch to Jace Vanderham and Josina Vanderham, Trustees of the Vanderham Family Revocable Trust of November 1, 2016, for a purchase price of $7 million, plus reimbursement of cultural costs incurred by the seller with respect to 2024 and 2025 crops totaling $920,000. The sale was approved by the Bankruptcy Court by order entered on September 12, 2024 [Docket No. 519] and closed on October 1, 2024. This sale generated net proceeds of $7,530,389.09, which were paid to Rabo on account of its prepetition debt.

C. **Phelps**: A sale of the Phelps Ranch to Premium CA Orchards was negotiated for a purchase price of $7,644,980.00, plus reimbursement of cultural costs incurred by the seller with respect to 2024 and 2025 crops. The sale was approved by the Bankruptcy Court by order entered on October 16, 2024 [Docket No. 559] and closed on October 24, 2024. This sale generated net proceeds of $9,733,297.36, which were paid to Rabo on account of its prepetition debt.

In total, $137,269,934.69 was paid to Rabo on account of the sales of the Debtors' Almond Ranches.

3. Collection of 2024 Crop Receivables

The Debtors have collected approximately $2,638,052.84 in outstanding 2024 crop receivables not sold to the third parties as part of the asset sales discussed above. Those net proceeds have been applied to the Rabo Secured Claim.

4. Farm Equipment Sale

On June 2, 2025, the Debtors Filed a motion (the "Farm Equipment Sale Motion") [Docket No. 787] seeking authority to sell certain owned and leased farm equipment (the "Farm Equipment") free and clear of liens, claims, encumbrances and interests, which was approved by order entered on July 10, 2025 [Docket No. 836]. An auction conducted by the Equipment Sale Agent generated gross sale proceeds of $1,352,252.66 from the owned Farm Equipment and $571,959.53 from the leased Farm Equipment. The Debtors were required to pay $126,722.81 to the Equipment Sale Agent for commissions and costs, and to pay $436,245.57 to buy out leases relating to some of the sold equipment, resulting in $1,361,243.81 in net proceeds.[4] As there was a dispute between Rabo and Pomona as to entitlement to the net proceeds, the order approving the Farm Equipment Motion required the Debtors to hold those proceeds subject either to a stipulated agreement between the Debtors, Rabo, and Pomona, or a further order of court. When no agreement was forthcoming, the Debtors gave notice that they had concluded that Pomona had no valid lien in the net proceeds and intended to distribute them in full to Rabo. Thereafter, Pomona Filed an objection to the proposed distribution, asserting an interest in the proceeds senior to any lien and claim of Rabo. Pomona's objection and claims were subsequently resolved pursuant to the Compromise and Settlement Agreement (discussed below), ultimately resulting in the Equipment Sale Proceeds being applied to the Rabo Adequate Protection Claim, except for $100,000.00 being contributed to the Rabo GUC Gift Cash.

5. WL Olives

As noted above, TAAP IV is the sole member of South Olive, a non-debtor entity which owned an approximately 79% economic interest (the "WL Olives Membership Interest") in WL Olives, which in turn owned a 754-acre olive ranch (the "WL Olives Ranch"), the remaining approximately 21% economic interest being owned by Westlake Farms, an affiliate of one of the principals of Trinitas Partners. Pursuant to the operating agreement governing WL Olives, South Olive is the managing member with the authority to sell the WL Olives Ranch or the WL Olives

[4] The lease buyout amount was advanced by Rabo from the Holdback and was reimbursed to Rabo from the proceeds of the sale.

Membership Interest, subject to a right of first offer held by Westlake Farms upon the terms and conditions more fully set forth therein.

The Debtors retained a broker and made efforts to sell the WL Olives Ranch on the open market but ultimately concluded that a private sale of either the WL Olives Membership Interest or the WL Olives Ranch represented the fastest, most certain, and likely the highest and best return. After extensive and lengthy negotiations with Westlake Farms and its affiliates (and with the input and participation of Rabo and the Committee), TAAP IV, South Olive, and Westlake Farms and its affiliates and assigns (including Howe Family LP, "Howe LP") entered into that certain purchase and sale agreement dated October 3, 2025 (the "WL Olives PSA"), pursuant to which South Olive agreed to sell the WL Olives Membership Interest to Howe LP, or its assignee, for a purchase price of $7,500,000, minus the outstanding balance as of the closing date of the sale of a loan from American AgCredit, estimated by the parties to be $1,846,000 (the "AAC Loan"), secured by a first priority lien encumbering the WL Olives Ranch.[5]

As a condition of closing, the parties entered into a mutual general release, pursuant to which the Debtors, Trinitas Partners, LLC, South Olive, and their officers, directors, managers, agents, and equity holders agreed to release the Buyer Releasees, as defined in the WL Olives PSA, from claims related to WL Olives, the WL Olives Membership Agreement, the Chapter 11 Cases, and the WL Olives Ranch, including a waiver under section 1542 of the California Civil Code, except that the release of Ceil Howe III did not include the release of any claims against him related in any way to his acting as an officer, director, manager, or member of Trinitas Partners, LLC; TAAP IV GP, LLC; Pomona Farming, LP; Pomona Farming GP, LLC; or any of the Debtors. The mutual release also includes a release by Howe LP, Westlake Farms, WL Olives, and their related parties of claims against the Debtors, Trinitas Partners, LLC, South Olive, and their related companies and individuals.

On October 15, 2025, the Debtors filed a motion (the "WL Olives Sale Motion") [Docket No. 934] seeking authority to enter into the WL Olives PSA and the transactions contemplated by

[5] TAAP IV was a guarantor of WL Olives' obligations under the AAC Loan.

the agreement, including the releases. The Committee Filed a limited objection to the WL Olives Sale Motion, objecting to the scope and form of releases being granted by the Debtors.[6] Pomona also Filed a limited objection to the motion, which did not object to the sale itself but rather contended that the proceeds of sale should be segregated and reserved pending resolution of disputes raised by Pomona regarding the scope and amount of Rabo's replacement liens and superpriority claim and Rabo's entitlement to those proceeds. By order entered on November 14, 2025 [Docket No. 1006], the Bankruptcy Court overruled Pomona's limited objection and approved the WL Olives Sale Motion, subject to a full reservation of the rights, remedies, and claims asserted by Pomona with respect to entitlement to the net proceeds. Those issues were ultimately resolved in the Compromise and Settlement Agreement (discussed below).

By agreement of the parties, the closing date for the transaction was extended and the sale ultimately closed on February 12, 2026. After sale costs and a $1,839,861.71 payment to satisfy the AAC Loan, the net proceeds of the sale were $5,660,138.29, of which $2.25 million was paid into the Rabo GUC Gift Account, and the balance was paid to Rabo on account of the Rabo Adequate Protection Claim.

D. Agreements Underpinning the Plan

The Plan is a liquidating plan that, in substance, implements four significant settlements entered into during the Chapter 11 Cases between, as applicable, the Committee, the Debtors, Rabo, and Pomona—namely: (i) the Carve Out Stipulation; (b) the Holdback Stipulation; (iii) the Case Issues Stipulation; and (iv) the Compromise and Settlement Agreement.

1. The Carve Out Stipulation

The Carve Out Stipulation entered into by and between Rabo and the Committee, which was Filed on June 14, 2024 [Docket No. 381], included the following material terms:

A. The creation of a carve-out from the Rabo Prepetition Collateral for the sole benefit of the holders of Allowed General Unsecured Claims (other than Rabo and any insider of the Debtors) comprising: (i) the cash amount of $2,275,000; (ii) any and all claims and causes of action of the Debtors or their Estates under §§ 502(d), 542,

[6] The Committee's objections were resolved by certain modifications to the scope and form of the releases to be delivered by the Debtors.

544, 545, 547, 548, 549, 550, 551, 553(b), and 724(a) of the Bankruptcy Code (Avoidance Actions); (iii) any and all claims and causes of action of the Debtors or their Estates against insiders, current or former directors, officers, managers, employees, stakeholders, or partners of the Debtors, any affiliate of the Debtors, Trinitas Farming, Trinitas Advantaged Agriculture Partners IV GP, LLC and/or Trinitas Partners, LLC, including D&O Insider Claims; and (iv) any and all proceeds of the foregoing claims and causes of action, including proceeds of insurance.

B. The Carve-Out as defined in the DIP Order (a set aside for professional fees incurred in these Cases by the professionals retained by the Committee) was to be increased by $500,000.

C. The foregoing and other terms of the stipulation were to be incorporated in a plan of reorganization (the parties having agreed that the Plan is consistent with the terms of the stipulation, as amended by subsequent agreements).

To the extent that the Carve Out Stipulation purported to assign assets that were not, in fact, part of the Rabo Prepetition Collateral, the Plan assigns to Class 4A (the Class benefited by the Carve Out Stipulation) Rabo's rights to receive distributions under the Plan as a general unsecured creditor on account of the liquidation of those assets, in accordance with the Carve Out Stipulation.

2. The Holdback Stipulation

Pursuant to a Bankruptcy Court-approved stipulation entered into by and between the Committee, Rabo, and the Debtors (the "Holdback Stipulation"), certain proceeds of the sales of the Almond Ranches were distributed to Rabo, as discussed further below.

The Holdback, in the original amount of $20 million, was to pay Holdback Obligations, comprising: (a) those uses committed to ensuring the administrative solvency of the Estates including the payment of (i) all Allowed Professional Fee Claims; (ii) all statutory fees owed to the United States Trustee; (iii) the Rabo GUC Gift Cash (if and to the extent that the Rabo GUC Gift Cash is to be paid from the Proceeds (as defined in the Carve Out Stipulation) in accordance with the Carve Out Stipulation); (iv) all Allowed Priority Tax Claims and all Allowed Other Priority Claims; and (v) all Allowed Administrative Expenses other than Allowed Professional Fees (which are expressly provided for in subsection (i) above), including all Claims allowed pursuant to section 503(b)(9) of the Bankruptcy Code; and (b) the Wind Up Expenses.

3. The Case Issues Stipulation

There were a number of issues of dispute between the Debtors, the Committee and Rabo that were not resolved by the Carve Out Stipulation and the Holdback Stipulation—namely: (i) the extent to which Holdback funds could be used to pay the Estates' ongoing costs and expenses pending confirmation of a plan and could be contributed to pay non-insider creditors and the Committee's professional fees (whether arising before or after confirmation of a plan); (ii) the entitlement of the Estates and Rabo to the proceeds generated from a sale of the WL Olives Ranch or the WL Olives Membership Interest; (iii) the fact, timing, and extent of diminution in value of the Rabo Prepetition Collateral and, relatedly, Rabo's right to an Adequate Protection Lien upon the Adequate Protection Collateral (including the Debtors' interests in South Olive, which received the proceeds from the sale of the WL Olives Membership Interest); and (iv) the validity of Rabo's proofs of claim asserted in the Cases.

Pursuant to that certain Joint Stipulation Between the Debtors, the Committee of Unsecured Creditors, and Rabo AgriFinance, LLC Resolving Certain Outstanding Case Issues (the "Case Issues Stipulation") [Docket No. 804], approved by order of the Bankruptcy Court entered June 24, 2025 [Docket No. 817], the parties to the Case Issues Stipulation agreed as follows:

A. The GUC Carve Out Account was supplemented by additional cash in an amount equal to 50% of the net proceeds that the Debtors (or their successors) were entitled to receive from the sale of the WL Olives Membership Interest, up to a cap of $2.25 million.

B. The parties agreed that all of the Debtors' interests in the WL Membership Interest, the WL Ranch, and all other assets included in the definition of DIP Collateral constitute DIP Collateral and, more specifically, Adequate Protection Collateral, and would be treated accordingly in any plan (i.e., the net proceeds from the liquidation of those assets shall be paid to Rabo on account of its Allowed Secured Claim).

C. The GUC Carve Out Account was to be the sole source of funds to pay the allowed fees and expenses of professionals retained by the Committee to the extent such allowed fees and expenses exceed $1,150,000 (i.e., up to this cap, such fees and expenses are to be paid from the Holdback).

D. Upon approval of the Case Issues Stipulation, Rabo was to receive (and did in fact receive) a distribution of $7 million from the Holdback, to be credited to the Rabo Secured Claim.

E. A Wind Up Reserve (as defined in the Case Issues Stipulation) of $875,000 was established, to fund the wind up of the Debtors pursuant to a plan of reorganization.

F. Subject to fulfillment of its obligations under the Case Issues Stipulation, the Committee released all claims against Rabo and agreed to the allowance of Rabo's proof of claim in any plan.

4. The Compromise and Settlement Agreement

On May 1, 2026, the Debtors, the Committee, Pomona, and Rabo entered into the Compromise and Settlement Agreement, pursuant to which the parties agreed to the following material terms, subject to the Court's approval of the Debtors' motion seeking approval of the Compromise and Settlement Agreement (the "CSA Motion"), Filed by the Debtors on May 1, 2026 [Docket No. 1174]. The Compromise and Settlement Agreement included the following material terms:

A. Pomona will receive an allowed unsecured claim against the estate of Trinitas Farming in the amount of $10,858,744.00. Solely for purposes of any chapter 11 plan and any distributions made in these Bankruptcy Cases, Pomona will not be an "insider" within the meaning of section 101(31) of the Bankruptcy Code or similar state law; however, its claim will be subordinated to the Allowed Class 4A Claims and will be treated *pari passu* with the Rabo Deficiency Claim (Class 4B).

B. In relation to the sale of the Farm Equipment, Pomona will File a notice of withdrawal with prejudice of its objection to the Proceeds Distribution Notice (as defined in the CSA Motion), and the Net Sale Proceeds (as defined in the CSA Motion) will be distributed to Rabo. Rabo will contribute to Pomona an amount from the Net Sale Proceeds of the Farm Equipment not to exceed $100,000.00, which Pomona will in turn contribute to the GUC Carve Out Account. Pomona will also withdraw any further objection to the WL Olives Sale Order.

C. The Debtors granted Pomona and various related parties broad general releases. Rabo granted Pomona and certain related parties a limited release relating to prepetition payments made to them by, or on behalf of the Debtors, but expressly reserved certain claims, including claims against any alter ago of or person liable for the debts of any of the Debtors. Pomona, on behalf of itself and certain affiliates, granted the Debtors and certain related parties broad general releases except for claims relating to the Pomona Settlement Agreement.

D. Pomona will not file with the Court any motion seeking, or otherwise seek, collection from the Debtors or Rabo of any Administrative Expense, or file any additional or amended claim against the Debtors or their estates seeking any treatment other than the treatment of the Allowed Pomona Pre-Petition Claim pursuant to the CSA, provided, however, that Pomona has reserved the right to pursue any Administrative Expense for damages related to any breach of the Compromise and Settlement Agreement by any of the other Parties thereto.

E. The Debtors assigned the D&O Insider Claims to Rabo, including any D&O Insider Claims against Kirk Hoiberg, R. Ryon Paton, Ceil Howe III, William K. Hooper, and Derek DeGroot.

F. The Rabo Pre-Petition Claims were allowed in the amount of $160,796,582.69 as of the Petition Date, solely against the estates of all of the Debtors (except Trinitas Farming) in the Bankruptcy Cases.

G. The amount of Rabo's remaining adequate protection claim will be allowed at an amount equal to the sum of (i) the proceeds of the sale of the WL Olives Membership Interest; (ii) the Equipment Sale Proceeds, less the Rabo Ag Contribution (as defined in the CSA Motion); and (iii) $250,000.00. Additionally, Rabo will hold an unsecured claim for any remaining deficiency after application of the proceeds of liquidation of Rabo's collateral to the repayment of the Rabo Secured Claim (which includes the amount of the Rabo Adequate Protection Claim, both as defined in the CSA Motion), which deficiency claim will be treated *pari passu* with Pomona's subordinated allowed unsecured claim.

H. If the total amount of general unsecured claims is reduced such that there are excess proceeds in the GUC Carve Out Account after the general unsecured claims are paid in full (the "<u>Excess Proceeds</u>"), the Excess Proceeds will be allocated (i) first to Rabo, up to its $100,000.00 contribution to Pomona; (ii) next to satisfy the Rabo Adequate Protection Claim; and (iii) then split *pari passu* between Rabo and Pomona to satisfy their respective unsecured claims.

I. The following categories of proceeds are included in the Rabo Prepetition Collateral and will be distributed to Rabo, to be applied to the Rabo Secured Claim: (a) refunded insurance premiums from the policy insuring the Debtors' equipment, (b) the amount advanced to lessor Farm Credit Leasing with respect to equipment sold in connection with the Equipment Sale Motion, (c) the amount remaining in the Debtors' utilities adequate assurance account, (d) crop insurance proceeds ((a), (b), (c), and (d) together constituting the "<u>Additional Proceeds</u>"), and (e) the Holdback, which Holdback will be distributed to Rabo pursuant to a chapter 11 plan, subject to any reserves and escrows created pursuant to a chapter 11 plan.

J. After the Additional Proceeds, the Holdback, and any Excess Proceeds have been applied to satisfy the Rabo Secured Claim, the proceeds of any remaining assets that are Rabo's collateral will be distributed first to Rabo until the Rabo Secured Claim is paid in full, and next to Pomona.

K. Any post-petition administrative claim of non-debtor Trinitas Partners for management fees, to the extent payable or allowed, will be paid either from the Holdback or the proceeds of the D&O/Insider Claims, and will not be paid from the GUC Carve Out Account, any Excess Proceeds, or from other assets of the Debtors.

E. Litigation Claims

1. Avoidance Actions

No Avoidance Actions have been pursued by the Debtors, and the Debtors do not anticipate that any Avoidance Actions will be pursued by the Plan Administrator. Most such claims have been released pursuant to the various settlements supporting the Plan, and the statute of limitations for pursuing any remaining such claims has now run.

2. D&O Insider Claims

Pursuant to the Compromise and Settlement Agreement and the Plan, all of the D&O Insider Claims have been assigned to Rabo, with any and all net recoveries to be applied to the Rabo Secured Claim.

3. Other Litigation Claims

Except as identified above, the Plan Proponents are not aware of any other material litigation claims that the Debtors have or may have against third parties.

F. Summary of Available Assets to Implement the Plan

As described above, the Debtors have monetized nearly all of their assets, and the Plan Proponents expect little to no recovery on any Avoidance Actions (which largely have been released through settlements) or other litigation claims (which also have been released or assigned to Rabo through settlements). The net result of the transactions and settlement agreements entered into during the Chapter 11 Cases by the Plan Proponents have yielded aggregate cash holdings totaling $8,919,934.55 as of May 15, 2026 (which the Plan Proponents project to be approximately $4,883,363.93 as of the Effective Date) in the following accounts, with their proposed usage under the Plan:

- Trinitas Farming Operating Account (unrestricted cash account): $121,665.81
  - To be transferred to Holdback Escrow.
  - Expected to be approximately $100,000 at the Effective Date to maintain a minimum cash balance in this operating account.
- Savings Account (unrestricted cash account): $2,487,184.02
  - $875,000 to be transferred to Wind Up Escrow, remainder to be transferred to Holdback Escrow.

        - Expected to be approximately $1,053,000 after the Effective Date after the payments of all forecasted Administrative Expense Claims of the bankruptcy case.

    - South Olive account (unrestricted cash account): $58,363.09

        - Property of South Olive. To be transferred to the Liquidating Debtor upon the windup of South Olive by the Plan Administrator. Liquidating Debtor to place in Holdback Escrow.

        - Expected to be approximately $58,363.09 at the Effective Date.

(May 15, 2026 total of the above three unrestricted cash accounts: $2,667,212.92.)

    - Rabo GUC Gift Account: $2,994,123.71

        - To be treated as provided for in the Plan, in the first instance for the payment of Allowed General Unsecured Claims in Class 4A.

        - Expected to be approximately $2,913,000 at the Effective Date, which estimate includes a credit for the $100,000 contribution from the Segregated Equipment Sale Proceeds Account and a debit in Committee Professional Fee Claims projected to be approved and paid prior to the Effective Date.

    - TAAP Professional Fee Trust: $1,027,880.61

        - To be placed in Excluded Account and first applied to Allowed Professional Fee Claims, subject to the payment of Allowed Committee Professional Fee Claims from the Rabo GUC Gift Account as provided for in the Plan.

        - Expected to be approximately $485,000 at the Effective Date due to Debtors Professional Fee Claims projected to be approved and paid prior to the Effective Date.

    - Segregated Equipment Sale Proceeds: $1,955,716.47

        - $1,855,716.47 was paid to Rabo and $100,000 was contributed to the GUC Carve Out Account in June 2026, pursuant to the Compromise and Settlement Agreement.

    - Debtors' Utilities Adequate Assurance Deposit Account: $275,000.84

        - To be placed in Excluded Account and then applied to Rabo Secured Claim.

        - Expected to be approximately $275,000.84 at the Effective Date.

G. Claims Objections and Estimate of Allowed Claims

The Debtors have Filed three omnibus claims objections, seeking disallowance of: (i) amended and superseded claims, (ii) duplicate claims, and (iii) satisfied claims. Further, the Debtors have negotiated the reduction and liquidation of a certain PAGA litigation claim. As a result of these claim objections, the Plan Proponents estimate that Allowed General Unsecured

Claims will total approximately $2.9 million. The ultimate amount of the Rabo Deficiency Claim is difficult to estimate (especially as the recovery, if any, on account of the assigned D&O Insider Claims (as defined in the Plan) is unknown) but the Plan Proponents estimate that the claim is approximately $70 million. Pursuant to the Compromise and Settlement Agreement, the Allowed Pomona Claim has been liquidated and Allowed in the amount of $10,858,774.00.

The Debtors have largely completed their claim reconciliation work, but the Plan authorizes the Plan Administrator to continue to reconcile Claims and prosecute objections to Claims after the Effective Date of the Plan. Further, the amount of some Claims will vary between the date of this Disclosure Statement and their ultimate allowance and payment. However, the Plan Proponents have determined that the Class 4A Claims listed on **Schedule 1**, attached, are known and Allowed in the amounts listed as of the date of this Disclosure Statement. In addition, the Plan Proponents have estimated the amount (or range) of Allowed Claims in each Class of Creditors as follows, and these estimates (to the nearest thousand) are used herein for estimated percentage claim recoveries in each Class of Creditors and for the purposes of the Liquidation Analysis:

- Unclassified Claims:
    - Allowed Administrative Expenses (accrued/unpaid as of the Effective Date):[7] $106,000.
    - Allowed Professional Fee Claims (accrued/unpaid as of the Effective Date): $485,000 for Debtors' Professionals. Any accrued unpaid fees of Committee Professionals to be paid from Rabo GUC Gift Account.
    - Allowed Priority Tax Claims: $16,000.
- Classified Claims:
    - Class 1: Rabo Secured Claim (as of the Effective Date): Estimated to be $489,000 in Chapter 11 and $4,753,000 in Chapter 7 scenario, based on anticipated recoveries from Rabo Prepetition Collateral and Rabo Adequate Protection Collateral.
    - Class 2: Other Secured Claims: Believed to be zero.
    - Class 3: Other Priority Claims: Believed to be zero.

[7] This includes approximately $55,000 of Claims pursuant to Section 503(b)(9) of the Bankruptcy Code and $51,000 in Statutory Fees (defined below) expected to accrue through the effective date.

- Class 4A: General Unsecured Claims: $2,860,000.
- Class 4B: Rabo Deficiency Claim: $68,875,000 in Chapter 11 and $64,611,000 in Chapter 7 scenario, following payment of Rabo Secured Claim from Rabo Prepetition Collateral and Rabo Adequate Protection Collateral.
- Class 4C: Pomona Unsecured Claim: $10,859,000.[8]
- Class 5: Subordinated Claims: Unknown.

III. SUMMARY OF EXPECTED RECOVERIES

The table below summarizes the classification and treatment of Claims and Equity Interests under the Plan and indicates the expected recovery for Allowed Claims in each Class. The recoveries presented below are based on the Liquidation Analysis attached hereto as **Exhibit B**.

THE PROJECTED RECOVERIES FOR CLAIMS SET FORTH IN THE TABLE BELOW ARE ESTIMATES ONLY AND ACTUAL RECOVERIES MAY DIFFER. FOR A COMPLETE DESCRIPTION OF THE DEBTORS' CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS, REFERENCE SHOULD BE MADE TO THE PLAN.

CLASS	DESCRIPTION	IMPAIRED/ UNIMPAIRED	PROJECTED RECOVERY
None	Administrative Claims	Unimpaired	100%
None	Professional Fee Claims	Unimpaired	100%
None	Priority Tax Claims	Unimpaired	100%
Class 1	Rabo Secured Claim	Impaired	100%
Class 2	Other Secured Claims	Unimpaired	100%
Class 3	Other Priority Claims	Unimpaired	100%
Class 4A	General Unsecured Claims	Impaired	93–100%
Class 4B	Rabo Deficiency Claim	Impaired	0%[9]

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[8] Rounded up for purposes of Liquidation Analysis. Exact amount allowed is $10,858,774.00 pursuant to the Compromise and Settlement Agreement (discussed below).

[9] Holders of Class 4B Claims have subordinated their Claims to Class 4A Claims by agreement.

CLASS	DESCRIPTION	IMPAIRED/ UNIMPAIRED	PROJECTED RECOVERY
Class 4C	Pomona Unsecured Claim	Impaired	0%[10]
Class 5	Subordinated Claims	Impaired (presumed to receive no distribution)	0%
Class 6	Equity Interests	Impaired (presumed to receive no distribution)	0%

IV. SUMMARY OF THE JOINT CHAPTER 11 PLAN

The statements contained in this Disclosure Statement do not purport to be precise or complete statements of all the terms and provisions of the Plan or documents referred to therein, and reference is made to the Plan and to such documents for the full and complete statement of such terms and provisions.

The Plan itself and the documents referred to therein control the actual treatment of Claims against and Equity Interests in the Debtors under the Plan and will, upon the occurrence of the Effective Date, be binding on all Holders of Claims against and Equity Interests in the Debtors, the Debtors' Estates, all parties receiving property under the Plan, and other parties in interest. In the event of any conflict, inconsistency, or discrepancy between this Disclosure Statement and the Plan, the Confirmation Order, the Plan Supplement, or any other operative document, the terms of the Plan, Confirmation Order, Plan Supplement, or such other operative document, as applicable, shall govern and control, *provided* that the terms of (1) the Confirmation Order and then (2) the Plan, inclusive of any Plan Supplement, in that order, shall govern and control over all other related documents.

A. Purpose and Effect of the Plan

The Plan provides for the distribution of the proceeds of the liquidation of all of the Debtors' assets to creditors as contemplated under the Plan and for the wind up of the Debtors' corporate affairs. More specifically, the Plan provides for the substantive consolidation of the

[10] Holders of Class 4C Claims have subordinated their Claims to Class 4A Claims by agreement.

Assets of the Debtors and their Estates into the reconstituted Liquidating Debtor and for the appointment of a Plan Administrator to administer distributions to creditors under the Plan and otherwise wind down the Debtors and their Estates.

The Plan provides for the appointment of a Plan Administrator to administer the Rabo GUC Gift Assets. The Plan provides that on the Effective Date, the Debtors will transfer to the Liquidating Debtor the Liquidating Debtor Assets, namely: (a) the Rabo GUC Gift Assets, (b) the Non-Gift Holdback, (c) the Rabo Adequate Protection Collateral, (f) the Other Encumbered Assets, (g) the General Distributable Assets, (h) the Wind Up Escrow, (i) the Excluded Cash, and (j) all other assets, entitlements, or privileges of any of the Debtors unless expressly excluded under the Plan.

As of the Effective Date, an agreed amount of the then remaining Holdback, defined in the Plan as the Non-Gift Holdback, will be transferred to the Holdback Escrow to be administered by the Plan Administrator to satisfy Holdback Obligations, including the payment of Allowed Administrative Claims, Allowed Professional Fee Claims (subject to Article II.B of the Plan), Allowed Priority Tax Claims, and Allowed Other Priority Claims, all as more fully set forth in the Plan, and to the Wind Up Escrow to fund Wind Up Expenses. The balance of the Holdback, less the Non-Gift Holdback transferred to the Liquidating Debtor, will be paid to Rabo on the Effective Date on account of its Allowed Class 1 Claim. Further, funds remaining in the Holdback Escrow after payment and satisfaction of all Holdback Obligations (including Wind Up Expenses) will be paid to Rabo, to be credited to its Allowed Class 1 Claim.

On account of its Allowed Rabo Secured Claim (Class 1), Rabo shall receive any Net Proceeds of Sale from the Adequate Protection Collateral in full satisfaction of the Rabo Adequate Protection Claim. Rabo shall also receive any Net Proceeds of Sale of its Collateral held by the Plan Administrator as of the Effective Date, including the balance of the Holdback, less the Non-Gift Holdback and the Rabo GUC Gift Assets including the Rabo GUC Gift Cash, on the Effective Date or such later date as such assets are sold by the Plan Administrator, which shall be applied to the remainder of the Rabo Secured Claim.

The Holders of Allowed Administrative Claims, Allowed Professional Fee Claims, Allowed Priority Tax Claims, and Allowed Other Priority Claims (Class 3 Claims) will be paid by the Plan Administrator from the Holdback Escrow (subject to Article II of the Plan) as soon as reasonably practicable after the Effective Date, upon allowance of such Claims.

The net proceeds from the Rabo GUC Gift Assets, including the Rabo GUC Gift Cash, net of any payments made to Committee Professionals for compensation and reimbursement of expenses as provided for in the Case Issues Stipulation, will be distributed to the Holders of Allowed Class 4A Claims on a pro rata basis.

Holders of Class 4B and Class 4C Claims will receive distributions from Rabo GUC Gift Account Excess Proceeds, if any, as more fully set forth in the Plan and consistent with the Compromise and Settlement Agreement.

Class 5 comprises Subordinated Unsecured Claims which will only receive distributions in the event that all Allowed Claims in Classes 4A, 4B, and 4C are paid in full, which is not anticipated. Likewise, Class 6 Equity Holders are not expected to receive any distribution under the Plan.

On the Effective Date, all Executory Contracts and Unexpired Leases of the Debtors will be deemed rejected in accordance with, and subject to, the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, except for those Executory Contracts and Unexpired Leases that: (1) have previously expired or terminated pursuant to their own terms or by agreement of the parties thereto and as to which no further obligations remain from any party thereto; (2) have been assumed by order of the Bankruptcy Court; (3) are the subject of a motion to assume or motion to reject pending on the Effective Date; or (4) are explicitly assumed pursuant to the terms of the Plan.

The Abandoned Assets (*i.e.*, any vehicle registered to the Debtors, held in the name of the Debtors, or otherwise owned by or titled to the Debtors that, as of the Effective Date, has not been (i) sold, leased, or transferred by the Debtors in the ordinary course of business during the Chapter 11 Cases, or (ii) otherwise disposed of pursuant to this Plan or by order of the Bankruptcy Court) shall not vest in the Liquidating Debtor but shall be deemed abandoned, and neither the Liquidating Debtor nor the Plan Administrator shall incur any liability with respect to any Abandoned Asset.

B. Substantive Consolidation and Its Relationship to the Plan Treatment of Claims

The Plan treats each of the Debtors as a single economic unit. Accordingly, except as otherwise provided herein, all of their assets will be consolidated and held by the Liquidating Debtor, and all of their liabilities will be treated as provided for in the Plan.

Entry of the Confirmation Order shall constitute the approval, pursuant to sections 105(a), 541, 1123, and 1129 of the Bankruptcy Code, of the substantive consolidation of all of the Debtors as of the Effective Date. Notwithstanding such substantive consolidation, fees payable pursuant to 28 U.S.C. § 1930 shall be due and payable by each individual Debtor through the Effective Date.

In connection with the substantive consolidation of the Debtors, all assets of the Debtors shall be consolidated in and shall be held by the Liquidating Debtor. All Claims asserted against the Debtors payable from the Liquidating Debtor under the terms of the Plan shall constitute Claims against the Liquidating Debtor. As provided below, all Intercompany Claims shall be cancelled and shall not receive any Distribution under the Plan.

In connection with the substantive consolidation of the Debtors, where two or more identical Claims, or duplicative Claims arising from the same contract or set of facts, have been asserted by the same entity against different Debtors, such Claims will be deemed to be a single Claim as of the Effective Date and treated as a single Class 4A, 4B, 4C, or 5 Claim (as appropriate), in the greatest amount asserted among such Claims, unless (a) the Holder of such Claims independently elects not to have them treated as a single Claim by written notice to the Debtors delivered on or before the Voting Deadline or (b) the Debtors or the Plan Administrator File an objection asserting that such Claims should be allowed as a single Claim in a different class and/or amount.

The substantive consolidation effected pursuant to the Plan shall not affect, without limitation, (i) the Debtors' or the Plan Administrator's rights to pursue or defenses to any Claim or Cause of Action, including the ability to assert any counterclaim; (ii) the Debtors' or the Plan Administrator's setoff or recoupment rights; (iii) requirements for any third party to establish mutuality with respect to a particular Debtor prior to deemed consolidation in order to assert a right of setoff against the Debtors or the Liquidating Debtor; or (iv) Distributions to the Debtors, the Estates, or the Liquidating Debtor out of any insurance policies or proceeds of such policies (*provided, however*, that the Liquidating Debtor's rights against an insurance policy shall survive to the extent that the Liquidating Debtor has claims against such policy arising from Causes of Action it retains).

V. CERTAIN RISK FACTORS TO BE CONSIDERED

Prior to voting on the Plan, each Holder of a Claim entitled to vote should consider carefully the risk factors described below, as well as all other information contained in this Disclosure Statement, including the Exhibits hereto. These risk factors should not be regarded as the only risks involved in connection with the Plan and its implementation.

A. Parties May Object to the Plan's Classification of Claims and Equity Interests

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests in such class. The Plan Proponents believe that the classification of the Claims and Equity Interests under the Plan complies with this requirement. Nevertheless, there can be no assurance that other parties will not object to the Plan's classification of their claims or equity interests or that, in the event that such objections are Filed, the Bankruptcy Court will overrule them.

B. The Plan Proponents May Not Be Able to Obtain Confirmation of the Plan

The Plan Proponents may not receive the requisite acceptances to confirm the Plan. In the event that votes with respect to Claims in the Classes entitled to vote are received in a number and an amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Plan Proponents intend to seek confirmation of the Plan by the Bankruptcy Court. If the requisite acceptances are not received, the Plan Proponents may not be able to obtain confirmation of the Plan. Even if the requisite acceptances of the Plan are received, the Bankruptcy Court may not confirm the Plan as proposed if the Bankruptcy Court finds that any of the statutory requirements for confirmation under section 1129 of the Bankruptcy Code have not been met.

Specifically, Pomona has expressed concerns that the Plan conflicts with the terms of the Compromise and Settlement Agreement and therefore should not be confirmed in its present form. *See* Dkt. No. 1243.

C. The Conditions Precedent to the Effective Date of the Plan May Not Occur

As more fully set forth herein and in the Plan, the Effective Date is subject to several conditions precedent. There can be no assurance that any or all of such conditions will be satisfied or waived. If such conditions precedent are not met or waived, the Effective Date will not occur. Accordingly, even if the Plan is confirmed by the Bankruptcy Court, there can be no assurance that the Effective Date will occur.

D. Claims Estimation and Allowance of Claims

Although the Debtors have largely completed their reconciliation of the Claims, there can be no assurance that the estimated Claim amounts set forth in this Disclosure Statement are correct, and the actual amount of Allowed Claims may differ from the estimates. The estimated amounts are subject to certain risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, the actual amount of Allowed Claims may vary from those estimated herein.

Distributions to Holders of Allowed Class 4A, 4B, and 4C Claims will be affected by the pool of Allowed Claims in such Classes. Upon completion of further analysis of Filed Claims, which may lead to Claims objection litigation and related matters, the total amount of Claims that ultimately become Allowed Claims in each of the foregoing Classes may differ from the estimates of the Plan Proponents that are reflected in this Disclosure Statement. As a result, the Plan Distribution that may be received by a particular Holder of an Allowed Claim may be either adversely or favorably affected by the aggregate amount Class of 4A, 4B, and 4C Claims ultimately Allowed.

E. Tax Considerations

There are several material income tax considerations, risks, and uncertainties associated with consummation of the Plan. Holders of Claims, Holders of Equity Interests, and other interested parties should read carefully the discussion set forth in **Section XII**, below, for a discussion of certain U.S. federal income tax consequences of the transactions contemplated under the Plan.

VI. TREATMENT OF UNCLASSIFIED CLAIMS

Pursuant to section 1123(a) of the Bankruptcy Code, the following Claims are not separately classified under the Plan.

A. Administrative Expense Claims

Each Allowed Administrative Expense Claim shall be paid from the Holdback Escrow as a Holdback Obligation.

On the later of the Effective Date or the date on which an Administrative Expense Claim becomes an Allowed Administrative Expense Claim or, in each such case, as soon as practicable thereafter, each Holder of an Allowed Administrative Expense Claim will receive from the Debtors or the Liquidating Debtor, as applicable, in full satisfaction, settlement, discharge, and release of, and in exchange for, such Claim either (i) payment in full in Cash for the unpaid portion of such Allowed Administrative Expense Claim or (ii) such other less favorable treatment as is agreed to in writing by the Debtors or the Plan Administrator, as applicable, and such Holder.

Unless otherwise ordered by Final Order of the Bankruptcy Court, all Administrative Expense Claims must be Filed within forty-five (45) days after the Effective Date and served on the Plan Administrator and such other Entities who are designated by the Bankruptcy Rules, the Confirmation Order, or other order of the Bankruptcy Court. The failure to File a request for payment of an Administrative Expense Claim on or before forty-five (45) days after the Effective Date shall result in such Administrative Expense Claim being forever Disallowed, barred, and expunged in its entirety without further notice to any party, or action, approval, or order of the Bankruptcy Court.

B. Professional Fee Claims

Professionals or other Entities asserting a Professional Fee Claim for services rendered through the Effective Date must File, within forty-five (45) days after the Effective Date, and serve on the Plan Administrator, the United States Trustee, and such other Entities who are designated by the Bankruptcy Rules, the Confirmation Order, or other order of the Bankruptcy Court, an application for final allowance of such Professional Fee Claim.

All Allowed Professional Fee Claims shall be paid from the Holdback Escrow, other than the Allowed Professional Fee Claims of the Committee Professionals, to the extent the total amount of such claims exceeds $1,150,000. To the extent that such total Allowed Professional Fee Claims of Committee Professionals exceeds $1,150,000, such amounts shall be paid solely from the Rabo GUC Gift Account.

C. Priority Tax Claims

Each Holder of an Allowed Priority Tax Claim, on or as soon as reasonably practicable after the later of (i) the Initial Distribution Date if such Priority Tax Claim is an Allowed Priority Tax Claim as of the Effective Date or (ii) the date on which such Priority Tax Claim becomes an Allowed Priority Tax Claim, will receive in full satisfaction, settlement, discharge, and release of, and in exchange for, such Allowed Priority Tax Claim: (a) Cash in an amount equal to the amount of such Allowed Priority Tax Claim or (b) such other less favorable treatment as agreed to in writing by the Plan Administrator and such Holder. Allowed Priority Tax Claims will be paid from the Holdback Escrow.

D. Payment of Statutory Fees.

On or before the Effective Date, the Debtors shall pay in full, in Cash from the Holdback Escrow, any fees due and owing pursuant to 28 U.S.C. § 1930 (including interest under 31 U.S.C. § 3717, if applicable) (the "Statutory Fees"). Notwithstanding anything to the contrary in the Plan, Statutory Fees are not subject to an allowance procedure under section 503(b) of the Bankruptcy Code, nor is the United States Trustee required to File a request for payment of such fees. On and after the Effective Date, the Plan Administrator shall pay the applicable Statutory Fees that accrue after the Effective Date until the earlier of (1) a final decree closing the Chapter 11 Cases or (2) conversion or dismissal of the Chapter 11 Cases. The Debtors shall pay from the Holdback Escrow any Statutory Fees due and payable with respect to any disbursements made to the Liquidating Debtor on the Effective Date. The Liquidating Debtor shall not owe any Statutory Fees with respect to any disbursements made from the Liquidating Debtor until, and only to the extent that, the total disbursements made from the Liquidating Debtor exceed the total amount of disbursements made by the Debtors to the Liquidating Debtor.

The Debtors shall File all quarterly reports due prior to the Effective Date when they become due, in a form reasonably acceptable to the United States Trustee. After the Effective Date, the Plan Administrator shall File with the Bankruptcy Court quarterly reports when they become due, in a form reasonably acceptable to the United States Trustee. The United States Trustee shall not be required to File any Administrative Expense Claim in the Chapter 11 Cases.

VII. CLASSIFICATION AND TREATMENT OF CLASSIFIED CLAIMS AND EQUITY INTERESTS

A. Class 1 – Rabo Secured Claim

- *Classification*: Class 1 consists of the Rabo Secured Claim.

- *Treatment*: The Rabo Secured Claim is impaired by, among other things, the gift of the Rabo GUC Gift Assets to the Liquidating Debtor for the benefit of Holders of Allowed Class 4A Claims, which shall occur upon the Effective Date.

  Rabo shall receive all Net Proceeds of Sale from the Rabo Adequate Protection Collateral in full satisfaction of the Rabo Adequate Protection Claim.

  With respect to the remainder of the Rabo Secured Claim, on or as soon as reasonably practicable after the Effective Date, Rabo shall receive the Net Proceeds of Sale of any of its Collateral held by the Plan Administrator as of the Effective Date or such later date as such assets are sold by the Plan Administrator, which shall be applied to the Rabo Secured Claim.

  Specifically, and without limiting the foregoing, Rabo shall receive the balance of the Holdback, less the Non-Gift Holdback and the Rabo GUC Gift Assets including the Rabo GUC Gift Cash, on the Effective Date or such later date as such assets are sold by the Plan Administrator, to be credited against the outstanding balance of the Rabo Secured Claim.

  To the extent that the sale of any Rabo Collateral (including Rabo Adequate Protection Collateral) closes after the Effective Date, such Net Proceeds of Sale, or Rabo's share thereof, shall be paid directly to Rabo from the closing of such sale and applied as provided herein. In addition, any Non-Gift Holdback funds (including Wind Up Reserve funds) or Rabo GUC Gift Account Excess Proceeds that revert to Rabo pursuant to Article V.J.3 of the Plan after the Effective Date shall be applied toward the Rabo Secured Claim.

- *D&O Insider Claims:* On the effective date of the Compromise and Settlement Agreement, the Debtors assigned the D&O Insider Claims to Rabo, with proceeds from such D&O Insider Claims to be applied to the Rabo Secured Claim. For the avoidance of doubt, the D&O Insider Claims assigned to Rabo pursuant to the Compromise and Settlement Agreement do not include any Causes of Action against the Pomona Released Parties, as such term is defined in the Compromise and Settlement Agreement, which were released pursuant to the Compromise and Settlement Agreement.

- *Release*: As of the Effective Date, the Debtors shall release the Rabo Released Parties as provided in Article XI.B of the Plan.

- *Impairment and Voting*: Class 1 is an Impaired Class, and the Holder of the Rabo Secured Claim is entitled to vote to accept or reject the Plan on account of such Claim.

B. Class 2 – Other Secured Claims

- *Classification*: Class 2 consists of Allowed Other Secured Claims. This Class will be further divided into subclasses designated by letters of the alphabet (Class 2A, Class 2B, and so on), so that each Holder of any Allowed Other Secured Claim against the Debtors is in a Class by itself, except to the extent that there are Other Secured Claims that are substantially similar to each other and may be included within a single Class.

- *Treatment*: The legal, equitable, and contractual rights of the Holders of Other Secured Claims are unaltered by the Plan. With respect to each Other Secured Claim, on or as soon as reasonably practicable after the later of (i) the Initial Distribution Date if such Other Secured Claim is an Allowed Other Secured Claim on the Effective Date, or (ii) the date on which such Other Secured Claim becomes an Allowed Other Secured Claim, each Holder of an Allowed Other Secured Claim will receive in full satisfaction, settlement, discharge, and release of, and in exchange for, such Allowed Other Secured Claim, at the election of the Plan Administrator: (A) Cash equal to the amount of such Allowed Other Secured Claim; (B) return of the Collateral securing such Allowed Other Secured Claim; (C) such other less favorable treatment as to which the Plan Administrator and the Holder of such Allowed Other Secured Claim will have agreed upon in writing; (D) any defaults shall be cured and shall be paid or satisfied in accordance with and pursuant to the terms of the applicable agreement between the Plan Administrator and the Holder of the Allowed Other Secured Claim and such Claim shall be Reinstated; or (E) Reinstatement or such other treatment such that it will not be Impaired.

- *Impairment and Voting*: Class 2 is an Unimpaired Class, and the Holders of Other Secured Claims are conclusively deemed and presumed to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Other Secured Claims will not be entitled to vote to accept or reject the Plan and will not be solicited.

C. Class 3 – Other Priority Claims

- *Classification*: Class 3 consists of Allowed Other Priority Claims.

- *Treatment*: The legal, equitable, and contractual rights of the Holders of Other Priority Claims are unaltered by the Plan. With respect to each Allowed Other Priority Claim, on or as soon as reasonably practicable after the later of (i) the Initial Distribution Date if such Other Priority Claim is an Allowed Other Priority Claim on the Effective Date, or (ii) the date on which such Other Priority Claim becomes an Allowed Other Priority Claim, each Holder of an Allowed Other Priority Claim will receive in full satisfaction, settlement, discharge, and release of, and in exchange for, such Allowed Other Priority Claim, at the election of the Plan Administrator: (A) Cash equal to the amount of such Allowed Other Priority Claim; (B) such other less favorable treatment as to which the Plan Administrator and the Holder of such Allowed Other Priority Claim will have agreed upon in writing; or (C) such other treatment such that it will not be Impaired. Allowed Other Priority Claims will be paid from the Non-Gift Holdback unless otherwise agreed to by the Holder of such Claim.

- *Impairment and Voting*: Class 3 is an Unimpaired Class and the Holders of Other Priority Claims are conclusively deemed and presumed to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Other Priority Claims will not be entitled to vote to accept or reject the Plan and will not be solicited.

D. Class 4 – General Unsecured Claims / Rabo Deficiency Claim / Pomona Unsecured Claim

1. Class 4A – General Unsecured Claims

- *Classification*: Class 4A consists of Allowed General Unsecured Claims.

- *Treatment*: As soon as practicable after the Effective Date, each Holder of an Allowed Class 4A General Unsecured Claim shall receive, in full satisfaction, settlement, discharge, and release of, and in exchange for, such Allowed General Unsecured Claim (unless the applicable Holder agrees to a less favorable treatment), its Pro Rata Share of Class 4A Available Cash. Plan Distributions to Holders of General Unsecured Claims shall be made as soon as reasonably practicable after the Effective Date. The Plan Administrator shall make commercially reasonable efforts to make Distributions to Holders of those Class 4A Claims that are known by the Debtors to be Allowed as of the Effective Date (a schedule of which is included with the Disclosure Statement) on or before the date that is 60 days after the Effective Date. Class 4A shall be paid in full prior to any distribution to Classes 4B and 4C.

- *Impairment and Voting*: Class 4A is an Impaired Class and the Holders of General Unsecured Claims are entitled to vote to accept or reject the Plan on account of such Claims.

- *Release*: As of the Effective Date, the Debtors shall release the original Holders of Class 4A Claims as of the Petition Date from all Avoidance Actions. This release shall not apply to assignees or purchasers of Class 4A Claims.

2. Class 4B – Rabo Deficiency Claim

- *Classification*: Class 4B consists of the Allowed Rabo Deficiency Claim.

- *Treatment*: As soon as practicable after the Effective Date, Rabo shall receive, on account of its Deficiency Claim, in full satisfaction, settlement, discharge, and release of, and in exchange for, such Rabo Deficiency Claim, its Pro Rata share of Class 4B Available Cash; *provided*, *however*, that distributions to Rabo from any assets that are not Rabo Prepetition Collateral or Rabo Adequate Protection Collateral and are included in Rabo GUC Gift Assets are assigned to Class 4A unless and until Class 4A has been paid in full under the Plan. Class 4B shall be paid in full prior to any distribution to Class 5. Plan Distributions of Class 4B Available Cash shall be made on or as soon as reasonably practicable after the Initial Distribution Date. The Plan Administrator shall, if reasonably possible in the Plan Administrator's business judgment, make interim Plan Distributions up to four times per year.

- *Impairment and Voting*: Class 4B is an Impaired Class and the Holder of the Rabo Subordinated Unsecured Claim is entitled to vote to accept or reject the Plan on account of such Claim.

3. Class 4C – Pomona Unsecured Claim

- *Classification*: Class 4C consists of the Pomona Unsecured Claim.

- *Treatment*: As soon as practicable after the Effective Date, Pomona shall receive, on account of its Pomona Unsecured Claim, in full satisfaction, settlement, discharge, and release of, and in exchange for, such Pomona Unsecured Claim, its Pro Rata share of Class 4C Available Cash. Class 4C shall be paid in full prior to any Plan Distribution to Class 5. Plan Distributions of Class 4C Available Cash shall be made on or as soon as reasonably practicable after the Initial Distribution Date. The Plan Administrator may, in its sole discretion, make interim Plan Distributions up to four times per year.

- *Impairment and Voting*: Class 4C is an Impaired Class and the Holder of the Pomona Unsecured Claim is entitled to vote to accept or reject the Plan on account of such Claim.

- *Release*: As of the Effective Date, the Debtors shall release the Pomona Released Parties as provided in Article XI.B of the Plan.

E. Class 5 – Subordinated Unsecured Claims

- *Classification*: Class 5 consists of Allowed Subordinated Unsecured Claims.
- *Treatment*: As soon as practicable after the Effective Date, each holder of an Allowed Subordinated Unsecured Claim shall receive, on account of its Subordinated Unsecured Claim, in full satisfaction, settlement, discharge, and release of, and in exchange for, such Subordinated Unsecured Claim, its Pro Rata Share of the Subordinated Claim Fund Residual, if any.
- *Impairment and Voting*: No distribution is projected to be made to Subordinated Claims. Class 5 is therefore deemed to reject the Plan and not entitled to vote.

F. Class 6 – Equity Interests

- *Classification*: Class 6 consists of Equity Interests in any of the Debtors.
- *Treatment*: Class 6 shall receive any proceeds remaining in the Liquidating Debtor after payment in full of all Allowed Secured Claims, Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Other Priority Claims (Class 3), Allowed Class 4A, Class 4B, and Class 4C Claims, Allowed Subordinated Claims (Class 5), and all Liquidating Debtor Expenses.
- *Impairment and Voting*: No distribution is projected to be made to Equity Interests. Class 6 is therefore deemed to reject the Plan and not entitled to vote.

G. Certain Other Provisions Relating to Claims

Except as otherwise provided in the Plan, nothing under the Plan will affect the Debtors', the Committee's or the Plan Administrator's rights in respect of any Claim in an Unimpaired Class, including all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Claim, including the right to cure any arrears or defaults that may exist with respect to an Executory Contract or Unexpired Lease to be assumed under the Plan.

The allowance, classification, and treatment of all Claims under the Plan shall take into account and conform to the contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(a) of the Bankruptcy Code, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtors and the Plan Administrator reserve the right to re-classify, or to seek to subordinate, any Claim in accordance with any contractual, legal, or equitable subordination relating thereto, and the treatment afforded any Claim under the Plan that is subordinated at any time shall be modified to reflect such subordination.

As of the Effective Date, all Intercompany Claims shall be deemed void, cancelled, and of no further force and effect. On and after the Effective Date, Holders of Intercompany Claims shall not be entitled to, and shall not receive or retain any property or interest in property under the Plan on account of such Intercompany Claims.

VIII. ACCEPTANCE OR REJECTION OF PLAN

A. Overview

Under the Bankruptcy Code, only classes[11] of claims or interests that are Impaired and that are not deemed as a matter of law to have rejected a plan under section 1126 of the Bankruptcy Code are entitled to vote to accept or reject such plan. Any class that is Unimpaired is not entitled to vote to accept or reject a plan and is conclusively presumed to have accepted such plan. As set forth in section 1124 of the Bankruptcy Code, a class is Impaired if the legal, equitable, or contractual rights attaching to the claims or equity interests of that class are modified or altered by the proposed plan. Holders of claims or interests within an impaired class are entitled to vote to accept or reject a plan if such claims or interests are "allowed" under section 502 of the Bankruptcy Code.

Under the Bankruptcy Code, acceptance of a plan by a class of claims is determined by calculating the number and the dollar amount of allowed claims voting to accept such plan. Acceptance by a class of claims requires more than one-half of the number of total allowed claims voting in the class to vote in favor of the plan and at least two-thirds in dollar amount of the total allowed claims voting in the class to vote in favor of the plan. Thus, a Class of Claims will have voted to accept the Plan only if two-thirds in amount and a majority in number that actually vote cast their Ballots in favor of acceptance.

[11] Unclassified Claims are entitled to be paid in full unless each Holder of such a Claim agrees otherwise and are not entitled to vote on the Plan.

Pursuant to the Plan, Claims in Classes 1, 4A, 4B, and 4C are Impaired by the Plan and entitled to receive a Plan Distribution, and only the Holders of Claims in those Classes that are Allowed Claims or have been deemed allowed for voting purposes are entitled to vote to accept or reject the Plan. Only Holders of Claims in these Classes as of the dates specified (the "Voting Record Date") in the Bankruptcy Court order approving this Disclosure Statement (the "Solicitation Procedures Order") that are Allowed Claims or temporarily allowed for voting purposes may vote to accept or reject the Plan.

B. Deemed and Presumed Acceptance of Plan

Classes 2 and 3 are Unimpaired under the Plan and are therefore conclusively deemed and presumed to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code.

C. Deemed and Presumed Rejection of Plan

Class 5 consists of Subordinated Claims and Class 6 consists of Equity Interests in the Debtors. No distribution is anticipated to be made to Subordinated Claims or Equity Interests, and Classes 5 and 6 shall not be entitled to vote on the Plan as they are both deemed to reject the Plan.

D. Voting by Impaired Classes of Claims

Pursuant to section 1126(c) of the Bankruptcy Code and except as otherwise provided in section 1126(e) of the Bankruptcy Code, an Impaired Class (or, as applicable, sub-class) of Claims has accepted the Plan if the Holders of at least two-thirds in dollar amount and more than one-half in number of the Allowed Claims actually voting in such Class (or, as applicable, sub-class) vote to accept the Plan. An Impaired Class of Claims for which no Holder votes to accept or reject the Plan shall be deemed to have rejected the Plan.

Subject to the provisions of any order approving the Disclosure Statement, each Holder of an Allowed Claim, as of the applicable Voting Record Date, in the Impaired Classes (1, 4A, 4B, and 4C) will be entitled to vote to accept or reject the Plan.

E. Controversy Concerning Impairment

In the event of any controversy as to whether any Holder of an Allowed Claim or Class is Impaired under the Plan, the Bankruptcy Court shall, after notice and a hearing, determine such controversy.

F. Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code

The Plan Proponents will seek confirmation of the Plan under section 1129(b) of the Bankruptcy Code with respect to any Impaired Class (or, as applicable, sub-class) that does not accept the Plan pursuant to section 1126 of the Bankruptcy Code. The Plan Proponents reserve the right to amend, revoke, modify, or withdraw the Plan or any amendment, supplement, or Exhibit thereto, or the Plan Supplement, in order to satisfy the requirements of section 1129(b) of the Bankruptcy Code, if necessary.

IX. LIMITATION ON LIABILITY AND RELATED PROVISIONS

A. General

Notwithstanding anything contained in the Plan to the contrary, the allowance, classification, and treatment of all Allowed Claims and their respective distributions and treatments under the Plan shall take into account the relative priority and rights of the Claims in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto whether arising under general principles of equitable subordination, section 510 of the Bankruptcy Code, or otherwise.

In accordance with the provisions of the Plan and pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Bankruptcy Court, unless specifically provided otherwise in the Plan or the Confirmation Order, after the Effective Date the Plan Administrator may, in its sole and absolute discretion, (1) compromise and settle Claims against the Debtors, and (2) compromise and settle Causes of Action against other Entities; *provided*, *however*, that settlement of any Disputed Claim asserted against the Debtors' Estates where proposed settled amount of such Disputed Claim equals or exceeds $500,000 and settlement of any Causes of Action asserted against other Entities that seeks recovery of more than $500,000 shall require an order of the Bankruptcy Court authorizing such settlement.

B. Limitation on Liability of Plan Administrator

The Plan Administrator will not be liable for any act it may do or omit to do in such capacity under the Plan or the Confirmation Order, as applicable, while acting in good faith and in the exercise of its reasonable business judgment; nor will the Plan Administrator be liable in any event except for gross negligence, willful misconduct, or intentional fraud as determined by a Final Order of a court of competent jurisdiction. Subject to the discretion of the Plan Administrator, and as memorialized in the Plan, Confirmation Order, an applicable engagement letter, or other written agreement, the foregoing limitation on liability shall also apply to one or more (or all) Persons or Entities employed by any such party (including any professional employed or retained by the Plan Administrator) and acting on behalf of such party in the fulfillment of their respective duties pursuant to the Plan or Confirmation Order. Also, the Plan Administrator and (subject to the discretion of the Plan Administrator, and as memorialized in the Plan, Confirmation Order, an applicable engagement letter, or other written agreement) one or more (or all) Persons or Entities employed by such parties (including any professional employed or retained by the Plan Administrator) and acting on behalf of such a party shall be entitled to indemnification out of the assets of the Liquidating Debtor against any losses, liabilities, expenses (including attorneys' fees and disbursements), damages, taxes, suits, or claims that they may incur or sustain by reason of being, having been, or being employed by such party, or for performing any functions incidental to such service.

X. <u>EXCULPATION AND INJUNCTION</u>

A. No Discharge

Nothing contained in the Plan shall be deemed to constitute a discharge of the Debtors under section 1141(d)(3) of the Bankruptcy Code. However, no Holder of a Claim may receive any payment from, or seek recourse against, any Assets that are to be distributed under the Plan other than Assets required to be distributed to that Holder pursuant to the Plan. As of the Confirmation Date, all Persons and Entities are enjoined from asserting against any property that is to be distributed under the Plan any Claims, rights, Causes of Action, liabilities, or interests based upon any act, omission, transaction, or other activity that occurred before the Effective Date except as expressly provided in the Plan or the Confirmation Order.

B. Debtors' Releases

On the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, each of the Debtors shall be deemed to have forever released, waived, and discharged the Released Parties from any and all claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, and liabilities whatsoever, whether known or unknown, whether foreseen or unforeseen, whether liquidated or unliquidated, whether fixed or contingent, whether matured or unmatured, existing or hereafter arising, at law, in equity, or otherwise, that are 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 conduct of the Debtors' businesses, the Chapter 11 Cases, or the Plan.

Additionally, on the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, each of the Debtors shall be deemed to have forever released, waived, and discharged the original Holders of Class 4A Claims, as of the Petition Date, from all Avoidance Actions. This release shall not apply to assignees or purchasers of Class 4A Claims.

Entry of the Confirmation Order shall constitute (i) the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the releases set forth herein; and (ii) the Bankruptcy Court's findings that such releases are (1) in exchange for good and valuable consideration provided by the Released Parties (including performance of the terms of the Plan), and a good-faith settlement and compromise of the released claims, (2) in the best interests of the Debtors and their Estates, (3) fair, equitable, and reasonable, and (4) given and made after due notice and opportunity for hearing.

C. Exculpation

Except as otherwise specifically provided in the Plan, the Exculpated Parties will neither have nor incur any liability to any Entity or Person for (1) any Claims or Causes of Action arising between the Petition Date and the Effective Date for any act taken or omitted to be taken in connection with, or related to the Chapter 11 Cases; (2) formulating, negotiating, preparing, disseminating, implementing, administering, confirming, pursuing, or effecting the Consummation of the Plan, the Disclosure Statement, or any contract, instrument, release, or other agreement or document created or entered into in connection with the Plan; (3) pursuing confirmation of the Plan; or (4) soliciting votes on the Plan, and the Exculpated Parties shall be entitled to rely reasonably upon the advice of counsel with respect to their duties and responsibilities under the Plan; *provided, however*, that the foregoing provisions will have no effect on the liability of any Entity or Person that results from any such act or omission that occurred prior to the Petition Date; *provided, further*, that the foregoing provisions will have no effect on the liability of any Entity or Person that results from any such act or omission occurring between the Petition Date and the Effective Date that is determined in a Final Order of the Bankruptcy Court or other court of competent jurisdiction to have constituted intentional fraud, gross negligence, or willful misconduct; and, *provided, further*, that the foregoing provisions will not apply to any acts, omissions, Claims, Causes of Action, or other obligations expressly set forth in and preserved by the Plan or the Plan Supplement. Notwithstanding anything to the contrary herein, with respect to any action by any Pomona Released Party, the foregoing exculpation provisions shall not apply with respect to actions involving the compliance or non-compliance with the Compromise and Settlement Agreement against any Exculpated Parties who are not "Estate Releasees" as such term is defined in the Compromise and Settlement Agreement.

D. Injunction

Except as otherwise provided in the Plan, from and after the Effective Date, all Entities and Persons who have held, hold, or may hold Claims against the Debtors or their Estates are permanently enjoined from taking any action in furtherance of such Claim and/or any other cause of action released and/or discharged under the Plan, including, without limitation, the following actions: (i) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind against the Debtors, the Debtors' property, the Debtors' Estates, the Holdback Escrow, the Wind Up Escrow, the Released Parties, the Plan Administrator, or the Liquidating Debtor with respect

to any such Claim and/or other cause of action, or taking any act to recover such Claim outside of the claims allowance procedures discussed in the Plan, the Bankruptcy Code, and the Bankruptcy Rules; (ii) creating, perfecting, or enforcing in any manner, directly or indirectly, any Lien, security interest, or encumbrance of any kind against the Debtors, the Debtors' property, the Debtors' Estates, the Liquidating Debtor, the Holdback Escrow, the Wind Up Escrow, the Released Parties, or the Plan Administrator on account of any such Claim and/or other cause of action; (iii) enforcing, levying, attaching, collecting, or otherwise recovering in any manner or by any means, whether directly or indirectly, any judgment, award, decree, or order against the Debtors, the Debtors' property, the Debtors' Estates, the Liquidating Debtor, the Holdback Escrow, the Wind Up Escrow, the Released Parties, or the Plan Administrator on account of any such Claim and/or other cause of action; and (iv) asserting any right of setoff, subrogation, or recoupment of any kind, directly or indirectly, against any debt, liability, or obligation due from or to the Debtors, the Debtors' Estates, the Liquidating Debtor, the Holdback Escrow, the Wind Up Escrow, the Released Parties, or the Plan Administrator, or against the property or interests in property of the Debtors, the Debtors' Estates, the Liquidating Debtor, the Holdback Escrow, the Wind Up Escrow, the Released Parties, or the Plan Administrator, on account of any such Claim and/or other cause of action; provided, however, that solely with respect to the Debtors, the Debtors' property, and the Debtors' Estates, the foregoing injunction shall remain in effect only until both (a) the Chapter 11 Cases have been closed and (b) all assets of the Debtors' Estates, the Liquidating Debtor, the Holdback Escrow, and the Wind Up Escrow have been fully administered; provided, further, that such injunction shall be revived and/or remain in effect, as applicable, to the extent that the Chapter 11 Cases are reopened for any reason, until the Chapter 11 Cases are closed and the other conditions for termination of the injunction set forth in this paragraph have been satisfied. By accepting Plan Distributions, each Holder of an Allowed Claim will be deemed to have specifically consented to the injunctions in the Plan. Such injunctions shall extend for the benefit of the Plan Administrator, any successors of the Debtors, including the Liquidating Debtor, the Released

Parties, and to property and interests in property subject to the Plan. All injunctions or stays provided for in the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, will remain in full force and effect until the Effective Date. The injunction in this paragraph shall apply only to actions against the Debtors, the Debtors' property, the Debtors' Estates, the Liquidating Debtor, the Holdback Escrow, the Wind Up Escrow, the Released Parties, and/or the Plan Administrator.

From and after the Effective Date, to the extent of the Exculpations and limitations of liability granted in the Plan, all Persons and Entities shall be permanently enjoined from commencing or continuing in any manner against the Exculpated Parties or parties whose liability is limited (collectively, the "Protected Parties"), and their respective 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 with respect to which such Protected Parties are exculpated or with respect to which such Protected Parties' liability is otherwise limited.

Notwithstanding anything to the contrary in the Plan, nothing herein shall release, enjoin, impair, deprive Rabo of standing to pursue, or otherwise affect (i) any alter ego, veil piercing, or similar claims, including, without limitation, any claim that any non-Debtor Person or Entity (including, without limitation, Pomona) is liable for the debts or obligations of any Debtor as an alter ego or under any similar theory; or (ii) any other claim against any non-Debtor Person or Entity (including, without limitation, Pomona), except for the claims released by Rabo in the Compromise and Settlement Agreement, under any legal theory whatever (collectively, the "Rabo Direct Claims"), which are expressly preserved pursuant to the Compromise and Settlement Agreement, shall survive confirmation of the Plan, and may be pursued by Rabo in any court of competent jurisdiction. For the avoidance of doubt, the Rabo Direct Claims constitute direct claims of Rabo (and not property of the Debtors' Estates), shall not constitute "Causes of Action" for purposes of the Plan, and shall not vest in, or be owned, controlled, or prosecuted by, the Liquidating Debtor or the Plan

Administrator. For further avoidance of doubt, the use of the term "non-Debtor" in this paragraph is nominal only and is not intended as, and shall not operate as, a concession by any Person or Entity that such Person or Entity is not an affiliate or alter ego of any Debtor.

The foregoing releases and injunctions shall not apply to any claims, causes of action, or other acts whatsoever that any of the Pomona Released Parties may have or bring against any of the Rabo Released Parties or against any other non-Debtor Person or Entity.

XI. CONFIRMATION OF THE PLAN

A. The Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing regarding confirmation of the Plan. Bankruptcy Code section 1128(b) provides that any party in interest may object to confirmation of the Plan.

The Bankruptcy Court has scheduled the Confirmation Hearing to commence on the date and time set forth in the Confirmation Hearing Notice, before the Honorable Dennis Montali, United States Bankruptcy Judge, in the United States Bankruptcy Court for the Northern District of California, which hearing will be conducted in accordance with the Judge's tele/videoconference procedures. The Confirmation Hearing Notice, which sets forth the time and date of the Confirmation Hearing, has been served along with this Disclosure Statement. The Confirmation Hearing may be adjourned from time to time without further notice except for an announcement of the adjourned date made at the Confirmation Hearing or any adjournment thereof.

Objections to Confirmation of the Plan must be Filed and served so that they are actually received by no later than the date and time set forth in the Confirmation Hearing Notice. **Unless objections to Confirmation of the Plan are timely served and Filed in compliance with the Solicitation Procedures Order, they may not be considered by the Bankruptcy Court**.

B. Requirement for Confirmation of the Plan

The requirements for the Confirmation of the Plan include that the Plan (i) is accepted by all Impaired Classes of Claims, or, if rejected by an Impaired Class of Claims, that the Plan "does not discriminate unfairly" and is "fair and equitable" as to such Impaired Class of Claims; (ii) is feasible; and (iii) is in the "best interests" of Holders of Claims.

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies the requirements of section 1129 of the Bankruptcy Code. The Debtors believe that: (i) the Plan satisfies or will satisfy all of the necessary statutory requirements of chapter 11 of the Bankruptcy Code; (ii) the Debtors have complied or will have complied with all of the necessary requirements of chapter 11 of the Bankruptcy Code; and (iii) the Plan has been proposed in good faith. More specifically, the Plan Proponents believe that the Plan satisfies or will satisfy the following applicable Confirmation requirements of section 1129 of the Bankruptcy Code:

- The Plan complies with the applicable provisions of the Bankruptcy Code.
- The Plan Proponents have complied with the applicable provisions of the Bankruptcy Code.
- The Plan has been proposed in good faith and not by any means forbidden by law.
- Any payment made or promised under the Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, has been disclosed to the Bankruptcy Court, and any such payment: (1) made before the confirmation of the Plan is reasonable; or (2) is subject to the approval of the Bankruptcy Court as reasonable, if it is to be fixed after confirmation of the Plan.
- Either each Holder of a Claim in an Impaired Class of Claims has accepted the Plan, or each such Holder will receive or retain under the Plan on account of such Claim property of a value, as of the Effective Date of the Plan, that is not less than the amount that such Holder would receive or retain if the Debtors were liquidated on the Effective Date of the Plan under chapter 7 of the Bankruptcy Code.
- The Classes of Claims that are entitled to vote on the Plan will have accepted the Plan, or at least one Class of Impaired Claims will have accepted the Plan, determined without including any acceptance of the Plan by any insider holding a Claim in that Class, and the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each Class of Claims that is impaired under, and has not accepted, the Plan.
- Except to the extent a different treatment is agreed to, the Plan provides that all Allowed Administrative Claims and Allowed Priority Claims will be paid in full on the Effective Date, or as soon thereafter as is reasonably practicable.
- All accrued and unpaid fees of the type described in 28 U.S.C. § 1930, including the fees of the U.S. Trustee, will be paid through the Effective Date.

C. Best Interests of Creditors

Often called the "best interests of creditors" test, section 1129(a)(7) of the Bankruptcy Code requires that a bankruptcy court find, as a condition to confirmation of a chapter 11 plan, that the plan provides, with respect to each impaired class, that each holder of a claim or an interest in such class either (i) has accepted the plan or (ii) will receive or retain under the plan property of a value that is not less than the amount that such holder would receive or retain if the debtor liquidated under chapter 7 on the effective date of the plan. Accordingly, if an impaired class does not unanimously accept the Plan, the best interests test requires the Bankruptcy Court to find, before confirming the Plan, that the Plan provides to each member of such Impaired Class a recovery on account of the Class member's Claim or Equity Interest that has a value, as of the Effective Date, at least equal to the value of the distribution that each such Class member would receive if the Debtor were liquidated under chapter 7 of the Bankruptcy Code on the Effective Date.

The Plan is a plan of liquidation. The costs of liquidation under chapter 7 of the Bankruptcy Code would include the fees payable to a chapter 7 trustee, and the fees that would be payable to additional attorneys and other professionals that such a trustee may engage.

Conversion to chapter 7 of the Bankruptcy Code would mean the establishment of a new claims bar date, which could result in new General Unsecured Claims being asserted against the Estates, thereby diluting the recoveries of other Holders of Allowed Claims. It would also entail a delay in the monetization of the remaining noncash assets of the Estates and might result in a lower realization of value.

The Plan Proponents have prepared a Liquidation Analysis, attached to the Disclosure Statement as **Exhibit B**, which provides Holders of Claims with an estimate of likely recoveries from liquidation of all of the Debtors' assets under the Plan and, alternatively, in a hypothetical Chapter 7 liquidation. Under the Liquidation Analysis, Holders of all classes of Claims other than (i) Rabo and (ii) Pomona, who have both consented to their respective treatments set forth in the Plan, will receive the same if not more under the Plan than in a hypothetical Chapter 7 liquidation.

The Plan Proponents believe that the Plan satisfies the best interests test because, if the Plan were not confirmed and the Chapter 11 Cases were instead converted to a chapter 7 liquidation proceeding, the value of the Debtors' estates would diminish because (i) the estates would need to pay fees and other costs to any chapter 7 trustee and (ii) the estates would incur increased professional fee costs associated with supporting the chapter 7 proceeding and associated litigation costs and claims. In addition, the Debtors' ability to realize value from their assets could be impaired in a chapter 7 liquidation.

If the Plan is not confirmed by the Bankruptcy Court, there can be no assurance that any alternative plan would be on terms as favorable to any Holders of Claims as the terms of the Plan. In addition, there can be no assurance that the Debtors or the Committee will be able to successfully develop, prosecute, confirm, and consummate an alternative plan that is acceptable to the Bankruptcy Court and the Debtors' creditors.

D. Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires that confirmation of the plan is not likely to be followed by the liquidation, or the need for further financial reorganization of the Debtors, or any successor to the Debtors (unless such liquidation or reorganization is proposed in the plan). This requirement is satisfied as the Plan specifically proposes a liquidation, and the Plan Proponents believe the Debtors' Cash and any additional proceeds from the Liquidating Debtor's Assets will be sufficient to allow the Plan Administrator to make all payments required to be made under the Plan. Accordingly, the Debtors believe that the Plan is feasible.

E. Acceptance by Impaired Classes

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

A class is "impaired" unless a plan: (a) leaves unaltered the legal, equitable, and contractual rights to which the claim or the interest entitles the holder of such claim or interest; or (b) cures any default, reinstates the original terms of such obligation, compensates the holder for certain damages or losses, as applicable, and does not otherwise alter the legal, equitable, or contractual rights to which such claim or interest entitles the holder of such claim or interest.

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

F. Confirmation Without Acceptance by All Impaired Classes

Section 1129(b) of the Bankruptcy Code allows a bankruptcy court to confirm a plan even if all impaired classes have not accepted that plan, *provided* that the plan has been accepted by at least one impaired class of claims, determined without including the acceptance of the plan by any insider. Notwithstanding an impaired class's rejection or deemed rejection of the plan, such plan will be confirmed, at the plan proponent's request, in a procedure commonly known as "cramdown," so long as the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of claims or interests that is impaired under, and has not accepted, the plan.

To the extent that any Impaired Class rejects the Plan or is deemed to have rejected the Plan, the Plan Proponents will request Confirmation of the Plan under section 1129(b) of the Bankruptcy Code. The Plan Proponents reserve the right to alter, amend, modify, revoke, or withdraw the Plan, the Plan Supplement, or any schedule or exhibit, including to amend or modify it to satisfy the requirements of section 1129(b) of the Bankruptcy Code, if necessary, which incorporates the following requirements.

1. No Unfair Discrimination

The "unfair discrimination" test applies to classes of claims or interests that reject or are deemed to have rejected a plan and that are of equal priority with another class of claims or interests that is receiving different treatment under such plan. The test does not require that the treatment of such classes of claims or interests be the same or equivalent, but that such treatment be "fair" under the circumstances. In general, bankruptcy courts consider whether a plan discriminates unfairly in its treatment of classes of claims of equal rank (*e.g.*, classes of the same legal character). Bankruptcy courts will take into account various factors in determining whether a plan discriminates unfairly, and, accordingly, a plan could treat two classes of unsecured creditors differently without unfairly discriminating against either class. The Plan Proponents submit that if they are required to "cramdown" the Plan pursuant to section 1129(b) of the Bankruptcy Code, the Plan is structured such that it does not "discriminate unfairly" against any rejecting Class.

2. Fair and Equitable Test

The "fair and equitable" test applies to classes that reject or are deemed to have rejected a plan and are of different priority and status vis-à-vis another class (*e.g.*, secured versus unsecured claims, or unsecured claims versus equity interests), and includes the general requirement that no class of claims receive more than 100% of the amount of the allowed claims in such class, including interest. As to the rejecting class, the test sets different standards depending on the type of claims or interests in such rejecting class. The Plan Proponents submit that if the Debtors are required to "cram down" the Plan pursuant to section 1129(b) of the Bankruptcy Code, the Plan is structured such that the applicable "fair and equitable" standards are met.

G. Alternatives to Confirmation and Consummation of the Plan

The Plan Proponents believe that the Plan affords Holders of Claims the potential for a materially better realization on the Estates' assets than a chapter 7 liquidation and is therefore in the best interests of all such Holders. If, however, the requisite acceptances of the voting Classes of Claims are not received, or no Plan is confirmed and consummated, the theoretical alternatives include: (a) formulation of an alternative chapter 11 plan or plans or (b) liquidation of the Debtors under chapter 7 of the Bankruptcy Code.

If the requisite acceptances are not received or if the Plan is not confirmed, the Plan Proponents or another party in interest could attempt to formulate and propose a different plan or plans. The Plan Proponents believe that the Plan enables Creditors to realize the greatest possible value under the circumstances, and, as compared to any alternative plan, has the greatest chance to be confirmed and consummated.

The Chapter 11 Cases may also be converted to cases under chapter 7 of the Bankruptcy Code, pursuant to which a statutory trustee would be elected or appointed to complete the liquidation of the Estates' assets for distribution to Creditors in accordance with the priorities established by the Bankruptcy Code. As described above, the Plan Proponents believe that the Plan will provide each Holder of an Allowed Claim with an equal or greater recovery than it would receive pursuant to liquidation of the Debtors under chapter 7 of the Bankruptcy Code.

XII. CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. ALL HOLDERS OF CLAIMS AGAINST OR EQUITY INTERESTS IN THE DEBTORS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL, OR FOREIGN TAX LAWS AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

This discussion is provided for informational purposes only and is based on provisions of the Internal Revenue Code of 1986, as amended (the "IRC"), Treasury Regulations promulgated thereunder, judicial authorities, and current administrative rulings and practice, all as in effect on the date hereof. Due to the complexity of certain aspects of the Plan, the lack of applicable legal precedent, the possibility of changes in the law, the differences in the nature of the Claims (including Claims within the same Class) and Equity Interests, the Holder's status and method of accounting (including Holders within the same Class), and the potential for disputes as to legal and factual matters with the IRS, the tax consequences described herein are subject to significant uncertainties. No legal opinions have been requested from counsel with respect to any of the tax aspects of the Plan and no rulings have been or will be requested from the IRS with respect to any of the issues discussed below. Further, legislative, judicial or administrative changes may occur, perhaps with retroactive effect, which could affect the accuracy of the statements and conclusions set forth below as well as the tax consequences to the Holders of Claims and Equity Interests. Any such changes or interpretations may be retroactive and could significantly, and adversely, affect the U.S. federal income tax consequences of the Plan.

The following summary does not address the U.S. federal income tax consequences to the Holders of Claims or Equity Interests not entitled to vote to accept or reject the Plan. In addition, to the extent that the following discussion relates to the consequences to Holders of Claims entitled to vote to accept or reject the Plan, it is limited to Holders that are United States persons within the meaning of the IRC. For purposes of the following discussion, a "United States person" is any of the following:

- An individual who is a citizen or resident of the United States;
- A corporation created or organized under the laws of the United States or any state or political subdivision thereof;
- An estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- A trust that (a) is subject to the primary supervision of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust, or (b) has a valid election in effect under applicable Treasury Regulations to be treated as a United States person.

This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular Holder in light of its particular facts and circumstances, or to certain types of Holders subject to special treatment under the IRC. Examples of Holders subject to special treatment under the IRC are governmental entities and entities exercising governmental authority, foreign companies, persons who are not citizens or residents of the United States, banks and certain other financial institutions, broker-dealers, insurance companies, tax-exempt organizations, real estate investment trusts, small business investment companies, regulated investment companies, persons that have a functional currency other than the U.S. dollar, and persons holding Claims that are a hedge against, or that are hedged against, currency risk or that are part of a straddle, constructive sale, or conversion transaction. This discussion does not address the tax consequences to Holders of Claims who did not acquire such Claims at the issue price on original issue. No aspect of foreign, state, local, estate, or gift taxation is addressed.

The U.S. federal income tax treatment of Holders of Claims and the character, amount, and timing of income, gain, or loss recognized as a consequence of the Plan and any Plan Distribution may vary, depending upon the following factors, among others: (i) whether the Claim or portion thereof constitutes a Claim for principal or interest; (ii) the type of consideration, if any, received by the Holder in exchange for the Claim, and whether the Holder receives Plan Distributions in more than one taxable year; (iii) whether the Holder is a citizen or resident of the United States for tax purposes, is otherwise subject to U.S. federal income tax on a net basis, or falls into any special class of taxpayers, such as those that are excluded from this discussion as noted above; (iv) the manner in which the Holder acquired the Claim; (v) the length of time that the Claim has been held; (vi) whether the Claim was acquired at a discount; (vii) whether the Holder has taken a bad debt deduction or a worthless securities deduction with respect to the Claim or any portion thereof in the current or prior taxable years; (viii) whether the Holder has previously included in gross income accrued but unpaid interest with respect to the Claim; (ix) the method of tax accounting of the Holder; (x) whether the Claim is an installment obligation for U.S. federal income tax purposes; and (xi) whether the "market discount" rules apply to the Holder. Therefore, each Holder should consult such Holder's own tax advisor for tax advice with respect to that Holder's particular situation and circumstances, and the particular tax consequences to such Holder of the transactions contemplated by the Plan.

A significant amount of time may elapse between the date of the Disclosure Statement and the receipt of a final Plan Distribution. Events occurring after the date of the Disclosure Statement, such as new or additional tax legislation, court decisions, or administrative changes, could affect the U.S. federal income tax consequences of the Plan and the transactions contemplated thereunder. No representations are being made regarding the particular tax consequences of the confirmation or implementation of the Plan as to any Holder of a Claim or Equity Interest. This discussion is not binding upon the IRS or other taxing authorities. No assurance can be given that the IRS or another authority would not assert, or that a court would not sustain, a different position from any discussed herein.

The following discussion generally assumes that the Plan will be treated as a plan of liquidation of the Debtors for U.S. federal income tax purposes, and that all Plan Distributions to Holders of Claims will be taxed accordingly.

THE FOLLOWING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE FOLLOWING DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A HOLDER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, EACH HOLDER IS STRONGLY URGED TO CONSULT SUCH HOLDER'S INDEPENDENT TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL, AND FOREIGN INCOME TAX CONSEQUENCES OF THE PLAN.

A. Consequences to Holders of Claims Generally

In general, each Holder of an Allowed Claim will recognize gain or loss in an amount equal to the difference between (i) the "amount realized" by such Holder in satisfaction of its Claim and (ii) such Holder's adjusted tax basis in such Claim (other than basis attributable to accrued but unpaid interest previously included in the Holder's taxable income). The "amount realized" by a Holder of an Allowed Claim in satisfaction of its Claim will equal the sum of cash and the aggregate fair market value of the property received by such Holder in satisfaction of its Claim pursuant to the Plan (such as a Holder's undivided beneficial interest in the Liquidating Debtors' assets). Where gain or loss is recognized by a Holder in respect of its Allowed Claim, the character of such gain or loss (*i.e.*, long-term or short-term capital, or ordinary income) will be determined by a number of factors including the tax status of the Holder, whether the Claim constituted a capital asset in the hands of the Holder and how long it had been held, whether the Claim was originally issued at a discount or acquired at a market discount and whether and to what extent the Holder had previously claimed a bad debt deduction or theft loss in respect of the Claim.

It is possible that any loss, or a portion of any gain, realized by a Holder of an Allowed Claim may have to be deferred until all of the Plan Distributions to such Holder are received.

Each Holder of an Allowed Claim should consult its own tax advisor to determine whether gain or loss recognized by such Holder will be long-term capital gain or loss and the specific tax effect thereof on such Holder.

A Holder of an Allowed Claim who receives, in respect of the Holder's Allowed Claim, an amount that is less than that Holder's tax basis in such Allowed Claim may be entitled to a bad debt deduction under IRC section 166(a). The rules governing the character, timing, and amount of a bad debt deduction place considerable emphasis on the facts and circumstances of the holder, the obligor, and the instrument with respect to which a deduction is claimed. Holders of Allowed Claims, therefore, are urged to consult their own tax advisors with respect to the ability to take a bad debt deduction in any particular taxable year. A Holder that has previously recognized a loss or deduction in respect of that Holder's Allowed Claim may be required to include in gross income (as ordinary income) any amounts received under the Plan to the extent such amounts exceed the Holder's adjusted basis in such Allowed Claim.

Holders of Allowed Claims who were not previously required to include any accrued but unpaid interest with respect to an Allowed Claim may be treated as receiving taxable interest income to the extent any consideration they receive under the Plan is allocable to such interest. A Holder previously required to include in gross income any accrued but unpaid interest with respect to an Allowed Claim may be entitled to recognize a deductible loss to the extent such interest is not satisfied under the Plan.

A Holder of an Allowed Claim constituting an installment obligation for U.S. federal income tax purposes may be required to recognize currently any gain remaining with respect to such obligation if, pursuant to the Plan, the obligation is considered to be satisfied at other than face value or distributed, transmitted, sold or otherwise disposed of within the meaning of IRC section 453B.

Holders of Disallowed Claims will not receive any Plan Distribution. Accordingly, because such a Holder may receive an amount that is less than that Holder's tax basis in such

Claim, such Holder may be entitled to a bad debt deduction under IRC section 166(a). As noted above, the rules governing the character, timing, and amount of a bad debt deduction place considerable emphasis on the facts and circumstances of the holder, the obligor, and the instrument with respect to which a bad debt deduction is claimed. Holders of Disallowed Claims, therefore, are urged to consult their own tax advisors with respect to the ability to take a bad debt deduction in any particular taxable year.

B. Withholding on Distributions, and Information Reporting

All Distributions to Holders of Allowed Claims under the Plan are subject to any applicable tax withholding, including employment tax withholding. *See* Plan Art. VII.L. Under U.S. federal income tax law, interest, dividends, and other reportable payments may, under certain circumstances, be subject to "backup withholding" at the then applicable withholding rate (currently 24%). Backup withholding generally applies if the payment recipient (i) fails to furnish the recipient's social security number or other taxpayer identification number; (ii) furnishes an incorrect taxpayer identification number; (iii) fails to properly report interest or dividends; or (iv) under certain circumstances, fails to provide a certified statement, signed under penalty of perjury, that the taxpayer's identification number provided is the recipient's correct taxpayer identification number and that such recipient is not subject to backup withholding. Backup withholding is not an additional tax but merely an advance payment, which may be refunded to the extent it results in an overpayment of tax. Certain Persons are exempt from backup withholding, including, in certain circumstances, corporations and financial institutions.

In addition, a Holder of an Allowed Claim that is a not a U.S. entity may be subject to additional withholding, depending on, among other things, the particular type of income and whether the type of income is subject to a lower treaty rate. As to certain Claims, it is possible that withholding may be required with respect to distributions by the Plan Administrator, as applicable, even if no withholding would have been required if payment was made prior to the Chapter 11 Cases. A non-U.S. Holder may also be subject to other adverse consequences in connection with the implementation of the Plan. As discussed above, the foregoing discussion of the U.S. federal income tax consequences of the Plan does not generally address the consequences to non-U.S. Holders. Non-U.S. Holders are urged to consult their own tax advisors regarding potential withholding on Plan Distributions.

In addition, Treasury Regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of specified thresholds. Holders are urged to consult their own tax advisors regarding these Treasury Regulations and whether the transactions contemplated by the Plan would be subject to these Treasury Regulations and require disclosure on the Holder's tax returns.

XIII. PLAN VOTING INSTRUCTIONS AND PROCEDURES

A. Solicitation Materials

The Debtors, with the approval of the Bankruptcy Court, have engaged Donlin, Recano & Company, LLC (the "Claims and Noticing Agent") to serve as the voting agent to process and tabulate Ballots and to generally oversee the voting process. The following materials constitute the solicitation package (the "Solicitation Package"):

- the Plan, including all Exhibits and Schedules thereto;
- this Disclosure Statement, including all Exhibits and Schedules thereto;
- the Solicitation Procedures Order (excluding exhibits);
- the notice of, among other things, (i) the date, time, and place of the hearing to consider Confirmation of the Plan and related matters and (ii) the deadline for filing objections to Confirmation of the Plan (the "Confirmation Hearing Notice");
- one or more Ballots, to be used in voting to accept or to reject the Plan and applicable instructions with respect thereto (the "Voting Instructions");
- a pre-addressed, postage pre-paid return envelope; and
- such other materials as the Bankruptcy Court may direct or approve.

The Debtors, through the Claims and Noticing Agent, will distribute the Solicitation Package in accordance with the Solicitation Procedures Order. The Solicitation Package is also available without charge at the Debtors' restructuring website.

If necessary, the Plan Proponents may File a Plan Supplement no later than fourteen (14) days prior to the Voting Deadline, which would be a compilation of documents, agreements, and exhibits that support the Plan. As the Plan Supplement is updated or otherwise modified, it will be made available without charge at the Debtors' restructuring website.

If you are the Holder of a Claim and believe that you are entitled to vote on the Plan, but you did not receive a Ballot or your Ballot is damaged or illegible, or if you have any questions concerning voting procedures, you should contact the Claims and Noticing Agent at the address indicated on the Confirmation Hearing Notice.

If your Claim is subject to a pending claim objection and you wish to vote on the Plan, you must File a motion pursuant to Bankruptcy Rule 3018 with the Bankruptcy Court for the temporary allowance of your Claim for voting purposes on or before the Voting Deadline and your Claim or portion thereof, as applicable, must be temporarily allowed by the Bankruptcy Court for voting purposes or you will not be entitled to vote to accept or reject the Plan.

THE DEBTORS AND THE PLAN ADMINISTRATOR, AS APPLICABLE, RESERVE THE RIGHT, THROUGH THE CLAIM OBJECTION PROCESS, TO OBJECT TO OR SEEK TO DISALLOW OR SUBORDINATE ANY CLAIM FOR DISTRIBUTION PURPOSES, EXCEPT AS MAY BE EXPRESSLY PROVIDED OTHERWISE IN THE PLAN OR CONFIRMATION ORDER.

B. Voting Instructions and Procedures

As set forth in the Solicitation Procedures Order, all votes to accept or reject the Plan must be cast by using the Ballots enclosed with the Solicitation Packages or otherwise provided by the Debtors or the Claims and Noticing Agent. No votes other than ones using such Ballots will be counted, except to the extent the Bankruptcy Court orders otherwise. The Bankruptcy Court has fixed the Voting Record Date for the determination of the Holders of Claims who are entitled (a) to receive a copy of this Disclosure Statement and all of the related materials and (b) to vote to accept or reject the Plan.

After carefully reviewing the Plan, this Disclosure Statement, and the detailed instructions accompanying your Ballot, you are asked to indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the accompanying Ballot.

The deadline to vote on the Plan is set forth in the Confirmation Hearing Notice (the "Voting Deadline"). In order for your vote to be counted, your Ballot must be properly completed in accordance with the Voting Instructions on the Ballot, and actually received no later than the Voting Deadline, either by (i) submitting an electronic ballot through the Debtors' restructuring website or (ii) by mailing your Ballot so it is received no later than the Voting Deadline at the address indicated on the ballot.

Only the Holders of Allowed Claims or Claims that are deemed allowed for purposes of voting on the Plan in Classes 1, 4A, 4B, and 4C as of the Voting Record Date are entitled to vote to accept or reject the Plan, and they may do so by completing the appropriate Ballots and returning those Ballots in the envelope provided to the Claims and Noticing Agent so as to be actually received by the Claims and Noticing Agent by the Voting Deadline. Each Holder of a Claim must vote its entire Claim either to accept or to reject the Plan and may not split such vote. The Ballots will clearly indicate the appropriate return address. It is important to follow the specific Voting Instructions provided on each Ballot. **As noted above, if your Claim is subject to a pending claim objection and you wish to vote on the Plan, you must File a motion pursuant to Bankruptcy Rule 3018 with the Bankruptcy Court for the temporary allowance of your Claim for voting purposes on or before the Voting Deadline and your Claim or portion thereof, as applicable, must be temporarily allowed by the Bankruptcy Court for voting purposes or you will not be entitled to vote to accept or reject the Plan.**

Any Ballot that is timely submitted electronically or received physically that contains sufficient information to permit the identification of the Holder of the Claim and that is cast as an acceptance or rejection of the Plan will be counted and will be deemed to be cast as an acceptance or rejection, as the case may be, of the Plan. Ballots for the same or substantially similar Claims asserted against different Debtors (*e.g.*, claims against a primary obligor Debtor and a guarantor Debtor), shall be consolidated and treated as a single Ballot for voting purposes, such that the remaining ballots will not be counted. If more than one Ballot is received from any given Holder of a Claim against the same Debtor, the first-received Ballot shall be used, unless the Court determines otherwise.

Unless otherwise provided in the Voting Instructions accompanying the Ballots, the following Ballots will not be counted in determining whether the Plan has been accepted or rejected:

- any Ballot that fails to clearly indicate an acceptance or rejection, or that indicates both an acceptance and a rejection, of the Plan;
- any Ballot received after the Voting Deadline, except if the Debtors have granted an extension of the Voting Deadline with respect to such Ballot in writing, or such an extension has been granted by order of the Bankruptcy Court;
- any Ballot containing a vote that the Bankruptcy Court determines was not solicited or procured in good faith or in accordance with the applicable provisions of the Bankruptcy Code;
- any Ballot that is illegible or contains insufficient information to permit the identification of the Claim Holder;
- any Ballot cast by a Person that does not hold a Claim in the voting Class;
- any Ballot that is not signed or does not contain an original signature;
- any Ballot cast by a Person or Entity that does not hold a Claim in a Class that is entitled to vote to accept or reject the Plan;
- any Ballot cast for a Claim designated as unliquidated, contingent, or disputed or as zero or unknown in amount and for which no motion pursuant to Bankruptcy Rule 3018(a) has been Filed by the deadline fixed by the Bankruptcy Court and contained in the notice of the hearing on the Plan;
- Any unsigned Ballot; and
- Any Ballot submitted by an Entity other than the Holder of the Claim or its agent of record.

Any party who has previously submitted to the Claims and Noticing Agent prior to the Voting Deadline a properly completed Ballot may revoke such Ballot and change its vote or elections by submitting to the Claims and Noticing Agent prior to the Voting Deadline a subsequent properly completed Ballot for acceptance or rejection of the Plan. In the case where multiple Ballots are received from the same Holder with respect to the same Claim prior to the Voting Deadline, the last timely received, properly executed Ballot will be deemed to reflect that voter's intent and will supersede and revoke any prior Ballot.

Any party who has delivered a properly completed Ballot for the acceptance or rejection of the Plan that wishes to withdraw such acceptance or rejection rather than changing its vote may withdraw such acceptance or rejection by delivering a written notice of withdrawal to the Claims and Noticing Agent at any time prior to the Voting Deadline. To be valid, a notice of withdrawal must (i) contain the description of the Claims to which it relates and the aggregate principal amount represented by such Claims, (ii) be signed by the withdrawing party in the same manner as the Ballot being withdrawn, (iii) contain a certification that the withdrawing party owns the Claims and possesses the right to withdraw the vote sought to be withdrawn, and (iv) be actually received by the Claims and Noticing Agent prior to the Voting Deadline.

ALL BALLOTS ARE ACCOMPANIED BY VOTING INSTRUCTIONS. IT IS IMPORTANT THAT THE HOLDER OF A CLAIM ENTITLED TO VOTE FOLLOW THE SPECIFIC INSTRUCTIONS PROVIDED WITH EACH BALLOT.

If you have any questions about (a) the procedure for voting your Claim or making elections on your Ballot, (b) the Solicitation Package that you have received, or (c) the amount of your Claim, or if you wish to obtain, at your own expense (unless otherwise specifically required by Bankruptcy Rule 3017(d)), an additional copy of the Plan, this Disclosure Statement, or any appendices, schedules, or exhibits to such documents, please contact the Claims and Noticing Agent at the address specified above. Copies of the Plan, Disclosure Statement, and other documents Filed in these Chapter 11 Cases may be obtained free of charge at the Debtors' restructuring website.

The Claims and Noticing Agent will process and tabulate Ballots for the Classes entitled to vote to accept or reject the Plan and will File a voting report (the "Voting Report") no later than seven (7) days prior to the Confirmation Hearing. The Voting Report will, among other things, describe every Ballot that does not conform to the Voting Instructions or that contains any form of irregularity, including, but not limited to, those Ballots that are late, illegible (in whole or in material part), unidentifiable, lacking signatures, lacking necessary information, or damaged.

THE DEBTORS AND THE COMMITTEE URGE HOLDERS OF CLAIMS WHO ARE ENTITLED TO VOTE TO TIMELY RETURN THEIR BALLOTS AND TO VOTE TO ACCEPT THE PLAN BY THE VOTING DEADLINE.

C. Confirmation Hearing and Deadline for Objections to Confirmation

Objections to confirmation of the Plan must be Filed and served on the Plan Proponents and certain other entities, all in accordance with the Confirmation Hearing Notice, so that such objections are actually received by no later than the deadline set forth in the Confirmation Hearing Notice. Unless objections to Confirmation of the Plan are timely served and Filed in compliance with the Solicitation Procedures Order, they may not be considered by the Bankruptcy Court.

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XIV. RECOMMENDATION

The Plan Proponents believe that confirmation and implementation of the Plan are the best alternative under the circumstances and urge all Impaired Creditors entitled to vote on the Plan to vote in favor of and support confirmation of the Plan.

Dated: August 4, 2026

KELLER BENVENUTTI KIM LLP

/s/ Jane Kim
Jane Kim

Attorneys for Debtors and Debtors in Possession

RAINES FELDMAN LITTRELL LLP
HUSCH BLACKWELL LLP

/s/ *Michael A. Brandess*
Michael A. Brandess

Attorneys for Official Committee of Unsecured Creditors

EXHIBIT A

(Corporate Organization Chart)

Trinitas Advantaged Agriculture Partners IV, L.P__ Entities Structure.

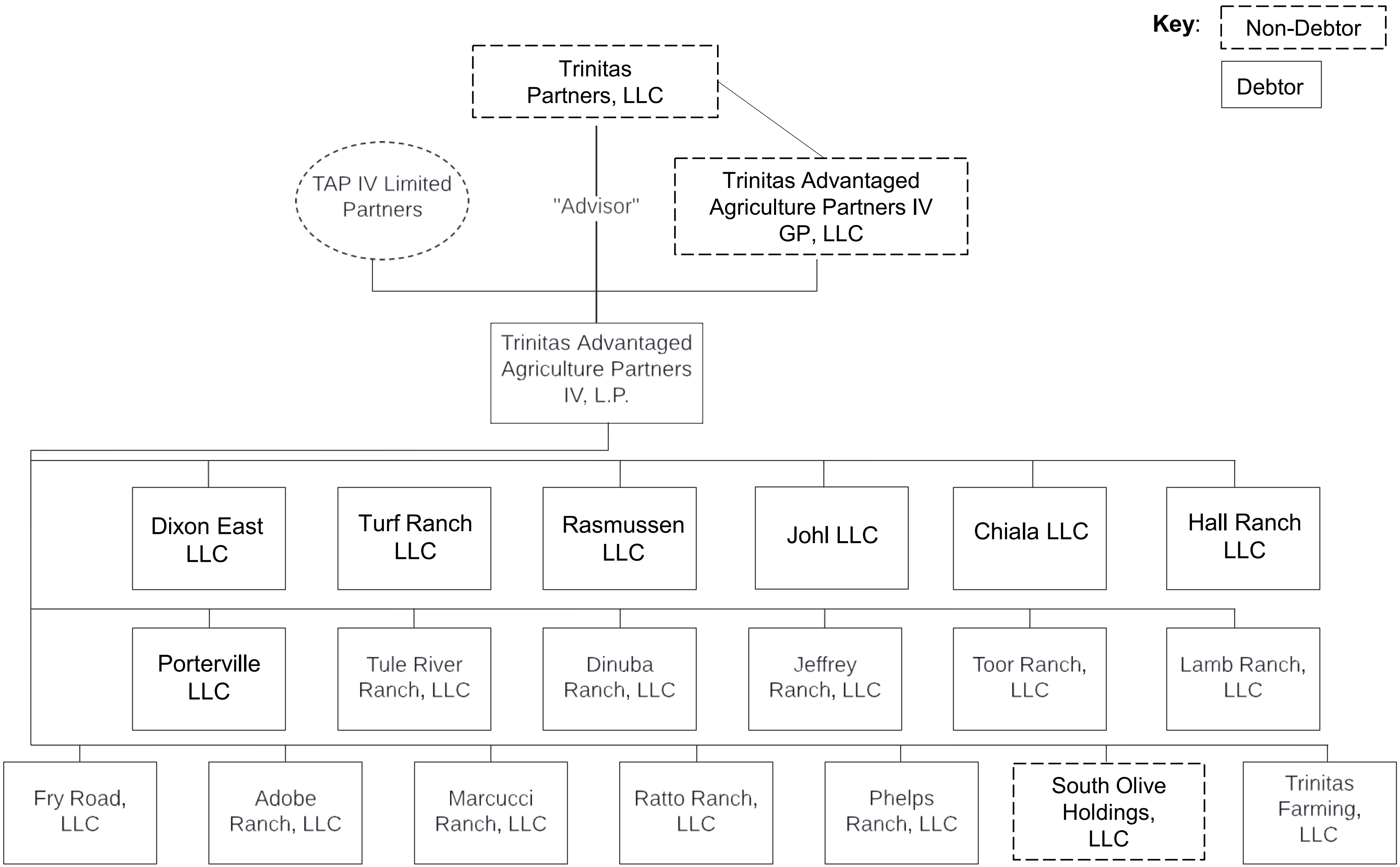

EXHIBIT B

(Liquidation Analysis)

Trinitas Advantaged Agriculture Partners IV, LP

Ch. 11 Plan and Hypothetical Ch. 7 Liquidation Analysis & Waterfall

Pro Forma for assumed September 1, 2026 Effective Date

Filing Version

#	Pro Forma Liquidation Analysis ($ in thousands)	5/15/2026 Value	Estimated Adjustment	9/1/2026 Pro Forma Baseline $ Value	Ch. 11 Plan High % Driver	Ch. 11 Plan Low % Driver	Ch. 7 High % Driver	Ch. 7 Low % Driver	Ch. 11 Plan High $ Value	Ch. 11 Plan Low $ Value	Ch. 7 High $ Value	Ch. 7 Low $ Value
	Asset Values											
1	Cash: Unrestricted Accounts	2,667	(1,456)	1,211	100%	100%	100%	100%	1,211	1,211	1,211	1,211
2	Cash: Rabo GUC Gift Account	2,994	(134)	2,860	100%	93%	100%	93%	2,860	2,660	2,860	2,660
3	Cash: Professional Fee Trust Account	1,028	(543)	485	100%	100%	100%	100%	485	485	485	485
4	Cash: Segregated Equipment Sale Proceeds	1,956	(1,956)	-	100%	100%	100%	100%	-	-	-	-
5	Cash: Utility Adequate Assurance Deposit Account	275	-	275	100%	100%	100%	100%	275	275	275	275
6	Causes of Action and Avoidance Actions	-	-	-					-	-	-	-
	Total Asset Values	**8,920**	**(4,089)**	**4,831**					**4,831**	**4,631**	**4,831**	**4,631**
	Administrative Expense Claims & Plan Expenses											
7	Ch. 7 Trustee Fees & Expenses			(75)	0%	0%	100%	100%	-	-	(75)	(75)
8	503(b)(9) claims			(55)	100%	100%	0%	0%	(55)	(55)	-	-
9	U.S. Trustee Statutory Fees (Accrued Prior to Eff. Date)			(51)	100%	100%	100%	100%	(51)	(51)	(51)	(51)
10	Ch. 11 Post-Confirmation Wind-Up Expenses			(875)	100%	100%	0%	0%	(875)	(875)	-	-
	Total Administrative Expense Claims & Plan Expenses								**(981)**	**(981)**	**(126)**	**(126)**
	Total Proceeds Available for Distribution After Administrative Expense Claims and Plan Expenses								**3,850**	**3,650**	**4,705**	**4,505**
	Secured Claims, Priority Claims and Stipulated Earmarked Gift Funds											
11	Rabo GUC Gift Cash (Stipulated Carve-out between Committee & Rabo)			(2,860)	100%	93%	0%	0%	(2,860)	(2,660)	-	-
12	Debtor Professional Fees (Accrued Prior to Eff. Date)			(485)	100%	100%	0%	0%	(485)	(485)	-	-
13	Rabo Allowed Claim (Secured & Deficiency Claims)			(69,364)	1%	1%	7%	6%	(489)	(489)	(4,705)	(4,505)
14	Other Secured Claims (Class 3)			-	0%	0%	0%	0%	-	-	-	-
15	Priority Tax Claims			(16)	100%	100%	0%	0%	(16)	(16)	-	-
16	Other Priority Claims (Class 2)			-	0%	0%	0%	0%	-	-	-	-
	Total Secured Claims, Priority Claims and Stipulated Earmarked Gift Funds								**(3,850)**	**(3,650)**	**(4,705)**	**(4,505)**
	Total Proceeds Available for Distribution After Secured Claims, Priority Claims and Stipulated Earmarked Gift Funds								**-**	**-**	**-**	**-**
	Cash Available to Non-Priority Unsecured Claims											
17	Rabo GUC Gift Cash			2,860	100%	93%	0%	0%	2,860	2,660	-	-
	Total Cash Available to Non-Priority Unsecured Claims								**2,860**	**2,660**	**-**	**-**

Notes

1 *Assumes operating expenses as per latest DIP budget paid through Effective Date, includes $990,000 Management Fees and $550,000 Debtor Professional Fee accruals from May 15, 2026 to August 31, 2026 (not yet Allowed and subject to adjustment).*

2 *Pursuant to Case Issues Stipulation, Committee Professional fees in excess of $1,150,000 are paid from Rabo GUC Gift Account. Includes both pre- and post-Effective Date payments of Committee Professional fees on account of such fees accrued prior to Effective Date.*

3 *Assumes Debtor Professional fees are paid from Professional Fee Trust Account. Includes both pre- and post-Effective Date payments of Debtor Professional fees on account of such fees accrued prior to Effective Date.*

4 *Compromise and Settlement Agreement between Debtors, Rabo, Pomona and Committee results in $100,000 additional being added to Rabo GUC Gift Account.*

5 *Assumes full release of Utility Deposit pursuant to order granting First Day Motion for utilities adequate assurance procedures.*

6 *Avoidance Actions have either been settled or will not be pursued by the Plan Administrator. D&O Insider Claims have been assigned to Rabo pursuant to the Compromise and Settlement Agreement.*

10 *Ch. 11 Post-Confirmation Wind Up Expenses agreed as per stipulation to be funded at $875,000 from Holdback. Plan will be administered by a Plan Administrator at Effective Date.*

11 *Assumes Committee Professional fees in excess of $1,150,000 are paid from Rabo GUC Gift Account*
12 *Assumes accrued but unpaid pre-Effective Date Debtor Professional fees are paid by Plan Administrator from Holdback after Effective Date.*
17 *As per Case Issues Stipulation, funds will be allocated for Class 4A General Unsecured Claims and Committee Professional fees, estimated to total approximately $2.9 million at Effective Date.*

Trinitas Advantaged Agriculture Partners IV, LP

Ch. 11 Plan and Hypothetical Ch. 7 Liquidation Analysis & Waterfall
Pro Forma for assumed September 1, 2026 Effective Date

Filing Version

Pro Forma Claims Waterfall		Forecasted Claim Value at Effective Date		Ch. 11 Plan High	Ch. 11 Plan Low	Ch. 7 High	Ch. 7 Low	Ch. 11 Plan High	Ch. 11 Plan Low	Ch. 7 High	Ch. 7 Low
($ in thousands)		High Value	Low Value	Recovery %	Recovery %	Recovery %	Recovery %	Recovery $	Recovery $	Recovery $	Recovery $
Cash Available for Non-Priority Unsecured Claims by Class											
A	Cash Available for Class 4A Unsecured Claims							2,860	2,660	-	-
B	Cash Available for Class 4B Unsecured Claims							-	-	-	-
C	Cash Available for Class 4C Unsecured Claims							-	-	-	-
Total Cash Available for Non-Priority Unsecured Claims								**2,860**	**2,660**	**-**	**-**
Total Non-Priority Unsecured Claims Amount by Class											
A	General Unsecured Claims (Class 4A)	2,860	2,860	100%	93%	0%	0%	2,860	2,660	-	-
B	Rabo Deficiency Claim (Class 4B)	68,875	68,875	0%	0%	0%	0%	-	-	-	-
C	Pomona Unsecured Claim (Class 4C)	10,859	10,859	0%	0%	0%	0%	-	-	-	-
Total Unsecured Claims								**2,860**	**2,660**	**-**	**-**

Notes

A *No cash available for general unsecured creditors in Chapter 7 scenarios, as Rabo, as secured creditor, will receive all proceeds.*
C *Pomona Unsecured Claim will not receive any payment from Rabo GUC Gift Account, pursuant to Compromise and Settlement Agreement.*

SCHEDULE 1

(Known Allowed Class 4A Claims)

Trinitas Advantaged Agriculture Partners IV, LP

Schedule 1:Known Allowed Class 4A Claims

Creditor Name	Donlin Recano Claim / Schedule No.	Court Claim No.	Claim Amount
AG PRODUCTION CO	50018.00		$ 6,620.16
AG WATER CHEMICAL	50019.00		$ 16,968.74
ALI COX AND CO	3.00	2.1	$ 78,666.90
ALLEN MATKINS LECK GAMBLE	17.00	12.1	$ 6,839.00
ALTA IRRIGATION DISTRICT	50020.00		$ 145.37
ARENTFOX SCHIFF LLP	64.00	26.1	$ 157,465.05
BATAM MANAGEMENT SVC INC	50023.00		$ 16,153.86
BELLKNAP PUMP CO INC	1.00		$ 8,245.00
BG AGRI SALES AND SVC	22.00	16.1	$ 6,047.72
BGM ELECTRONIC SVC LLC	50024.00		$ 15,000.00
BLAIR AIR SVC	4.00	3.1	$ 82,318.91
BUTTONWILLOW WAREHOUSE CO	50025.00		$ 288.38
CAL WEST RAIN INC	62.00		$ 18,694.75
CALIFORNIA INDUSTRIAL RUBBER CO	50027.00		$ 23,983.03
CELLCO PARTNERSHIP D/B/A VERIZON WIRELESS	53.00	4.1	$ 9,869.64
CHICO NUT HULLING AND SHELLING CO LLC	56.02	5.1	$ 386,783.65
DANIEL VILLARREAL PRUNING CO	47.00	21.1	$ 11,835.00
DELLAVALLE LABORATORY INC	50029.00		$ 960.00
DELTA PUMP CO	8.00	5.1	$ 655.11
DIXON / SOLANO RCD WATER COALITION	50030.00		$ 3.86
EAST BAY TIRE	50031.00		$ 6,184.54
FARM CREDIT LEASING SVC CORP	101.00	9.20	$ 10,027.13
FASTENAL CO	5.02		$ 7,945.24
FIRST CHOICE INDUSTRIAL SUPPLY INC	50048.00		$ 9,577.90
FIRST NATIONAL BANK OF OMAHA	50049.00		$ 74,137.40
FLORY INDUSTRIES	24.00	17.1	$ 14,163.92
FORD CREDIT	50050.00		$ 37,424.01
FRONTIER PERFORMANCE LUBRICANTS INC	50051.00		$ 8,939.50
GAR BENNETT LLC	9.00	6.1	$ 265,509.29
GROW WEST	20.00	14.1	$ 175,544.69
IRS- DEPT OF TREASURY	97.00	2.2	$ 100.00
JACK KLEIN PARTNERSHIP LLC	51.00		$ 33,911.06
JR SIMPLOT CO DBA SIMPLOT GROWER SOLUTIONS	49.00	23.1	$ 7,805.51
KAMPER AG AND AUTO	19.00	13.1	$ 6,835.25
KIMBALL RENTALS LLC DBA KIMBALL EQUIPMENT CO	2.00	1.1	$ 33,348.74
LAWRENCE TRACTOR CO INC	50056.00		$ 17,548.34
LINCOLN AUTOMOTIVE FINANCIAL SVC	99.00	6.2	$ 37,424.01
LMG AG PRODUCTS	50057.00		$ 55,227.18
LOCKWOOD SEED AND GRAIN	50058.00		$ 50,054.50
MARCOS GALVAN MARTINEZ	92.00	9.1	$ 1,000.00
MARFAB AG AND INDUSTRIAL SUPPLIES	55.00		$ 11,891.40
MERCED COUNTY DEPT OF PUBLIC WORKS	50060.00		$ 180.00
MID VALLEY AGRICULTURAL SVC INC	21.00	15.1	$ 2,056.25
MOSS ADAMS LLP	50062.00		$ 1,470.00
NUTRIEN AG SOLUTIONS INC	29.02		$ 674,035.28
NUTRIEN AG SOLUTIONS VISALIA	50064.00		$ 2,231.64

Trinitas Advantaged Agriculture Partners IV, LP

Schedule 1:Known Allowed Class 4A Claims

Creditor Name	Donlin Recano Claim / Schedule No.	Court Claim No.	Claim Amount
ORACLE AMERICA INC SUCCESSOR IN INTEREST	60.00		$ 27,594.92
ORCHARD MACHINERY CORP	23.00		$ 106,436.51
OSSENT JUK AND BOTTI	50067.00		$ 3,410.00
OSSENT JUK AND BOTTI	50066.00		$ 1,045.00
PG AND E	12.00	1.1	$ 35.71
QUINN COMPANY AKA QUINN CAT	30.00	20.1	$ 19,310.44
RECLAMATION DISTRICT NO 2068	50070.00		$ 1,000.00
SCOTT BELKNAP WELL DRILLING INC	50071.00		$ 8,245.00
SCS GLOBAL SVC	50072.00		$ 7,054.00
SOCALGAS	7.00	1.1	$ 167.60
SOUTHERN CALIFORNIA EDISON	50074.00		$ 2,632.62
SPERANTUS ARRIOLA BUSINESS GROUP INC	50075.00		$ 22,578.77
STANISLAUS FARM SUPPLY	50076.00		$ 34,577.79
SUPERIOR SOIL SUPPLEMENTS LLC	18.00		$ 62,613.67
TM SIGNS AND GRAPHICS	50080.00		$ 858.35
TULARE LAKE BASIN WATER STORAGE DISTRICT	50081.00		$ 2,805.17
UNITED RENTALS NORTH AMERICA INC	91.00		$ 37,996.23
V AND Z SHREDDING	48.00	22.1	$ 48,868.00
VALLEY HYDRAULICS AND MACHINE	10.00	7.1	$ 391.13
VALLEY PACIFIC PETROLEUM SVC INC	57.00	25.1	$ 26,806.64
VILLARREAL HEDGING AND TOPPING INC	50085.00		$ 11,835.00
WESTSIDE EQUIPMENT	6.00	4.1	$ 41,621.42
WILSON'S POWERSPORTS	50088.00		$ 277.78
Total Known Allowed Class 4A Claims			**$ 2,860,278.66**