IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
AHI Liquidating 123, Inc., *et al.*,[1]	Case No. 17-10635 (KG)
Debtors.	(Jointly Administered)

COMBINED DISCLOSURE STATEMENT AND CHAPTER 11 PLAN OF LIQUIDATION PROPOSED BY THE DEBTORS AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS

GREENBERG TRAURIG, LLP
Dennis A. Meloro (DE Bar No. 4435)
The Nemours Building
1007 North Orange Street, Suite 1200
Wilmington, Delaware 19801
Telephone: (302) 661-7000
Facsimile: (302) 661-7360
Email: melorod@gtlaw.com

-and-

Nancy A. Mitchell (admitted *pro hac vice*)
Matthew L. Hinker (DE Bar No. 5348)
Sara Hoffman (admitted *pro hac vice*)
200 Park Avenue
New York, New York 10166
Telephone: (212) 801-9200
Facsimile: (212) 801-6400
Email: mitchelln@gtlaw.com
hinkerm@gtlaw.com
hoffmans@gtlaw.com

Counsel for the Debtors and Debtors in Possession

DRINKER BIDDLE & REATH LLP
Steven K. Kortanek (DE Bar No. 3106)
Patrick A. Jackson (DE Bar No. 4976)
Joseph N. Argentina, Jr. (DE Bar No. 5453)
222 Delaware Ave., Suite 1410
Wilmington, DE 19801-1621
Telephone: (302) 467-4200
Facsimile: (302) 467-4201
Email: steven.kortanek@dbr.com
patrick.jackson@dbr.com
joseph.argentina@dbr.com

-and-

Robert K. Malone (admitted *pro hac vice*)
600 Campus Dr.
Florham Park, New Jersey 07932-1047
Telephone: (973) 549-7000
Facsimile: (973) 360-9831
Email: robert.malone@dbr.com

Counsel for the Official Committee of Unsecured Creditors

Dated: August 31, 2017

[1] The Debtors in these Chapter 11 Cases, along with the business addresses and the last four (4) digits of each Debtor's federal tax identification number are: AHI Liquidating 123, Inc., 366 Madison Avenue, 9th Floor, New York, NY 10017 (4318); VT&M 123, Inc., 22 Prindle Hill Rd., P.O. Box 564, Orange, CT 06477 (8614); NCDI123, Inc., 6925 Downey Avenue, Long Beach, CA 90805 (3219); NCDIM123, Inc., 2771 Centerville Road, Suite 400, Wilmington, DE 19808 (5905); and GAeroS123, Inc., 7020 S. 238th Street, Kent, WA 98032 (7033).

TABLE OF CONTENTS

Page

SECTION 1	INTRODUCTION; IMPORTANT DATES	1
SECTION 2	DISCLOSURES	1
2.1	Background and Procedural History	2
2.2	Summary of Treatment of Claims and Interests Under the Plan	11
2.3	Section-by-Section Summary of the Plan	12
2.4	Tax Consequences of the Plan	16
2.5	Requirements for Confirmation of the Plan	17
2.6	Alternatives to Confirmation of the Plan	19
2.7	Risk Factors	20
SECTION 3	DEFINITIONS AND INTERPRETATION	21
3.1	Definitions	21
3.2	Interpretation: Application of Definitions and Rules of Construction.	29
SECTION 4	ADMINISTRATIVE EXPENSE AND PRIORITY CLAIMS	30
4.1	Administrative Expense Claims	30
4.2	Accrued Professional Compensation Claims	30
4.3	Priority Tax Claims	31
SECTION 5	CLASSIFICATION OF CLAIMS AND INTERESTS	31
SECTION 6	TREATMENT OF CLAIMS AND INTERESTS	32
6.1	Classes 1A–E—Other Priority Claims	32
6.2	Classes 2A–E—Secured Tax Claims	33
6.3	Classes 3A–E—Other Secured Claims	33
6.4	Classes 4A–E—General Unsecured Claims	34
6.5	Classes 5A–E—Prepetition Lender Deficiency Claims	34
6.6	Classes 6A–E—Contractual Subordinated Claims	35
6.7	Classes 7A–E—Statutory Subordinated Claims	35
6.8	Classes 8A–E—Intercompany Claims	35
6.9	Class 9A—Interests in AHI Liquidating 123, Inc.	36
6.10	Classes 9B–E—Intercompany Interests	36
SECTION 7	ACCEPTANCE OR REJECTION OF THE PLAN	36
7.1	Impaired Classes	36

7.2 Acceptance by a Class 37
7.3 Claims and Interests Not Entitled to Vote 37
SECTION 8 MEANS FOR IMPLEMENTATION 37
8.1 Corporate Action 37
8.2 Plan Transactions 38
8.3 Effectuating Documents and Further Transactions 38
8.4 Authority to Act 39
8.5 The Plan Administrator 39
SECTION 9 DISTRIBUTIONS 41
9.1 Limited Consolidation of the Estates 41
9.2 Distribution Record Date 41
9.3 Date of Distributions 41
9.4 No Postpetition Interest on Claims 42
9.5 Disbursing Agent 42
9.6 Powers of Disbursing Agent 42
9.7 Surrender of Instruments 42
9.8 IRS Form W-9 42
9.9 Delivery of Distributions 43
9.10 Manner of Payment 43
9.11 Setoffs 43
9.12 Minimum Distributions 43
9.13 Allocation of Distributions Between Principal and Interest 44
9.14 Distributions Free and Clear. 44
SECTION 10 PROCEDURES FOR DISPUTED CLAIMS 44
10.1 Preservation of Rights/Defenses; Standing to Object 44
10.2 Estimation of Claims 44
10.3 Distributions Relating to Disputed Claims 44
10.4 Disallowed Claims 45
SECTION 11 EXECUTORY CONTRACTS AND UNEXPIRED LEASES 45
11.1 General Treatment 45
11.2 Rejection Damages Claims 45
11.3 Reservation of Rights 46
SECTION 12 CONDITIONS PRECEDENT TO EFFECTIVE DATE 46
12.1 Conditions Precedent 46
12.2 Waiver of Conditions 46

12.3 Effect of Failure of Conditions 46
SECTION 13 EFFECT OF CONFIRMATION 47
13.1 Vesting of Assets 47
13.2 Binding Effect 47
13.3 Compromise and Settlement of Claims, Interests, and Controversies 47
13.4 Injunction 48
13.5 Term of Injunctions or Stays 48
13.6 Debtor and Estate Releases 49
13.7 Releases by Certain Holders of Claims 49
13.8 Exculpation 50
13.9 Dissolution of Creditors' Committee 50
13.10 Retention of Causes of Action/Reservation of Rights 50
SECTION 14 RETENTION OF JURISDICTION 51
SECTION 15 MISCELLANEOUS PROVISIONS 52
15.1 Payment of Statutory Fees 52
15.2 Substantial Consummation 53
15.3 Operations Between the Plan Confirmation Date and Effective Date 53
15.4 No Retroactive Tax Exemption 53
15.5 Determination of Tax Liabilities 53
15.6 Amendments 53
15.7 Revocation or Withdrawal of the Plan 54
15.8 Savings Clause 54
15.9 Severability of Subplans 54
15.10 Governing Law 54
15.11 Effective Notice 55
SECTION 16 CRAMDOWN REQUEST 55

Appendix A: Wind-Down Budget
Appendix B: Liquidation Analysis

SECTION 1 INTRODUCTION; IMPORTANT DATES

The Debtors[2] and the Creditors' Committee hereby propose this Plan pursuant to sections 1125 and 1129 of the Bankruptcy Code. Although styled as a "joint" plan, this Plan consists of separate Subplans for each of the Debtors.

Please take note of the following important dates relating to the Plan:

- **Deadline for Plan Proponents to provide any supplemental disclosures regarding the Plan (to be filed on the docket and posted on the Voting Agent's website): September 22, 2017**
- **Ballots from voting creditors must be received by September 29, 2017, at 4:00 p.m. (prevailing Eastern Time)**
- **Objections to confirmation of the Plan must be filed and served by September 29, 2017, at 4:00 p.m. (prevailing Eastern Time)**
- **Combined Hearing on adequacy of disclosures and confirmation of the Plan: October 5, 2017, at 2:30 p.m. (prevailing Eastern time)**

SECTION 2 DISCLOSURES

The information in this Section 2 is provided in order to permit voting creditors to make an informed judgment regarding approval of the Plan. If you are a voting creditor and believe additional information is necessary for this purpose, please contact counsel for the Debtors[3] or the Creditors' Committee[4] as soon as possible to request such information. The Plan Proponents will make reasonable efforts to comply with requests for additional information, and to make any such information available to all voting creditors by filing a supplement on the docket of these Chapter 11 Cases and posting it on the Voting Agent's case website.[5]

****To ensure the timely collection and dissemination of information prior to the Voting Deadline, please make any requests for additional information no later than September 15, 2017.****

Where appropriate, this Section 2 includes summaries of, or cross-references to, operative provisions of the Plan in Section 3–Section 15. To the extent of any inconsistency between this Section 2 and any operative provision(s) of the Plan, the operative provision(s) shall control.

---

[2] Capitalized terms not otherwise defined herein have the meanings ascribed to them in Section 3 below.

[3] **Greenberg Traurig LLP, MetLife Building, 200 Park Avenue, New York, New York 10166, Attn: Matthew L. Hinker (hinkerm@gtlaw.com).**

[4] **Drinker Biddle & Reath LLP, 222 Delaware Avenue, Suite 1410, Wilmington, Delaware 19801, Attn: Patrick A. Jackson (patrick.jackson@dbr.com).**

[5] http://www.bmcgroup.com/aerospaceholdings

2.1 Background and Procedural History

2.1.1 The Debtors and their Businesses

The Debtors designed and manufactured a wide variety of products for the commercial aerospace and defense markets, including machined parts, fabricated components, and tooling, on scales ranging from individual prototypes to large lot production. Specifically:

- AHI Liquidating 123, Inc. (f/k/a Aerospace Holdings, Inc.) ("***Aerospace***"), a Delaware corporation, was formed in 2010 to build a leading aero-structures business by acquiring small and separate fabrication and machining enterprises and integrating them under one corporate umbrella to facilitate branding strategies, promote cross-selling opportunities, and leverage customer relationships across platforms.

- VT&M 123, Inc. (f/k/a Valley Tool & Manufacturing, Inc.) ("***Valley***"), a Delaware corporation, was formed in 2006 from the merger of Mauer Metalcraft, Inc. and New England Manufacturing Group, Inc., which allowed Valley to combine customer vendor codes and to expand the products offered to the commercial aerospace and defense industry. Aerospace acquired Valley in September 2010. Valley formerly operated a facility in Orange, Connecticut and primarily focused on the machining and fabrication of sheet metal parts such as doorframes, dashboards and hinges, as well as small-machined components for military and commercial rotary-wing aircraft. Valley also possessed tube-bending capabilities (up to 40 mm in diameter) that it used in the manufacturing of nozzles and tubing.

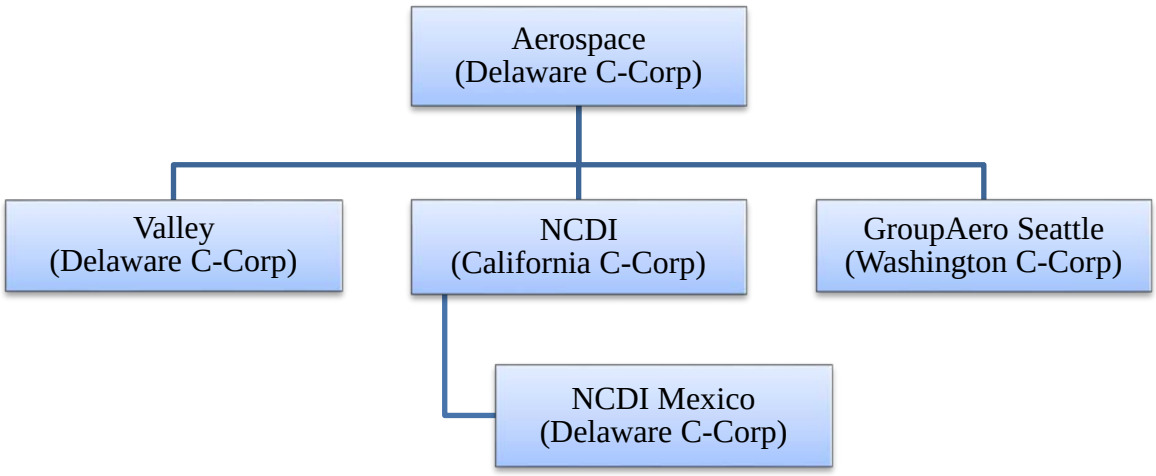
- NCDI123, Inc. (f/k/a NC Dynamics Incorporated) ("***NCDI***"), a California corporation, was founded in 1979 and engineered, manufactured, and assembled sophisticated metallic machined structures for the commercial aerospace and defense industries. Aerospace acquired NCDI in March 2012. NCDI specialized in monolithic components and assemblies manufactured from "hard metals" such as titanium, stainless steel alloys and high strength aluminum. NCDI offered multi-axis machining along with precision component assembly. NCDI operated its business from a 118,000 square foot facility in Long Beach, California. NCDI was a key supplier for a number of commercial aerospace platforms, including the Airbus A320, Boeing 737, Boeing 787, Bombardier C-Series and Mitsubishi Regional Jets, as well as a key supplier to several defense platforms, including the F-16, F-18, F-35 JSF, C-5 Galaxy and Apache AH-64.

- NCDIM123, Inc. (f/k/a NCDI Mexico, Inc.) ("***NCDI Mexico***"), a Delaware corporation, is a wholly-owned subsidiary of NCDI. NCDI Mexico was formed on May 28, 2014, and served as the holding company for a non-debtor subsidiary that operated a warehouse in Mexico where finishes, designs, or other additional features would be applied to NCDI-manufactured products.

- GAeroS123, Inc. (f/k/a GroupAero Seattle, Inc.) ("***GroupAero Seattle***"), a Washington corporation, was acquired by Aerospace in late 2012 to establish a presence in Washington and to further develop a relationship with a global aerospace company and leading manufacturer of commercial jetliners and defense, space, and security systems.

Despite Aerospace's efforts, that relationship failed to materialize, and managing a division in Washington proved challenging. As a result, GroupAero Seattle's assets were sold at auction in 2014.

The corporate organizational structure of the Debtors is depicted in the following chart:



2.1.2 Debtors' Prepetition Capital Structure

As of the Petition Date, the Debtors had outstanding debt obligations in the aggregate amount of approximately $92.8 million, consisting primarily of (a) approximately $38.6 million of secured debt under the Prepetition Credit Agreement (as defined below) (b) approximately $27.1 million under a subordinated credit facility, (c) approximately $21.6 million under various subordinated promissory notes and (d) approximately $5.5 million owed to vendors, landlords and other unsecured creditors.

(1) The Prepetition Credit Agreement

The Debtors other than NCDI Mexico were borrowers under a certain Second Amended and Restated Revolving Credit and Term Loan Agreement dated as of March 5, 2012 (the "***Prepetition Credit Agreement***") with the lenders party thereto from time to time (the "***Prepetition Lenders***") and Comerica Bank as the original administrative agent (in such capacity, together with its successors and permitted assigns, the "***Prepetition Agent***").

Pursuant to that certain Second Amended and Restated Security Agreement dated as of March 5, 2012 (the "***Security Agreement***") by and among Debtors and the Prepetition Agent, the Debtors' obligations under the Prepetition Credit Agreement were secured by valid, properly perfected and unavoidable first priority security interests in and liens on substantially all of the Debtors' assets.

As of the Petition Date, approximately $38.6 million was outstanding under the Prepetition Credit Agreement.

(2) **Subordinated Credit Agreement**

The Debtors other than NCDI Mexico are also borrowers under a certain Second Amended and Restated Subordinated Term Loan Agreement dated March 5, 2012 (the "***Subordinated Credit Agreement***") with the lenders party thereto from time to time (the "***Subordinated Lenders***") and Brookside Mezzanine Agent, LLC, as administrative agent. As of the Petition Date, approximately $27.1 million was outstanding under the Subordinated Credit Agreement.

The obligations evidenced by the Subordinated Credit Agreement are unsecured and the exercise of any right or remedy with respect to the Subordinated Credit Agreement, as well as certain other rights of the Subordinated Lenders, are subject to the provisions of that certain Amended and Restated Subordination Agreement (as amended, restated, supplemented, or otherwise modified from time to time) dated as of March 5, 2012, by and among the Prepetition Agent and the Subordinated Lenders, and acknowledged by the Debtors (the "***Subordination Agreement***").

(3) **Subordinated Notes**

The Debtors are also party to a number of unsecured subordinated promissory notes with certain of the Debtors' equity holders and the former owners of certain of the Debtors' businesses (collectively, the "***Subordinated Notes***"), which are also subject to the Subordination Agreement or other similar agreements. As of the Petition Date, approximately $21.6 million was outstanding under the Subordinated Notes.

(4) **Other Unsecured Debt**

As of the Petition Date, the Debtors estimate that they had approximately $5.5 million in unsecured debt consisting primarily of $5.3 million of trade debt owed to hundreds of vendors and approximately $0.2 million owed to landlords.

(5) **Equity Interests**

Aerospace owns 100% of the equity interests in Valley, NCDI, and GroupAero Seattle, and NCDI owns 100% of the equity interests in NCDI Mexico. The equity interests of Aerospace are held by several private equity investors, institutional investors, members of the Debtors' management, and other individuals.

2.1.3 Events Leading Up to the Chapter 11 Cases

A series of factors contributed to the Debtors' operational challenges and ultimate need to file these Chapter 11 Cases, including those discussed below in more detail. In summary, the Debtors' ability to build a leading aero-structures business was hampered by unfortunate and unforeseeable circumstances which (i) drastically impaired the Debtors' ability to continue to grow through the acquisition of small and disparate fabrication and machining enterprises and (ii) limited the Debtors' opportunities to grow through the development of existing customer relationships.

Aerospace's first acquisition was Stadco Inc. ("***Stadco***"), a company founded in 1941 that developed an outstanding reputation among a wide variety of commercial and military customers. However, a significant portion of Stadco's profitability related to two projects that were cancelled or drastically reduced shortly after its acquisition by Aerospace, namely: (i) the Lockheed Martin F-22 fighter jet, and (ii) the Airbus A380. Due to the cancellation of these programs, and the resulting impact on Stadco's operations and balance sheet, Stadco caused a significant drain on management, negatively impacted Aerospace's balance sheet, constrained liquidity, hampered Aerospace's ability to identify other potential growth opportunities, and caused significant turnover of key employees. As a result, in 2014 Aerospace divested Stadco at a significant loss.

Shortly after acquiring Stadco, Aerospace acquired Valley. In 2014, as Aerospace was divesting Stadco, Valley's key customer was acquired by a global security and aerospace company, which resulted in fewer orders during that acquisition process. Approximately 90% of Valley's business was derived from that customer or otherwise closely related to demand for military rotorcraft. Since Valley was beholden to military spending to create demand for its products, the reductions in military spending from 2014 to 2016 negatively impacted Valley's growth.

Aerospace acquired NCDI in the first quarter of 2012, and the issues caused by the cancellation of the Stadco programs negatively impacted NCDI's ability to effectively operate. One of NCDI's key customers was extremely rigid in evaluating its suppliers' balance sheets, which, following the cancellation of the Stadco programs, hampered NCDI's ability to win new contracts and further grow that relationship. In addition, NCDI derived nearly all of its revenues from certain commercial and military programs to develop and support various aircraft systems. Thus, NCDI's operations were also impacted by the reductions in military spending from 2014 to 2016. As an example, the Lockheed C-5 Galaxy program had historically provided as much as 25% of NCDI's annual revenues. But since 2014, NCDI experienced a significant decline in revenue due in large part to the cancellation of the C-5 program.

Finally, in late 2013, Aerospace acquired GroupAero Seattle to establish a presence in Washington and further develop a relationship with a global aerospace company and leading manufacturer of commercial jetliners and defense, space and security systems. Despite Aerospace's efforts, that relationship failed to materialize and managing a division in Washington proved challenging. As a result, GroupAero Seattle's assets were sold at auction in 2014.

The Debtors' secured debt obligations were originally set to mature in June 2016, but the final maturity date was extended into July 2016 pursuant to an amendment to the Prepetition Credit Agreement. Due to the impending maturity of the Prepetition Credit Agreement and certain operational issues, caused in part by the impending final maturity of the Debtors' secured obligations, the Debtors retained G2 Capital Advisors, LLC ("***G2***") in July 2016 to, among other things, review and analyze the Debtors' business and financial projections and advise and assist the Debtors in evaluating potential financing or sale transactions. Despite the final maturity of the Prepetition Credit Agreement, the Prepetition Agent continued to work with the Debtors and funded their operations through protective advances pursuant to amendments to the Prepetition Credit Agreement. Over the course of the next eight months, G2 engaged in an extensive

marketing process to (i) structure a refinancing solution to refinance the Debtors' secured debt obligations or (ii) locate a potential buyer for all, or substantially all, of the Debtors' assets.

On December 29, 2016, the Debtors retained Conway MacKenzie Management Services, LLC ("***Conway***") as their chief restructuring advisor. In this capacity, Conway (i) assisted the the Debtors' restructuring process, (ii) assisted in the development and evaluation of restructuring and other strategic alternatives, including the marketing process being conducted by G2, (iii) assisted in the review and analysis of proposals for the purchase of the Company or the Company's assets, (iv) negotiated with lenders, vendors, suppliers and other stakeholders, (v) assisted the Debtors in developing, implementing, and overseeing cash management strategies, (vi) supported the Debtors' Chief Financial Officer, (vii) assisted management in the development and revision of business plans and related forecasts, (viii) assisted the Debtors in preparing and analyzing operating and financial budgets, and (ix) provided such other services as requested by the Debtors.

The Debtors pursued a number of potential refinancing transactions and potential sale transactions while G2 continued to market the Debtors' businesses. During this process, certain of the Debtors' existing investors also worked with G2 and Conway to develop an internal restructuring plan to recapitalize the Debtors' balance sheet.

On February 24, 2017, Harlow Aerostructures LLC ("***Harlow***"), a strategic competitor of the Debtors, purchased the senior secured debt from the Prepetition Lenders to facilitate a transaction. After February 24, 2017, Harlow funded the Debtors' operations while the Debtors and Harlow negotiated the material terms of a transaction whereby Harlow would serve as a "stalking horse" purchaser and provide the Debtors with debtor-in-possession financing to fund a chapter 11 sale process where the Debtors' assets would be marketed and subjected to higher and better offers.

On March 8, 2017, Conway's Matthew D. Sedigh was appointed as the Debtors' Chief Restructuring Officer ("***CRO***"). As CRO, Mr. Sedigh was responsible for managing the operations of the Debtors and assisting with the restructuring process, under the supervision of the Debtors' respective boards of directors.

On March 28, 2017 (the "***Petition Date***"), the Debtors commenced these Chapter 11 Cases to effect an expeditious sale transaction with Harlow or another successful bidder, and to conduct an expeditious, but orderly, wind-down of their Estates.

2.1.4 "First-Day" Relief

On the Petition Date, the Debtors filed a number of motions and applications seeking customary relief intended to facilitate a smooth transition for the Debtors into these Chapter 11 Cases and to minimize disruptions to the Debtors' business operations (the "***First-Day Motions***"), namely:

- motions for joint administration of the Chapter 11 Cases [D.I. 3] and authority to file consolidated lists of creditors [D.I. 2];

- an application to retain BMC Group, Inc. as official claims and noticing agent [D.I. 11];

- a motion for authority to honor prepetition employee wage and benefit obligations [D.I. 5];

- a motion for authority to continue using the Debtors' prepetition bank accounts and cash management system [D.I. 6];

- a motion to prohibit utility providers from altering, refusing, or disconnecting service and to establish procedures for resolution of utility providers' demands for additional assurance of payment [D.I. 7];

- a motion for authority to pay prepetition property taxes and regulatory fees in the ordinary course of business [D.I. 8];

- a motion for authority to maintain existing insurance policies and continue insurance premium financing programs [D.I 9];

- a motion for authority to pay certain prepetition claims of materialmen in the ordinary course of business [D.I. 10]; and

- a motion for approval of the debtor-in-possession ("***DIP***") financing from Harlow [D.I. 11] (the "***DIP Financing Motion***").

Following a hearing on March 29, 2017, the Bankruptcy Court granted the relief requested in the First-Day Motions on an interim or final basis, as applicable [D.I. 30–38 & 40]. As is customary, the interim order granting the DIP Financing Motion [D.I. 40] (the "***Interim DIP Order***") contained certain stipulations and releases by the Debtors, on behalf of their Estates, concerning (i) the amount, validity, and enforceability of the prepetition secured debt, and (ii) potential Causes of Action against Harlow, which stipulations and releases would become binding if not timely and successfully challenged by the Creditors' Committee or another party in interest.

2.1.5 "Second-Day" Relief

On or shortly after the Petition Date, the Debtors also filed a number of "second-day" motions and applications for retention of professionals and for sale-related relief, including:

- a motion to establish a bar date for the assertion of administrative priority claims under section 503(b)(9) of the Bankruptcy Code (for goods delivered within 20 days prepetition) [D.I. 14], which was granted by the Bankruptcy Court without objection [D.I. 112];

- a motion for approval of (i) bidding procedures in connection with the sale of the Debtors' assets, including the approval of Harlow as "stalking horse" bidder with

attendant protections, and (ii) the sale to the successful bidder [D.I. 18] (the "***Sale Motion***");

- applications to retain (i) Greenberg Traurig, LLP as counsel to the Debtors [D.I. 23], (ii) G2 as investment banker to the Debtors [D.I. 96], and (iii) BMC Group, Inc. as administrative agent for the Debtors [D.I. 95], which were granted by the Bankruptcy Court without objection [D.I. 111, 162 & 163, respectively];

- an application to retain Conway to act as the Debtors' turnaround manager and provide the Debtors a CRO and additional personnel [D.I. 25], which was granted by the Bankruptcy Court without objection [D.I. 110]; and

- motions to establish interim procedures for compensation and reimbursement of expenses of professionals [D.I. 93] and for authority to retain certain professionals utilized by the Debtors in the ordinary course of business [D.I. 94], which were granted by the Court without objection [D.I. 160 & 161, respectively].

2.1.6 Formation of the Creditors' Committee

On April 7, 2017, the Office of the United States Trustee appointed the Creditors' Committee pursuant to section 1102(a)(1) of the Bankruptcy Code [D.I. 129]. The Creditors' Committee members, and the nature and approximate amount of their claims against the Debtors' Estates, is set forth in the following table:

Committee Member	Amount/Nature of Claim
The Boeing Company	Approximately $1,045,689 unsecured trade claim
Brookside Mezzanine Fund II, L.P.	Approximately $17,056,648 claim under the Subordinated Credit Agreement
Catalus Capital Management LLC	Approximately $5,087,327 claim under the Subordinated Credit Agreement
Cygnus, Inc.	Approximately $57,312.31 unsecured trade claim
Thyssenkrupp Materials, NA	Approximately $223,406 unsecured trade claim

The day it was appointed, the Creditors' Committee selected Drinker Biddle & Reath LLP as its counsel and Gavin/Solmonese LLC as its financial advisor. These engagements were later approved by the Bankruptcy Court without objection [D.I. 218 & 210, respectively].

2.1.7 The Committee Objection and Settlement

As originally proposed, the asset purchase agreement with Harlow contemplated the sale of substantially all of the Debtors' assets, including specifically all Causes of Action under Chapter 5 of the Bankruptcy Code (e.g., for recovery of preferential payments from creditors), in

exchange for (i) a credit bid of the amounts outstanding under DIP credit facility and a portion of the amount outstanding under the Prepetition Credit Facility, (ii) assumption of certain liabilities, and (iii) $50,000 cash. The DIP budget projected negative cash balance upon the closing of the sale, and made no provision for the wind-down of the Chapter 11 Cases or any distribution to general unsecured creditors.

On April 18, 2017, the Creditors' Committee filed an objection to the DIP Financing Motion and the Sale Motion [D.I. 103] (the "***Committee Objection***"), which raised a number of concerns about the proposed sale process, the lack of a wind-down budget for the Chapter 11 Cases, and the lack of a distribution to general unsecured creditors, among other things. At the time, the Creditors' Committee was in active negotiations with Harlow and the Debtors in an attempt to resolve these concerns. It was also investigating, on an expedited basis, (i) the sufficiency of the marketing process for the Debtors' assets, (ii) potential challenges to Harlow's liens and claims, and (iii) potential causes of action against Harlow.

Later that night, Creditors' Committee, Harlow, and the Debtors reached an agreement in principle to resolve the Committee Objection, the material terms of which were read onto the record at a hearing the next day (and later attached as an exhibit to the Final DIP Order). Under this settlement, Harlow agreed to (i) increase the cash component of its purchase price from $50,000 to $400,000, (ii) provide an additional $90,000 of funding to provide for certain wind-down related expenses, (iii) exclude from the sale any Chapter 5 actions against insiders (thus preserving them for the benefit of the Estates), (iv) unconditionally covenant not to sue on any of the Chapter 5 actions it did acquire, and (v) assign its approximately $24 million deficiency claim and related subordination rights to a trust for the benefit of the general unsecured creditors. In consideration of the foregoing, the Debtors and the Creditors' Committee agreed the Debtors' assets would not be subjected to further marketing or competing bids, which would permit closing on the sale to be moved up by a week, with attendant savings to the Estates from the reduction of professionals' fees. Importantly, this settlement provided the Creditors' Committee a "fiduciary out" that preserved the right to challenge Harlow's liens and claims, or pursue causes of action against Harlow, following the conclusion of its investigation.

On April 19, 2017, the Bankruptcy Court entered an order (i) scheduling a hearing on May 1, 2017, to consider approval of the proposed sale of the Debtors' assets to Harlow (the "***Sale Hearing***"), (ii) approving the form and manner of notice of the Sale Hearing, and (iii) approving certain procedures relating to assumption and rejection of executory contracts and unexpired leases [D.I. 119].

Prior to the Sale Hearing, the Creditors' Committee concluded its investigation regarding Harlow's liens and claims, and any potential causes of action against Harlow. As a result of this investigation, the Creditors' Committee determined that (i) the liens and claims were likely valid and enforceable, and (ii) any causes of action were speculative, and the costs of pursuing them (which would include a loss of the economic benefits of the Committee Settlement) would exceed the likely benefit to the Estates of doing so. Accordingly, the Creditors' Committee did not challenge any of the Debtors' stipulations or releases in the Interim DIP Order, or otherwise object to the sale of the Debtors' assets to Harlow.

The Bankruptcy Court entered the Final DIP Order and the Sale Order on May 1, 2017 [D.I. 154 & 155, respectively]. Closing on the sale occurred the following day [D.I. 174].

2.1.8 The Plan Process and Noteholder Proposal

After the Committee Settlement was reached, the Debtors and the Creditors' Committee collaborated in good faith regarding the orderly wind-down of the Chapter 11 Cases and the proposal of a liquidating Chapter 11 plan. To this end, the parties sought and obtained entry of (i) an order [D.I. 152] establishing **July 3, 2017**, as the general bar date (i.e., deadline) for filing prepetition claims, and **September 25, 2017**, as the governmental bar date; and (ii) an order dated August 30, 2017, establishing **September 22, 2017**, as the bar date for filing requests for payment of Administrative Expense Claims (other than Accrued Professional Compensation Claims) arising on or before August 30, 2017.

To streamline the process and save costs, the Debtors and the Creditors' Committee decided the best course of action was to file a combined plan and disclosure statement, and to seek preliminary approval of the disclosures and the scheduling of a combined, final hearing on plan confirmation and the adequacy of the disclosures.

As noted above, the Committee Settlement provides for, among other things, the assignment of Harlow's approximately $25 million deficiency claim and related subordination rights to a trust for the benefit of general unsecured creditors. These subordination rights entitle the holder of the senior debt to turnover of any distributions that would otherwise be payable to subordinated creditors, unless and until the senior debt is satisfied. Based on the limited assets available for distribution in these Chapter 11 Cases, giving effect to these potential subordination rights in a plan would result in no distribution to holders of contractually subordinated claims, because any distribution that would otherwise be made to such creditors would be funneled back into distributions to non-subordinated creditors (insofar as they are beneficiaries of the Harlow deficiency claim). Conversely, *failure* to give effect to these subordination rights in a plan (i.e., by distributing assets *pro rata* to all general unsecured creditors without regard for subordinated status) would likely serve to substantially dilute recoveries to non-subordinated creditors, given the amount of the subordinated claims in proportion to the entire general unsecured claims pool. Based upon the foregoing scenarios, pursuing either of these alternatives would introduce a substantial risk of litigation from either subordinated creditors or non-subordinated creditors. When the attendant costs are factored into pursuing either scenario, the result would be the cannibalization of the limited assets available for any distribution, and potentially, the conversion of these Chapter 11 Cases to cases under Chapter 7 of the Bankruptcy Code.

Against this backdrop, Creditors' Committee members Brookside Mezzanine Fund II, L.P. and Catalus Capital Management LLC (the "***Noteholders***"), who collectively hold a majority in amount of the claims under the Subordinated Credit Agreement, proposed a plan structure that represents a compromise position between the strict enforcement and non-enforcement of the subordination rights attendant to the Harlow deficiency claim (the "***Noteholder Proposal***"). Under the Noteholder Proposal, the "pot" of assets available for distribution to creditors would be split 60/40 between the non-subordinated and subordinated creditors, respectively, with each class of creditors sharing *pro rata* in its respective "sub-pot." In light of the litigation risk, and potential delay and cost, associated with either the strict

enforcement or the non-enforcement of the subordination rights, as noted above, the Creditors' Committee believes the Noteholder Proposal provides the best opportunity for a recovery by unsecured creditors in these Chapter 11 Cases.

2.1.9 Assets Available for Distribution

As of the date hereof, the Debtors' remaining Assets consist primarily of (i) $448,000 Cash on hand, and (ii) potential Causes of Action against insiders and former insiders.

2.2 Summary of Treatment of Claims and Interests Under the Plan

The table below summarizes the classification and treatment of the pre-petition Claims and Interests under the Plan, and provides a good-faith estimate of the amount of Allowed Claims in each Class and the recovery to creditors in certain Classes. Estimated Claim Amounts are based on the Debtors' Schedules, and may not reflect all Claims filed (or that may be filed) by the applicable bar date. Estimated percentage recoveries are based on a number of assumptions, including with respect to the amount of Allowed Administrative Expense Claims and Plan Expenses in these Chapter 11 Cases. Recoveries also assumed the substantive consolidation of the Estates for distribution purposes, as provided in Section 9.1. ***Actual percentage recoveries may differ from what is set forth in the following table, and such difference may be material.***

Class(es)[6] / Claims or Interests	**Estimated Amount of Allowed Claims**	**Treatment / Voting Status**	**Estimated Recovery**
1A–E Other Priority Claims	None	Unimpaired Deemed to Accept	100%
2A–E Secured Tax Claims	None	Unimpaired Deemed to Accept	100%
3A–E Other Secured Claims	None	Unimpaired Deemed to Accept	100%
4A–E General Unsecured Claims	$6,090,000	Impaired Entitled to Vote	1.27%
5A–E Prepetition Lender Deficiency Claims	$25,119,000	Impaired Deemed to Accept	None
6A–E Contractual Subordinated Claims	$51,556,355	Impaired Entitled to Vote	0.10%

[6] As noted in Section 3.1.15 below, Classes are organized by *number* for type of Claim or Interest (1–9), and by *letter* for the applicable Debtor (A–E).

Class(es)[6] / Claims or Interests	Estimated Amount of Allowed Claims	Treatment / Voting Status	Estimated Recovery
7A–E Statutory Subordinated Claims	Unknown	Impaired Deemed to Reject	None
8A–E Intercompany Claims	Unknown	Impaired Deemed to Accept	None
9A Interests in AHI Liquidating 123, Inc.	n/a	Impaired Deemed to Reject	None
9B–E Intercompany Interests	n/a	Impaired Deemed to Accept	None

2.3 Section-by-Section Summary of the Plan

This Section 2.3 summarizes Section 3–Section 15 and should be read in conjunction with those sections to aid in their comprehension. However, the provisions of Section 3–Section 15 are the sole and exclusive source of rights and obligations under the Plan; thus, to the extent of any inconsistency between the descriptions in this Section 2.3 and the actual provisions of Section 3–Section 15, the latter shall control.

2.3.1 Definitions and Interpretation

Section 3.1 contains definitions of the capitalized terms that are used in the operative provisions of the Plan. The definitions of "General Unsecured Claim," "Contractual Subordinated Claim," "GUC Distribution Pool," and "Subordinated Claim Distribution Pool" are particularly important to an understanding of how the Plan implements the Noteholder Proposal. The definitions of "Exculpated Parties," "Released Parties," and "Releasing Parties" are particularly important to an understanding of the Plan's exculpation and release provisions.

Section 3.2 provides certain principles that govern interpretation of the Plan, including particularly that (i) non-capitalized terms that are defined in the Bankruptcy Code (e.g., "affiliate," "entity," "insider," "person"), have the same meanings for purposes of this Plan, (ii) the terms "includes" and "including" are not limiting (so, "including X" should be read as "including, but not limited to, X"), and (iii) the term "or" is not exclusive (so, "A or B" should be read as "A or B (or both)").

2.3.2 Administrative Expense and Priority Claims

The Bankruptcy Code generally requires that administrative and priority claims be paid in full on the Effective Date. Thus, Section 4 provides for this, subject to limited variations such as by agreement of affected holders of Allowed Administrative Expense Claims or Priority Claims.

Section 4.2 provides rules applicable to Accrued Professional Compensation Claims, which are a subset of Administrative Expense Claims, including (i) a deadline for filing final fee

applications with the Bankruptcy Court, and (ii) limitation of payments to the Professionals to the amounts set forth in the Wind-Down Budget.

2.3.3 Classification of Claims and Interests

In accordance with Bankruptcy Code section 1122, the Plan divides Claims and Interests into Classes and sets forth the treatment for each Class. Section 5 of the Plan provides the classifications, each Class's Impaired or Unimpaired status, and each Class's voting status. (This information is also reflected in the table in Section 2.2 above.) As explained in Section 3.1.15 (definition of "Class"), Classes are organized by number for type of Claim or Interest (1–9), and by letter for the applicable Debtor (A–E).

2.3.4 Treatment of Claims and Interests

Section 6 provides the treatment of Claims and Interests in the respective Classes. Allowed Other Priority Tax Claims (§ 3.1.41), Secured Tax Claims (§ 3.1.68), and Other Secured Claims (§ 3.1.42), if any, will be satisfied in full in the manner provided in Sections 6.1, 6.2, and 6.3.

Consistent with the Noteholder Proposal, Sections 6.4 and 6.6 provide that the net assets available for distribution to general unsecured creditors will be divided into two pools: 60% into a GUC Distribution Pool (§ 3.1.34) to fund *pro rata* distributions on Allowed General Unsecured Claims (§ 3.1.33), and 40% into a Subordinated Claim Distribution Pool (§ 3.1.70) to fund *pro rata* distributions on Allowed Contractual Subordinated Claims (§ 3.1.17).

Other Classes of Claims and Interests will receive no Distributions under the Plan.

2.3.5 Acceptance or Rejection of the Plan

Section 7 provides how Classes' acceptance or rejection of the Plan will be determined, and which Classes are entitled to vote.

Holders of General Unsecured Claims (§ 3.1.33) and Contractual Subordinated Claims (§ 3.1.17) as of the Voting Record Date (§ 3.1.74) are the only creditors entitled to vote to accept or reject the Plan. Holders of all other Claims and Interests are either deemed to accept the Plan or deemed to reject the Plan.

A voting Class will be deemed to accept the Plan if ***either*** (a) the holders of Claims in that Class that hold at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Claims that vote in such Class vote to accept the Plan ***or*** (b) no votes are received by the Voting Agent from holders of Claims in that Class. *****Therefore, if you are entitled to vote on the Plan, but fail to do so, your Class may be deemed to accept the Plan.*****

A creditor is not entitled to vote if, as of the Voting Record Date, its Claim (a) has been disallowed, or (b) is a Disputed Claim (§ 3.1.24), provided that if a Claim has been disallowed in part (or a pending objection seeks disallowance of such Claim only in part) as of the Voting Record Date, the Allowed (or undisputed) portion of the Claim may be voted.

2.3.6 Means for Implementation of the Plan

Section 8 provides for the appointment of a Plan Administrator, which will be vested with all Assets of the Debtors' Estates as of the Effective Date (§ 3.1.27), and will carry out the provisions of the Plan with respect to the reconciliation of Claims and Distributions to creditors. The rights, powers, and duties of the Plan Administrator are solely as set forth in the Plan, including in Section 8.5.1.

Section 8 also provides for an efficient means to immediately terminate the existence of the Debtor entities, and to close the Chapter 11 Cases when appropriate.

2.3.7 Distributions

Section 9 provides general procedures concerning Distributions under the Plan, including the deemed consolidation of the Debtors' Estates with respect to Allowed General Unsecured Claims and Contractual Subordinated Claims. This means that the separate Debtors and Estates will be treated as if they were a single Debtor with a single Estate, so that Claims enforceable against more than one Estate will be treated as a single Claim against the consolidated Estate (and likewise, a Claim enforceable against only one Estate will be treated as a Claim against the consolidated Estate). Absent such deemed consolidation, it would be necessary to (i) allocate the purchase price received from the Purchaser for the Acquired Assets across the various Estates, (ii) allocate the expenses of administration of the Chapter 11 Cases across the various Estates, and (iii) reconcile intercompany balances, indemnity, and contribution rights between the Debtors, all before it would be possible to determine the appropriate amount to be distributed to creditors of each Estate. The Plan Proponents believe that the administrative costs of taking these measures would consume, if not totally exhaust, the limited assets available for distribution in these Chapter 11 Cases, to the detriment of all creditors.

Other procedures in Section 9 include: (i) disallowance of post-petition interest, (ii) treatment of undeliverable distributions, (iii) preservation of the Debtors' setoff rights, and (iv) minimum distribution amounts and disposition of any residual Cash. The Plan Proponents believe that these procedures are reasonable, customary, and in the best interests of the Debtors' creditors.

2.3.8 Procedures for Disputed Claims

Section 10 provides customary procedures relating to the allowance and estimation of, and holdback of Distributions relating to, Disputed Claims. On the Effective Date of the Plan, the Plan Administrator will be vested with all of the Debtors' rights and defenses with respect to any Claims, and will have standing to object to, or seek to estimate, any Claims.

2.3.9 Executory Contracts and Unexpired Leases

Section 11 provides for automatic rejection on the Effective Date of all executory contracts and unexpired leases, except for those previously assumed, those designated to be assumed in the Plan and those subject to a separate assumption motion. Section 11 also provides for the deadline for any rejection damage claims resulting from such deemed rejection as of the Effective Date.

2.3.10 Conditions Precedent to Effective Date

The occurrence of the Effective Date of the Plan is subject to the satisfaction or waiver of the specific conditions listed in Section 12, including that the Plan has been accepted by all Classes of General Unsecured Claims and Contractual Subordinated Claims. The Plan Proponents believe that these conditions are reasonable, customary, and in the interests of the Debtors' creditors.

2.3.11 Effect of Confirmation

Section 13 is intended to provide the broadest permissible extent of finality and binding effect of confirmation of the Plan, and the occurrence of the Effective Date, on all creditors, Interest holders and other affected parties. The binding effect of the Plan expressly covers all such persons and entities regardless of whether any such holder of a Claim or Interest has voted, failed to vote, failed to opt out of any proposed releases and injunctions provided in the Plan, or has any right to a distribution. **The due process requirements of pursuing confirmation of the Plan require actual mailed notice to affected parties, and as such, the failure to act may be taken as consent, in particular as to the releases and injunctions provided under the Plan.**

The Plan is a liquidating plan and, as provided in section 1141(d)(3) of the Bankruptcy Code, the confirmation of a plan does not formally discharge a debtor if the plan provides for the liquidation of all or substantially all of the property of the estate. However, the releases and injunctions provided under the Plan, when coupled with the permanent dissolution of the five Debtor entities, have an effect that is similar in some respects to a full discharge. Subsections of Section 13 not elaborated upon below are self-explanatory or addressed elsewhere.

(1) Section 13.4 – Injunction

The injunction provisions of Section 13.4 are intended to be as broad as legally permissible. The purpose of such injunctions is entirely integrated with the express purpose of the Plan to provide a global and final resolution of all claims and potential claims as among all creditors, parties and parties in interest on all things relating to the Debtors. Claims against parties subject to the protections of the Plan's injunctions could give rise to additional Claims for advancement, indemnification, contribution, or reimbursement by the Debtors or their Estates, among other things. For this reason, Claims of any and all natures were required to be asserted prior to the applicable bar date, or generally in or in connection with the Debtors' Chapter 11 Cases. Claims or potential Claims not timely made in this manner must be enjoined to avoid frustrating the express purpose of the Plan in identifying all Claims and potential Claims, and providing a final, full, and global resolution of such Claims.

(2) Section 13.6 – Debtor and Estate Releases

Section 13.6 provides for broad releases by each Debtor, on behalf of its Estate, of any Causes of Action against the Released Parties (§ 3.1.60), which include (i) the other Debtors, (ii) the Creditors' Committee and its members, and (iii) the Purchaser. These releases exclude Causes of Action (i) arising out of or relating to any crime, willful misconduct, or gross negligence; (ii) arising out of the Committee Settlement, the Asset Purchase Agreement, the Sale Order, or any Plan Transaction; or (iii) against any current or former directors, officers, or other

non-Debtor insiders of any Debtor. The Plan Proponents believe these releases are fully warranted in order to achieve a full, global and final resolution of all Causes of Action and potential Causes of Action that the Debtors may have. In addition, the Plan Proponents do not believe that there are any such Causes of Action against any Released Party that are viable in any event.

(3) **Section 13.7 – Releases by Certain Holders of Claims**

Section 13.7 provides for broad releases of the Released Parties (§ 3.1.60), but not including the Debtors, from any Causes of Action held by the Releasing Parties (§ 3.1.61), which include (i) unimpaired creditors who are deemed to accept the Plan, and (ii) creditors who vote to accept the Plan, do not "opt out" of providing the releases, and receive a distribution under the Plan. These releases exclude Causes of Action (i) arising out of or relating to any crime, willful misconduct, or gross negligence; or (ii) arising out of the Committee Settlement or any Plan Transaction. The Plan Proponents believe that these releases are consensual, in that a creditor's failure to "opt out" or to object to the Plan will be deemed that creditor's consent to provide the release.

(4) **Section 13.8 – Exculpation**

Section 13.8 provides that the Debtors and those acting on their behalf in preparing and prosecuting the Chapter 11 Cases shall have no liability for any prepetition or postpetition act taken or omitted to be taken in connection with a broad scope of actions in prosecuting the cases. This exculpation provision shall have no effect on the liability of any entity that results from a crime, willful misconduct, or gross negligence.

2.3.12 Retention of Jurisdiction

Section 14 is largely self-explanatory. The Plan expressly provides for broad retention of the Bankruptcy Court's jurisdiction in order to allow efficient recourse to the Bankruptcy Court for disputes arising after the Effective Date that bear an appropriate nexus to the Debtors and these Chapter 11 Cases.

2.3.13 Miscellaneous Provisions

For the most part, the provisions of Section 15 are self-explanatory. One that warrants highlighting is Section 15.9, which provides that, if the Plan cannot be confirmed as to a given Debtor, the Plan Proponents have the option to pursue confirmation of the Plan as to the remaining Debtors.

2.4 Tax Consequences of the Plan

Confirmation of a Chapter 11 plan can have a number of tax implications for the debtor and for holders of claims against and interests in the debtor, including discharge/cancellation of indebtedness and capital gains/losses. The tax consequences to holders of claims or interests may vary based upon the individual circumstances of each holder. Moreover, the tax consequences of certain aspects of a plan may be uncertain due to, in some cases, the lack of applicable legal precedent and the possibility of changes in the law.

Given the relative size of the Debtors' Estates and the diverse nature of the Claims against and Interests in the Debtors, the Plan Proponents have not undertaken an analysis of the tax consequences of the Plan upon the Debtors or upon holders of Claims and Interests. In addition, no ruling has been applied for or obtained from the Internal Revenue Service or any State or local taxing authority, and no opinion of counsel has been requested or obtained, by the Plan Proponents with respect to the tax aspects of the Plan. Accordingly, there can be no assurance that the Internal Revenue Service or any State or local taxing authority will not challenge any position taken by a holder of a Claim or Interest as to the tax consequences of the Plan, or that such a challenge, if asserted, would not be upheld.

****Please note that the foregoing discussion does <u>not</u> constitute tax advice or a tax opinion concerning the Plan. Holders of Claims and Interests are <u>strongly</u> <u>urged</u> to consult with their own tax advisors regarding the tax consequences of the Plan.****

2.5 Requirements for Confirmation of the Plan

Before the Plan can be confirmed, the Bankruptcy Court must determine at the Combined Hearing that the following requirements for confirmation set forth in Bankruptcy Code section 1129, among others, have been satisfied:

- 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.
- At least one Impaired Class of Claims has accepted the Plan, determined without including any acceptance of the plan by insiders holding Claims in such Class.
- The Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or the Plan Trust other than what is provided for in the Plan (the "***Feasibility Test***").
- Each holder of a Claim or Interest that is Impaired by the Plan either (a) has accepted the Plan or (b) will receive or retain on account of such Claim(s) or Interest(s) property of a value, as of the Effective Date, that is not less than the amount that such holder would receive or retain if the applicable Debtor were liquidated on such date under Chapter 7 of the Bankruptcy Code (the "***Best Interests Test***").
- The Plan does not discriminate unfairly against, and is fair and equitable with respect to, non-accepting Classes (the "***Cramdown Test***").

The Plan Proponents have complied with all of the requirements of Chapter 11 of the Bankruptcy Code, and the Plan has been proposed and submitted to the Bankruptcy Court in good faith. The Plan Proponents believe that the Feasibility Test, the Best Interests Test, and the

Cramdown Test are satisfied for the reasons discussed further below. Thus, upon receipt of the votes required to confirm the Plan, the Plan will satisfy all the statutory requirements of Chapter 11 of the Bankruptcy Code.

2.5.1 Feasibility Test

The Plan Proponents believe the Plan satisfies the Feasibility Test because it provides for the satisfaction of all administrative and priority claims on the Effective Date, and for the retention by the Plan Administrator of sufficient Cash to wind down the Chapter 11 Cases. As a result, no additional liquidation or financial reorganization of the Debtors will be necessary.

2.5.2 Best Interests Test

As noted above, the Best Interests Test requires that any creditor or Interest holder who does not accept the Plan recover at least as much under the Plan as they would have recovered in a hypothetical Chapter 7 liquidation of the applicable Debtor(s).

To calculate the probable distribution to creditors and Interest holders in Chapter 7, the Bankruptcy Court must first determine the aggregate liquidation value of the Debtors' assets. This value would then be reduced by, first, the claims of any secured creditors to the extent of the value of their collateral and, second, by the administrative expenses and costs of *both* the Chapter 7 case and the Chapter 11 Cases. Costs of liquidation under Chapter 7 would include the compensation of a trustee, as well as of counsel and other professionals retained by the trustee, asset disposition expenses, all unpaid administrative expenses incurred by the debtors in their Chapter 11 Cases (such as compensation of professionals, and claims arising from the Debtors' operations) that are allowed in the Chapter 7 case, and, potentially, litigation costs.

After determining the net asset value (if any) available for distribution to creditors and Interest holders, the Bankruptcy Court would then determine the probably distribution (if any) to general unsecured creditors and Interest holders, taking into account their respective priorities under applicable law and any inter-creditor subordination agreement(s). If the probable distribution to a creditor or Interest holder in the hypothetical Chapter 7 liquidation scenario is greater than they would receive under the Plan, then the Plan is deemed not in the best interests of that creditor or Interest holder. And if the probable Chapter 7 distribution is equal to or less than what the Plan provides, the Best Interests Test is satisfied.

As illustrated in the Liquidation Analysis attached as Appendix B, Interest holders would receive no distribution in Chapter 7, and holders of Claims in voting Classes will receive the same or better recover under the Plan as they would in Chapter 7. Accordingly, the Plan Proponents believe that the Best Interests Test will be satisfied as to any creditors and Interest holders who do not accept the Plan.

2.5.3 Cramdown Test

The Plan may be confirmed even if it has not accepted by all Impaired Classes, so long as at least one Impaired Class has accepted it (without taking into account acceptances by insiders), and (ii) the Cramdown Test is satisfied as to the non-accepting Classes. As noted above, the

Cramdown Test is satisfied if the Plan does not "discriminate unfairly" against, and is "fair and equitable" with respect to, each Impaired, non-accepting Class.

A plan does not "discriminate unfairly" within the meaning of the Bankruptcy Code if a dissenting class is treated equally with respect to other classes of equal rank. And a Plan is "fair and equitable" as to a Class of unsecured Claims or Interests, so long as the holder of any Claim or Interest in a junior class will not receive or retain any property under the Plan on account of such junior Claim or Interest.

In view of the deemed rejection of the Plan by holders of Statutory Subordinated Claims and Interests in AHI Liquidating 123, Inc., the Plan Proponents will seek confirmation of the Plan pursuant to the "cramdown" provisions of the Bankruptcy Code. The Plan does not discriminate unfairly against any of these Claims and Interests because there are no other Classes of Claims or Interests of equal rank receiving alternative treatment. And the Plan is fair and equitable as to these Claims and Interests because (i) as to the Statutory Subordinated Claims, holders of Interests in junior Classes will not receive or retain any property under the Plan, and (ii) as to the Interests in AHI Liquidating 123, Inc., there are no junior Classes of Interests.

The Plan Proponents further reserve the right to seek a "cramdown" confirmation of the Plan with respect to voting Classes in the event they vote to reject the Plan. In the event it becomes necessary to "cram down" the Plan over the rejection of any voting Classes, the Plan Proponents will demonstrate at the Combined Hearing that the Plan does not discriminate unfairly and is fair and equitable with respect to such Classes.

2.6 Alternatives to Confirmation of the Plan

If the requisite acceptances are not received or the Plan is not confirmed and consummated, the theoretical alternatives to the Plan would be (a) formulation of one or more alternative Chapter 11 plans, (b) conversion of the Chapter 11 Cases to cases under Chapter 7 of the Bankruptcy Code, or (c) dismissal of the Chapter 11 Cases. As discussed below, the Plan Proponents do not believe that any of these alternatives, even if viable, would afford holders of General Unsecured Claims and Statutory Subordinated Claims a greater recovery on their Claims than what is provided by the Plan.

2.6.1 Alternative Chapter 11 Plan(s)

If the requisite acceptances are not received or if the Plan is not confirmed, any other party in interest could attempt to formulate and propose one or more different Chapter 11 plans. However, even assuming an alternative plan structure would be viable, pursuit of confirmation of an alternative plan would necessarily add delay and cost to these Chapter 11 Cases, which would erode the limited assets available for distribution to creditors. For these reasons, among others, the Plan Proponents believe that the Plan enables creditors to realize the greatest possible value under the circumstances, and has the greatest chance to be confirmed and consummated.

2.6.2 Conversion to Chapter 7

If the Plan is not confirmed, the Chapter 11 Cases may be converted to cases under Chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be elected or appointed to

liquidate the Debtors' assets for distribution in accordance with the priorities established by the Bankruptcy Code. As discussed above and indicated in the Liquidation Analysis, the Plan Proponents believe the Plan provides a better outcome for General Unsecured Claims and Contractual Subordinated Claims than a Chapter 7 liquidation would provide.

2.6.3 Dismissal of the Chapter 11 Cases

If the Plan is not confirmed, the Chapter 11 Cases could also be dismissed. Among other effects, dismissal would result in the termination of the automatic stay, thus permitting creditors to assert state-law rights and remedies against the Debtors and their assets, likely to the detriment of other creditors. While it is impossible to predict precisely what would happen in the event their Chapter 11 Cases were dismissed, it is unlikely that dismissal would result in a ratable distribution of the Debtors' assets among creditors as provided in the Plan. Thus, the vast majority of creditors could expect to receive less in the dismissal scenario than they would receive under the Plan.

2.7 Risk Factors

The holders of General Unsecured Claims and Contractual Subordinated Claims should read and carefully consider the following factors, as well as the other information set forth in this Section 2, before deciding whether to vote to accept or reject the Plan. These risk factors should not, however, be regarded as constituting the only risks associated with the Plan and its implementation.

2.7.1 Non-Confirmation of the Plan

Even if all voting Impaired Classes vote in favor of the Plan, and even if, with respect to any Impaired Class deemed to have rejected the Plan, the requirements for "cramdown" are met, the Bankruptcy Court, which is a court of equity, may exercise substantial discretion and may choose not to confirm the Plan. In addition, while the Plan Proponents believe the Feasibility Test and the Best Interests Test for confirmation are satisfied, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

2.7.2 Classification Risk

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

2.7.3 Claims Estimations

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

2.7.4 Administrative and Priority Claims

As the number and amount of Administrative Expense Claims, Priority Tax Claims, and Other Priority Claims are presently unknown to the Plan Proponents, it is possible that, if the actual number and amount of such Claims exceeds estimates, (i) Distributions to holders of General Unsecured Claims and Contractual Subordinated Claims may be less than what was estimated in Section 2.2, or (ii) the Debtors may not have enough Cash to satisfy all such Claims in full. If the latter, and if the holders of such Claims refuse to consent to less than full payment, then the Bankruptcy Court may deny confirmation of the Plan.

2.7.5 Conditions Precedent to Consummation; Timing

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

2.7.6 Certain Tax Considerations

As discussed in Section 2.4, there may be U.S. federal, state, or local income tax consequences of the transactions proposed by the Plan to the Debtors and to holders of Claims and Interests dealt with by the Plan.

SECTION 3 DEFINITIONS AND INTERPRETATION

3.1 Definitions

The following terms used herein shall have the respective meanings set forth below:

3.1.1 ***Accrued Professional Compensation Claims*** means at any given moment, all Claims for accrued fees and expenses (including transaction or sale fees) for services rendered by a Professional through and including the Plan Confirmation Date, to the extent such fees and expenses have not been paid pursuant to the Interim Compensation Order or any other order of the Bankruptcy Court and regardless of whether a fee application has been Filed for such fees and expenses, and subject to the budget approved in connection the Final Cash Collateral Order. To the extent the Bankruptcy Court denies or reduces by a Final Order any amount of a Professional's fees or expenses, then the amount by which such fees or expenses are reduced or denied shall reduce the applicable Accrued Professional Compensation Claims.

3.1.2 ***Acquired Assets*** has the meaning ascribed to it in the Asset Purchase Agreement.

3.1.3 ***Administrative Expense Claim*** means any Allowed Claim pursuant to Bankruptcy Code sections 503(b) and 507(a)(1)–(2) arising from actual, necessary costs or expenses of administration of the Chapter 11 Cases and preservation of the Debtors' Estates.

3.1.4 ***Allowed*** means, with respect to any Claim, (i) that such Claim has been listed on the Debtor's Schedules as liquidated in amount and not disputed or contingent, and no contrary Proof of Claim has been filed, (ii) that a Proof of Claim on account of such Claim was properly and timely filed in accordance with any order of the Bankruptcy Court, the Plan, the Bankruptcy Code, and the Bankruptcy Rules, and no objection to allowance of such Claim has been interposed by a party in interest or as to which any objection has been determined by a Final Order to the extent such objection is determined in favor of the respective holder, or (iii) any Claim expressly allowed by a Final Order or pursuant to this Plan. Any Claim that has been or is hereafter listed in the Schedules as contingent, unliquidated or disputed, and for which no Proof of Claim has been timely filed, is not considered Allowed and shall be expunged on the Effective Date without further action by the Debtors or the Plan Administrator and without any further notice to or action, order, or approval of the Bankruptcy Court.

3.1.5 ***Asset Purchase Agreement*** means the Asset Purchase Agreement dated as of March 28, 2017, by and between the Debtors and the Purchaser that was approved by the Bankruptcy Court in the Sale Order.

3.1.6 ***Assets*** means all tangible and intangible assets of every kind and nature of the Debtors and the Estates, including any Causes of Action and all proceeds thereof.

3.1.7 ***Bankruptcy Code*** means title 11 of the United States Code, 11 U.S.C. §§ 101–1532.

3.1.8 ***Bankruptcy Court*** means the United States Bankruptcy Court for the District of Delaware.

3.1.9 ***Bankruptcy Rules*** means the Federal Rules of Bankruptcy Procedure and any local rules, procedures, or orders of the Bankruptcy Court applicable to the Chapter 11 Cases.

3.1.10 ***Business Day*** means any day of the calendar week, except Saturday, Sunday, a "legal holiday," as defined in Bankruptcy Rule 9006(a), or any day on which commercial banks are authorized or required by law to close.

3.1.11 ***Cash*** means legal tender of the United States of America.

3.1.12 ***Causes of Action*** means any and all claims, causes of action and enforceable rights of a person against third parties, or assertable by a person or on behalf of its creditors, its estate, or itself, whether brought in the Bankruptcy Court or any other forum for recovery or avoidance, that have not been settled or resolved as of the Effective Date, including:

(a) obligations, transfers of property or interests in property, offsets, debt forgiveness, Cash, and other types or kinds of property or interests in property or the value thereof, recoverable or avoidable pursuant to Chapter 5 of the Bankruptcy Code or other sections of the Bankruptcy Code or any applicable law; (b) damages, whether general or statutory or exemplary, or other relief, including but not limited to actions relating to or based upon (i) indebtedness owing to a person, (ii) fraud, negligence, gross negligence, willful injury or misconduct, acts or malice, or any other tort actions, including but not limited to defamation, malicious prosecution, or tortious interference with contract, (iii) breaches of contract, (iv) violations of federal or state securities laws, (v) violations of applicable corporate, limited liability company or partnership laws, (vi) breaches of fiduciary or agency duties, including, but not limited to, the duties of care or loyalty, (vii) recharacterization, (viii) illegal dividends, (ix) misrepresentations, (x) disregard of the corporate form or piercing the corporate veil or other enterprise liability theories, (xi) corporate waste, (xii) corporate opportunity, (xiii) any theory of recovery against a lending institution not otherwise released by this Plan, including any action or any action causing harm to a person, (xiv) equitable or legal subordination, (xv) indemnity rights against third parties, or (xvi) any other action listed in Bankruptcy Rule 7001; and (c) damages or other relief based upon any other claim of a person to the extent not specifically compromised or released pursuant to this Plan.

3.1.13 ***Chapter 11 Cases*** means the cases commenced in the Bankruptcy Court by the Debtors pursuant to chapter 11 of the Bankruptcy Code.

3.1.14 ***Claim*** means a "claim," as that term is described in Bankruptcy Code section 101(5), against any Debtor, property of a Debtor, or property of an Estate.

3.1.15 ***Class*** means any group of Claims or Interests classified in Section Section 5 of this Plan pursuant to Bankruptcy Code section 1122. Classes are organized by number for type of Claim or Interest (1–9), and by letter for the applicable Debtor (A–E), as illustrated in the following table:

Classes	Applicable Debtor
1A–9A	AHI Liquidating 123, Inc. (f/k/a Aerospace Holdings, Inc.)
1B–9B	VT&M 123, Inc. (f/k/a Valley Tool & Manufacturing, Inc.)
1C–9C	NCDI123, Inc. (f/k/a NC Dynamics Incorporated)
1D–9D	NCDIM123, Inc. (f/k/a NCDI Mexico, Inc.)
1E–9E	GAeroS123, Inc. (f/k/a GroupAero Seattle, Inc.)

3.1.16 ***Collateral*** means any property or interest in property of the Estate of any Debtor subject to a valid lien, charge, or other encumbrance to secure the payment or performance of a Claim.

3.1.17 ***Contractual Subordinated Claim*** means any Claim that is contractually subordinated in right of payment or distribution to the Prepetition Lender Deficiency Claim by reason of a Subordination Agreement.

3.1.18 ***Combined Hearing*** means the combined hearing before the Bankruptcy Court to consider the adequacy of the disclosures in, and confirmation of, the Plan, which is scheduled for October 5, 2017, at 2:30 p.m. (prevailing Eastern Time).

3.1.19 ***Committee Settlement*** means the settlement between the Debtors, the Creditors' Committee, and the Purchaser that was described in the Settlement Term Sheet attached as Exhibit B to the Final DIP Order.

3.1.20 ***Contingent Claim*** means any contingent or unliquidated Claim asserted or which may be asserted against any Debtor.

3.1.21 ***Creditors' Committee*** means the statutory committee of unsecured creditors appointed in the Chapter 11 Cases by the United States Trustee on April 7, 2017.

3.1.22 ***D&O Liability Insurance Policies*** means all insurance policies of any of the Debtors for directors', managers', and officers' liability.

3.1.23 ***Disbursing Agent*** means any entity, including any Debtor and the Plan Administrator, which acts as a Disbursing Agent pursuant to Section 9.5.

3.1.24 ***Disputed Claim*** means a Claim, or any portion thereof, that is either (i) listed on the Schedules as unliquidated, disputed, or contingent and for which no proof of claim in a liquidated and non-contingent amount has been filed, or (ii) the subject of an objection or request for estimation that has not been withdrawn, resolved, or overruled by a Final Order of the Bankruptcy Court.

3.1.25 ***Distribution*** means Cash, property, interests in property or other value distributed to holders of Allowed Claims, or their designated agents, under this Plan.

3.1.26 ***Distribution Record Date*** means the date that is five (5) Business Days prior to the Plan Confirmation Date.

3.1.27 ***Effective Date*** means the first Business Day after the Plan Confirmation Date on which the conditions precedent specified herein have been either satisfied or waived.

3.1.28 ***Effective Date Distributions*** means all Distributions required to be made on the Effective Date under this Plan to or for the benefit of the holders of Claims that are Allowed as of the Effective Date.

3.1.29 ***Estate*** means the estate created in each Debtor's chapter 11 bankruptcy case containing all property and other interests of the applicable Debtor pursuant to Bankruptcy Code section 541.

3.1.30 ***Exculpated Parties*** means (a) the Debtors, (b) the Creditors' Committee and all members thereof, and (c) with respect to any person named in (a)–(b), such person's managers, directors, officers, shareholders, partners, members, employees, agents, authorized signatories, affiliates, predecessors, successors, heirs, executors, and assignees,

attorneys, financial advisors, investment bankers, accountants, and other professionals or representatives.

3.1.31 ***Final DIP Order*** means the *Final Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364 and 507 [(A)] Authorizing Post-Petition Financing, (B) Authorizing Use of Cash Collateral, (C) Granting Adequate Protection and (D) Granting Related Relief* [D.I. 154] entered by the Bankruptcy Court on May 1, 2017.

3.1.32 ***Final Order*** means an order or judgment the Bankruptcy Court or other court of competent jurisdiction, entered by the clerk of the court, which has not been reversed, vacated, or stayed, and as to which (i) the time to appeal, petition for certiorari, or move for a new trial, reargument, or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for a new trial, reargument, or rehearing shall then be pending, or (ii) if an appeal, writ of certiorari, new trial, reargument, or rehearing thereof has been sought, such order or judgment shall have been affirmed by the highest court to which it was appealed, or certiorari shall have been denied, or a new trial, reargument, or rehearing shall have been denied or resulted in no modification of such order or judgment, and the time to take any further appeal, petition for certiorari or move for a new trial, reargument, or rehearing shall have expired. For the avoidance of doubt, the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, Bankruptcy Rule 9024, or any similar procedural rule could conceivably be filed with respect to an order or judgment does not prevent such order or judgment from becoming a Final Order under this definition.

3.1.33 ***General Unsecured Claim*** means any Claim that is not a Secured Claim, Administrative Expense Claim, Accrued Professional Compensation Claim, Priority Tax Claim, Other Priority Claim, Prepetition Lender Deficiency Claim, Contractual Subordinated Claim, or Statutory Subordinated Claim.

3.1.34 ***GUC Distribution Pool*** means a 60% share of the Net Distributable Assets.

3.1.35 ***Impaired*** means, with respect to a Claim or Interest, that such Class of Claims or Interests is impaired within the meaning of Bankruptcy Code section 1124.

3.1.36 ***Interest*** means the interest of any holder of an equity security of any Debtor, within the meaning of Bankruptcy Code section 101(16), represented by any issued and outstanding shares of common or preferred stock or other instrument evidencing a present ownership or membership interest in any of the Debtors, whether or not transferable, or any option, warrant, or right, contractual or otherwise, to acquire any such interest, including a partnership, limited liability company or similar interest in a Debtor.

3.1.37 ***Interim Compensation Order*** means the *Administrative Order Establishing Procedures for Monthly, Interim, and Final Compensation and Reimbursement of Expenses of Professionals Retained in these Chapter 11 Cases and Reimbursement of Expenses of Committee Members Appointed in These Chapter 11 Cases* [D.I. 160] entered by the Bankruptcy Court on May 2, 2017.

3.1.38 ***Liquidation Analysis*** means the Plan Proponents' analysis of a hypothetical liquidation of the Debtors under Chapter 7 of the Bankruptcy Code, which is attached as Appendix B hereto.

3.1.39 ***Net Distributable Assets*** means the net Cash of the Estates that is available for Distribution following payment of (or establishment of appropriate reserves for) (i) all Allowed Administrative Expense Claims, Allowed Priority Claims, Allowed Secured Claims (if applicable), and (ii) all Plan Expenses.

3.1.40 ***Noteholder Proposal*** means the proposal for distribution of Estate assets discussed in Section 2.1.8 and implemented in this Plan by means of (i) the treatment provided to General Unsecured Claims, Prepetition Lender Deficiency Claims, and Contractual Subordinated Claims in Sections 6.4, 6.5, and 6.6, and (ii) the consolidation of the Estates for distribution purposes as provided in Section 9.1.

3.1.41 ***Other Priority Claim*** means any Claim entitled to priority pursuant to Bankruptcy Code section 507(a) other than an Administrative Expense Claim, Accrued Professional Compensation Claim, or Priority Tax Claim.

3.1.42 ***Other Secured Claim*** means any Secured Claim other than a Secured Tax Claim against any of the Debtors.

3.1.43 ***Petition Date*** means March 28, 2017.

3.1.44 ***Plan*** means this Combined Disclosure Statement and Chapter 11 Plan of Liquidation, including all exhibits and schedules hereto.

3.1.45 ***Plan Administrator*** means the entity nominated by the Creditors' Committee at or prior to the Combined Hearing, and approved by the Bankruptcy Court in the Plan Confirmation Order, to carry out the provisions of this Plan.

3.1.46 ***Plan Confirmation Date*** means the date on which the Clerk of the Bankruptcy Court enters the Plan Confirmation Order.

3.1.47 ***Plan Confirmation Order*** means any order entered by the Bankruptcy Court confirming this Plan pursuant to Bankruptcy Code section 1129.

3.1.48 ***Plan Documents*** means all documents, forms of documents, schedules, and exhibits to this Plan to be executed, delivered, assumed, or performed in conjunction with consummation of this Plan on the Effective Date.

3.1.49 ***Plan Expenses*** means all actual and necessary fees, costs, expenses and obligations incurred by or owed to the Plan Administrator and its agents, employees, attorneys, advisors and other professionals in administering this Plan, including (a) reasonable compensation for services rendered, and reimbursement for actual and necessary expenses incurred by the Plan Administrator and its agents, employees and professionals after the Effective Date through and including the date upon which the Bankruptcy Court enters a final decree closing the Chapter 11 Cases, and (b) all fees payable pursuant to Section 15.1.

3.1.50 ***Plan Proponents*** means the Debtors and the Creditors' Committee, who are the proponents of the Plan within the meaning of section 1129 of the Bankruptcy Code.

3.1.51 ***Plan Transactions*** shall have the meaning ascribed to it in Section 8.2.

3.1.52 ***Prepetition Lender Deficiency Claims*** means the Claims of the Prepetition Lenders (and Prepetition Agent on its own behalf and on behalf of the Prepetition Lenders) that were Allowed by paragraph 5(f) of the Final DIP Order, to the extent such Claims are not Secured Claims.

3.1.53 ***Priority Tax Claim*** means any Allowed Claim of a governmental unit pursuant to Bankruptcy Code sections 502(i) and 507(a)(8).

3.1.54 ***Professional*** means any professional firm or professional person retained by the Debtors or the Creditors' Committee in connection with these Chapter 11 Cases pursuant to a Final Order in accordance with sections 327 and 1103 of the Bankruptcy Code and to be compensated for services rendered prior to the Effective Date, pursuant to sections 327, 328, 329, 330, or 331 of the Bankruptcy Code.

3.1.55 ***Professional Fee Escrow Account*** means the "Professional Fee Account" as defined in the Final DIP Order, which was established for payment of the Allowed fees and expenses of Professionals during the Chapter 11 Cases.

3.1.56 ***Professional Fee Reserve Amount*** has the meaning ascribed to it in Section 4.2.1.

3.1.57 ***Proof of Claim*** or ***Proof of Interest*** means a written statement conforming substantially to the appropriate official form and Bankruptcy Rule 3001 describing the basis and amount of a Claim or Interest, together with supporting documentation evidencing such Claim or Interest, which complies with applicable provisions of this Plan, the Bankruptcy Code, other Bankruptcy Rules, and any orders of the Bankruptcy Court.

3.1.58 ***Pro Rata Share*** means, with respect to any Distribution on account of any Allowed Claim, the ratio that the amount of such Allowed Claim bears to the aggregate amount of all Allowed Claims in the same Class.

3.1.59 ***Purchaser*** means Harlow Aerostructures LLC.

3.1.60 ***Released Parties*** means (a) the Debtors, (b) the Creditors' Committee and all members thereof in their capacities as such, (c) the Purchaser, and (d) with respect to each person named in (a)–(c), such person's post-petition directors, officers, members, and professionals; provided, however, that the Released Parties do not include any directors, officers, or other non-Debtor insiders, current or former, of any Debtor.

3.1.61 ***Releasing Parties*** means (a) the Purchaser, (b) any holder of a Claim that is Unimpaired under the Plan, and (c) any holder of a Claim who (i) votes to accept

the Plan, (ii) does not opt out of providing the releases in Section 13.7, and (iii) actually receives a Distribution under the Plan.

3.1.62 ***Rejection Damages Claim*** means any Claim arising from, or relating to, the rejection of an executory contract or unexpired lease pursuant to section 365(a) of the Bankruptcy Code by any of the Debtors, as limited, in the case of a rejected unexpired lease, by section 502(b)(6) of the Bankruptcy Code.

3.1.63 ***Reserved Causes of Action*** means all Causes of Action of the Debtors and their Estates that were not Acquired Assets.

3.1.64 ***Sale*** means the sale of the Acquired Assets in these Chapter 11 Cases pursuant to the terms and conditions of the Asset Purchase Agreement.

3.1.65 ***Sale Order*** means the *Order Authorizing (I) Sale of Substantially All of the Debtors' Assets to Harlow Aerostructures LLC Free and Clear of Liens, Claims, Interests and Encumbrances and (II) Assumption and Assignment of Certain Contracts* [D.I. 155] entered by the Bankruptcy Court on May 1, 2017.

3.1.66 ***Schedules*** means the schedules of assets and liabilities and the statements of financial affairs filed by the Debtors pursuant to Bankruptcy Code section 521, Bankruptcy Rule 1007, and the Official Bankruptcy Forms of the Bankruptcy Rules.

3.1.67 ***Secured Claim*** means a Claim that is (i) secured by a valid and perfected lien on Collateral that is enforceable pursuant to applicable law, the amount of which is equal to or less than the value of such collateral (a) as set forth in this Plan, (b) as agreed to by the holder of such Claim and the Debtors, or (c) as determined by a Final Order in accordance with Bankruptcy Code section 506(a); or (ii) subject to a valid right of setoff under Bankruptcy Code section 553.

3.1.68 ***Secured Tax Claim*** means any Secured Claim that, absent its secured status, would be entitled to priority in right of payment under Bankruptcy Code section 507(a)(8) (determined irrespective of any time limitations therein), and including any related Secured Claim for penalties.

3.1.69 ***Statutory Subordinated Claim*** means any Claim (i) that is or becomes subordinated pursuant to Bankruptcy Code section 510(b)–(c), or (ii) of a type specified in Bankruptcy Code section 726(a)(3)–(4).

3.1.70 ***Subordinated Claim Distribution Pool*** means a 40% share of the Net Distributable Assets.

3.1.71 ***Subplan*** means this Plan as it applies to a particular Debtor.

3.1.72 ***Unimpaired*** means, with respect to a Claim or Interest, a Class of Claims or Interests that is not Impaired.

3.1.73 ***Voting Agent*** means BMC Group, Inc.

3.1.74 ***Voting Record Date*** means August 30, 2017, the date established by the Court for determining the current holders of Claims and Interests.

3.1.75 ***Wind-Down Budget*** means the budget for wind-down of these Chapter 11 Cases in accordance with the Committee Settlement, which is attached as Appendix A hereto.

3.2 Interpretation: Application of Definitions and Rules of Construction.

Defined terms referenced herein shall, where convenience warrants, have citations to the relevant Definition section styled as "(§ 3.1.___)." Terms that are defined in the Bankruptcy Code, and not otherwise defined herein (e.g., "affiliate," "entity," "insider," "person"), have the meanings ascribed to them in the Bankruptcy Code.

The rules of construction contained in section 102 of the Bankruptcy Code shall apply to this Plan. Accordingly, the terms "includes" and "including" are not limiting (so, "including X" should be read as "including, but not limited to, X"). And the term "or" is not exclusive (so, "A or B" should be read as "A or B (or both)"). In addition, the following rules of construction apply:

(a) unless the context requires otherwise, references herein to the Plan should be read as references to each and every Subplan;

(b) unless otherwise specified, all section or exhibit references in this Plan are to the respective section in, or exhibit to, this Plan;

(c) the words "herein," "hereof," "hereto," "hereunder," and other words of similar import refer to this Plan as a whole and not to any particular section, subsection, or clause contained therein;

(d) the headings in this Plan are for convenience of reference only and shall not limit or otherwise affect the provisions hereof;

(e) unless otherwise provided, any reference in this Plan to an existing document, exhibit, or schedule means such document, exhibit, or schedule as may be amended, restated, revised, supplemented, or otherwise modified;

(f) if a time or date is specified for any payments or other Distribution under this Plan, it shall mean on or as soon as reasonably practicable thereafter; and

(g) in computing any period of time prescribed or allowed by this Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

SECTION 4 ADMINISTRATIVE EXPENSE AND PRIORITY CLAIMS

4.1 Administrative Expense Claims

Except to the extent that a holder of an Allowed Administrative Expense Claim agrees with the Debtors or the Plan Administrator to a different treatment, and only to the extent that any such Allowed Administrative Expense Claim has not been paid in full prior to the Effective Date or assumed by the Purchaser under the Asset Purchase Agreement and the Sale Order, each holder of an Allowed Administrative Expense Claim will be paid the full unpaid amount of such Allowed Administrative Expense Claim, in Cash, (a) on the Effective Date or, if not then due, then when such Allowed Administrative Expense Claim is due, (b) if an Administrative Expense Claim is Allowed after the Effective Date, on the date such Administrative Expense Claim is Allowed or, if not then due, when such Allowed Administrative Expense Claim is due, (c) at such time and upon such terms as may be agreed upon by such holder and the Debtors or the Plan Administrator, as the case may be, or (d) at such time and upon such terms as set forth in an order of the Bankruptcy Court.

4.1.1 Administrative Expense Claim Bar Dates

By order of the Bankruptcy Court, the bar date for filing requests for payment of Administrative Expense Claims (other than Accrued Professional Compensation Claims) arising on or before August 30, 2017, is **September 22, 2017.**

The holder of an Administrative Expense Claim arising on or after August 30, 2017, other than (i) an Accrued Professional Compensation Claim, (ii) an Administrative Expense Claim that has been Allowed or paid on or before the Effective Date, (iii) fees of the United States Trustee arising under 28 U.S.C. § 1930 and any applicable interest thereon, must file with the Bankruptcy Court and serve on the Debtors, the Plan Administrator, and the Office of the United States Trustee, a request for payment of such Administrative Expense Claim so as to be received within 30 days after the Effective Date.

Failure to file and serve a request for payment of an Administrative Expense Claim timely and properly shall result in the Administrative Expense Claim being forever barred and unenforceable against the Debtors, the Estates, or their Assets.

4.2 Accrued Professional Compensation Claims

4.2.1 Final Fee Applications

All final requests for payment of Claims of a Professional shall be filed no later than 45 days after the Effective Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior Bankruptcy Court orders, the Allowed amounts of such Accrued Professional Compensation Claims shall be determined by the Bankruptcy Court.

4.2.1 Professional Fee Reserve Amount

To receive payment for unbilled fees and expenses incurred through the Effective Date, the Professionals shall estimate their Accrued Professional Compensation Claims prior to and as

of the Plan Confirmation Date, along with an estimate of fees and expenses to be incurred through the Effective Date, and shall deliver such estimate to the Debtors and counsel to the Creditors' Committee no later than five days prior to the anticipated Plan Confirmation Date; provided that such estimate shall not be considered an admission with respect to the fees and expenses of such Professional. If a Professional does not provide an estimate, the Debtors may estimate the unbilled fees and expenses of such Professional. The total amount so estimated as of the Plan Confirmation Date shall comprise the Professional Fee Reserve Amount, provided that the Professional Fee Reserve Amount for each Professional shall not exceed the applicable line item for such Professional in the Wind-Down Budget.

4.2.2 Professional Fee Escrow Account

On the Effective Date, the Professional Fee Escrow Account shall be funded in the amount of the aggregate Professional Fee Reserve Amount for all Professionals. The Professional Fee Escrow Account shall be maintained in trust for the Professionals, and the funds in that account shall not be considered property of the Estates (except with respect to the Estates' residual interest set forth below). The amount of Accrued Professional Compensation Claims owing to the Professionals shall be paid in Cash to such Professionals from funds held in the Professional Fee Escrow Account when such Claims are Allowed by a Final Order. When all Allowed Accrued Professional Compensation Claims have been paid in full in Cash, residual amounts remaining in the Professional Fee Escrow Account, if any, shall be paid over to the Plan Administrator for distribution in accordance with the Plan. For the avoidance of doubt, all amounts disbursed to Professionals from the Professional Fee Escrow Account shall be a disbursement for purposes of calculating the U.S. Trustee quarterly fees under 28 U.S.C. § 1930(a)(6) and shall be reported in the post-confirmation quarterly reports.

4.3 Priority Tax Claims

Except to the extent that a holder of an Allowed Priority Tax Claim agrees with the Debtors or the Plan Administrator to a different treatment, and only to the extent that any such Allowed Priority Tax Claim has not been paid in full prior to the Effective Date or assumed by the Purchaser under the Asset Purchase Agreement and the Sale Order, each holder of an Allowed Priority Tax Claim shall receive regular installment payments in Cash over a period ending not later than five (5) years after the Petition Date of a total value, as of the Effective Date, equal to the Allowed amount of such Priority Tax Claim, together with interest accrued thereon at the applicable non-bankruptcy rate. The Debtors and the Plan Administrator reserve the right to prepay at any time under this option. Any Claims asserted by a governmental unit on account of any penalties and assessments shall not be Priority Tax Claims, except as provided in section 507(a)(8)(G) of the Bankruptcy Code.

SECTION 5 CLASSIFICATION OF CLAIMS AND INTERESTS

The following table designates the Classes of Claims against and Interests in the Debtors, and specifies which of those Classes are (i) Impaired or Unimpaired by this Plan, (ii) entitled to vote to accept this Plan in accordance with section 1126 of the Bankruptcy Code, (iii) deemed to reject this Plan, or (iv) deemed to accept this Plan. These Classes take into account the differing nature and priority of the various Claims and Interests under the Bankruptcy Code and otherwise

applicable law. The Plan is a joint plan for all Debtors, but Claims and Interests are classified separately as to each Debtor. A Claim or Interest is classified in a particular Class only to the extent that any such Claim or Interest is an Allowed Claim or Interest in that Class and has not been paid, released, settled or otherwise satisfied prior to the Effective Date.

Class(es)	Claims	Treatment	Voting Rights
1A–E	Other Priority Claims	Unimpaired	Deemed to Accept
2A–E	Secured Tax Claims	Unimpaired	Deemed to Accept
3A–E	Other Secured Claims	Unimpaired	Deemed to Accept
4A–E	General Unsecured Claims	Impaired	Entitled to Vote
5A–E	Prepetition Lender Deficiency Claims	Impaired	Not Entitled to Vote
6A–E	Contractual Subordinated Claims	Impaired	Entitled to Vote
7A–E	Statutory Subordinated Claims	Impaired	Deemed to Reject
8A–E	Intercompany Claims	Impaired	Deemed to Accept
9A	Interests in AHI Liquidating 123, Inc.	Impaired	Deemed to Reject
9B–E	Intercompany Interests	Impaired	Deemed to Accept

SECTION 6 TREATMENT OF CLAIMS AND INTERESTS

The treatment of Claims and Interests in each Class is specified below:

6.1 Classes 1A–E—Other Priority Claims

(a) *Classification*: Classes 1A–E comprise all Other Priority Claims against the Debtors.

(b) *Treatment*: Except to the extent that the holder of an Allowed Other Priority Claim has agreed with the Debtors or the Plan Administrator to a different treatment of such Claim, and only to the extent that any such Allowed Other Priority Claim has not been paid in full prior to the Effective Date or assumed by the Purchaser under the Asset Purchase Agreement and the Sale Order, each such holder shall receive, in full satisfaction of such Allowed Other Priority Claim, Cash in an amount equal to such Allowed Other Priority Claim, on the later of (i) the Effective Date; (ii) the date the Other Priority Claim becomes an Allowed Claim; and (iii) the date for payment provided by any agreement or arrangement

between the Debtors or Plan Administrator, as the case may be, and the holder of the Allowed Other Priority Claim.

(c) *Voting*: Classes 1A–E are Unimpaired, and holders of Other Priority Claims conclusively are presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, holders of Other Priority Claims are not entitled to vote to accept or reject the Plan.

6.2 Classes 2A–E—Secured Tax Claims

(a) *Classification*: Classes 2A–E comprise all Secured Tax Claims against the Debtors.

(b) *Treatment*: Except to the extent that the holder of an Allowed Secured Tax Claim has agreed with the Debtors or the Plan Administrator to a different treatment of such Claim, and only to the extent that any such Allowed Secured Tax Claim has not been paid in full prior to the Effective Date or assumed by the Purchaser under the Asset Purchase Agreement and the Sale Order, each holder of an Allowed Secured Tax Claim shall receive Cash in an amount equal to such Allowed Secured Tax Claim, together with interest accrued thereon at the applicable nonbankruptcy rate, on the later of (i) the Effective Date; (ii) the date the Secured Tax Claim becomes an Allowed Claim; and (iii) the date for payment provided by any agreement or arrangement between the Debtors and the holder of the Allowed Secured Tax Claim, provided that the Debtors and, following the Effective Date, the Plan Administrator, shall retain and shall be entitled to enforce any setoff and recoupment rights relating to any tax refund claim. Any Claims asserted by a governmental unit on account of any penalties and assessments shall not be Secured Tax Claims, except as provided in section 507(a)(8)(G) of the Bankruptcy Code.

(c) *Voting*: Classes 2A–E are Unimpaired, and holders of Secured Tax Claims conclusively are presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, holders of Secured Tax Claims are not entitled to vote to accept or reject the Plan.

6.3 Classes 3A–E—Other Secured Claims

(a) *Classification*: Classes 3A–E comprise all Other Secured Claims against the Debtors.

(b) *Treatment*: Except to the extent that a holder of an Allowed Other Secured Claim has agreed with the Debtors or the Plan Administrator to a different treatment of such Claim, and only to the

extent that any such Allowed Other Secured Claim has not been paid in full prior to the Effective Date or assumed by the Purchaser under the Asset Purchase Agreement and the Sale Order, each holder of an Allowed Other Secured Claim shall, at the option of the Plan Administrator, (i) be paid in full in Cash, (ii) receive the Collateral securing its Allowed Other Secured Claim, plus post-petition interest to the extent required under section 506(b) of the Bankruptcy Code, or (iii) receive such other treatment as to render its Allowed Other Secured Claim Unimpaired, in each case on the later of the Effective Date and the date such Other Secured Claim becomes an Allowed Other Secured Claim.

(c) *Voting:* Classes 3A–E are Unimpaired, and holders of Other Secured Claims conclusively are presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, holders of Other Secured Claims are not entitled to vote to accept or reject the Plan.

6.4 Classes 4A–E—General Unsecured Claims

(a) *Classification*: Classes 4A–E comprise all General Unsecured Claims against the Debtors.

(b) *Treatment:* Except to the extent that a holder of an Allowed General Unsecured Claim has agreed to a different treatment of such Claim, and only to the extent that any such Allowed General Unsecured Claim has not been paid by any applicable Debtor prior to the Effective Date or assumed by the Purchaser under the Asset Purchase Agreement and the Sale Order, each holder of an Allowed General Unsecured Claim will receive its Pro Rata Share of the GUC Distribution Pool.

(c) *Voting:* Classes 4A–E are Impaired. Therefore, holders of Allowed General Unsecured Claims as of the Voting Record Date are entitled to vote to accept or reject the Plan.

6.5 Classes 5A–E—Prepetition Lender Deficiency Claims

(a) *Classification*: Classes 5A–E comprise all Prepetition Lender Secured Claims against the Debtors.

(b) *Treatment:* The holder of the Prepetition Lender Deficiency Claims, shall receive no Distribution on account of such Claims, and the Prepetition Lender Secured Claims will be deemed compromised in accordance with the Noteholder Proposal.

(c) *Voting:* Notwithstanding the treatment of the Prepetition Lender Deficiency Claims, the holder of such Claims (i.e., the Purchaser)

assigned the rights with respect to them to the general unsecured creditors, who are voting on the Plan in their respective Classes. Therefore, the holder of the Prepetition Lender Deficiency Claims is not entitled to vote to accept or reject the Plan, and each of Classes 5A–E is deemed to accept the Plan unless the Plan is rejected by the corresponding Class 4A–E or 6A–E. (By way of illustration of the foregoing, if Classes 4A and 6A accept the Plan, then Class 5A will be deemed to accept the Plan. And if either Class 4A or Class 6A rejects the Plan, then Class 5A will be deemed to reject the Plan.)

6.6 Classes 6A–E—Contractual Subordinated Claims

(a) *Classification*: Classes 6A–E comprise all Contractual Subordinated Claims against the Debtors.

(b) *Treatment:* Except to the extent that a holder of an Allowed Contractual Subordinated Claim has agreed to a different treatment of such Claim, each holder of an Allowed Contractual Subordinated Claim will receive its Pro Rata Share of the Subordinated Claim Distribution Pool.

(c) *Voting:* Classes 6A–E are Impaired. Therefore, holders of Allowed Contractual Subordinated Claims as of the Voting Record Date are entitled to vote to accept or reject the Plan.

6.7 Classes 7A–E—Statutory Subordinated Claims

(d) *Classification*: Classes 7A–E comprise all Statutory Subordinated Claims against the Debtors.

(e) *Treatment:* Holders of Statutory Subordinated Claims will receive no Distribution on account of such Claims.

(f) *Voting:* Classes 7A–E are Impaired, and holders of Statutory Subordinated Claims are conclusively presumed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore holders of Claims in Classes 7A–E are not entitled to vote to accept or reject the Plan.

6.8 Classes 8A–E—Intercompany Claims

(g) *Classification*: Classes 8A–E comprise all Intercompany Claims.

(h) *Treatment:* On the Effective Date all Intercompany Claims will be deemed compromised, and holders of Intercompany Claims shall receive no Distribution on account of such Intercompany Claims.

(i) *Voting:* Notwithstanding the treatment of Intercompany Claims, the holders of Intercompany Claims, as proponents of the Plan, are deemed to accept the Plan. Therefore, holders of Intercompany Claims are not entitled to vote to accept or reject the Plan.

6.9 Class 9A—Interests in AHI Liquidating 123, Inc.

(a) *Classification*: Class 9A comprises all Interests in AHI Liquidating 123, Inc. (f/k/a Aerospace Holdings, Inc.)

(b) *Treatment:* On the Effective Date all Interests in AHI Liquidating 123, Inc. (f/k/a Aerospace Holdings, Inc.) will be cancelled, and holders of such Interests shall receive no Distribution on account of such Interests.

(c) *Voting:* Class 9A is Impaired, and holders of Class 8A Interests are conclusively presumed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, holders of Class 9A Interests are not entitled to vote to accept or reject the Plan.

6.10 Classes 9B–E—Intercompany Interests

(d) *Classification*: Classes 9B–E comprise all Intercompany Interests.

(e) *Treatment:* On the Effective Date all Intercompany Interests will be cancelled and compromised, and holders of Intercompany Interests shall receive no Distribution on account of such Interests.

(f) *Voting:* Notwithstanding the treatment of Intercompany Interests, the holders of Intercompany Interests, as proponents of the Plan, are deemed to accept the Plan. Therefore, holders of Intercompany Interests are not entitled to vote to accept or reject the Plan.

SECTION 7 ACCEPTANCE OR REJECTION OF THE PLAN

7.1 Impaired Classes

Pursuant to section 1126 of the Bankruptcy Code, each Impaired Class of Claims or Interests that may receive a Distribution pursuant to this Plan may vote separately to accept or reject this Plan. Each holder of an Allowed Claim in such an Impaired Class as of the Voting Record Date shall receive a ballot and may cast a vote to accept or reject this Plan.

Classes 7A–E and 9A are not entitled to receive or retain any property under this Plan and are, therefore, conclusively presumed to have rejected this Plan pursuant to section 1126(g) of the Bankruptcy Code. Classes 8A–E, and 9B–E are not entitled to receive or retain any property under this Plan but are conclusively presumed to have accepted this Plan by virtue of the Debtors' status as proponents of the Plan. Classes 5A–E are not entitled to receive or retain

any property under this Plan but will be deemed either to accept the Plan or to reject the Plan, depending whether the Plan is accepted by Classes 4A–E and 6A–E. (*See* Section 6.5(c).)

Classes 4A–E and 6A–E are Impaired and are the only Classes of Claims or Interests entitled to vote on this Plan.

7.2 Acceptance by a Class

A Class of Claims entitled to vote to accept or reject this Plan shall be deemed to accept this Plan if either (a) the holders of Claims in such voting Class that hold at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Claims that vote in such Class vote to accept this Plan or (b) no votes are received by the Voting Agent from holders of Claims in such voting Class; provided that a Class in which there are no Allowed Claims as of the Voting Record Date shall be disregarded for purposes of determining acceptance of the Plan by voting Classes.

Classes 1A–E, 2A–E, and 3A–E are Unimpaired under this Plan and are, therefore, conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code.

7.3 Claims and Interests Not Entitled to Vote

Holders of Claims are not entitled to vote if, as of the Voting Record Date, the Claim (a) has been disallowed or (b) is a Disputed Claim. However, if a Claim has been disallowed in part (or a pending objection seeks disallowance of such Claim only in part) as of the Voting Record Date, the holder of such Claim shall be entitled to vote the Allowed (or undisputed) portion of the Claim.

SECTION 8 MEANS FOR IMPLEMENTATION

8.1 Corporate Action

8.1.1 Resignation of Directors and Officers

On the Effective Date and upon (i) the Debtors, or such entity designated by the Debtors, making the Effective Date Distributions, and (ii) the Debtors causing all Cash and tangible Assets of the Debtors and their Estates to be delivered to the Plan Administrator, the Debtors shall have no further duties or responsibilities in connection with implementation of this Plan, and the directors and officers of each of the Debtors shall be deemed to have resigned. From and after the Effective Date, the Plan Administrator shall be authorized to act on behalf of the Debtors in the same manner as the Debtors' directors and officers were authorized prior to the Effective date, provided that the Plan Administrator shall have no duties other than as expressly set forth in this Plan.

8.1.2 Closing of Non-Lead Cases; Dissolution of the Debtors

The Plan Confirmation Order shall provide for the entry of final decrees and orders closing the Chapter 11 Cases of VT&M 123, Inc., NCDI123, Inc., NCDIM123, Inc., and

GAeroS123, Inc. (the "***Non-Lead Debtors***") immediately following the occurrence of the Effective Date. Following closure of the Non-Lead Debtors' Chapter 11 Cases, any and all recourse for any Claims, Interests, or equitable relief with respect to the Non-Lead Debtors shall proceed exclusively in the Chapter 11 Case of AHI Liquidating 123, Inc. in accordance with the Plan and any Final Orders entered in the Chapter 11 Cases.

Upon entry of a final decree closing a Debtor's Chapter 11 Case, such Debtor shall be deemed dissolved immediately and for all purposes in accordance with applicable state law.

8.1.3 Cancellation of Existing Securities and Agreements

On the Effective Date, all agreements and other documents evidencing (i) any Claim or rights of any holder of a Claim against the Debtors, including any notes evidencing such Claims or (ii) any Interest in the Debtors, including any options or warrants to purchase Interests, shall be canceled. The holders of, or parties to, such canceled agreements and documents shall have no rights arising from or relating to such agreements and documents or the cancellation thereof, except any rights provided pursuant to this Plan.

8.2 Plan Transactions

On the Effective Date or as soon thereafter as is reasonably practicable, the Debtors and the Plan Administrator may take any and all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by or necessary to effectuate this Plan (the "***Plan Transactions***"), including, but not limited to, (i) the execution and delivery of appropriate agreements or other documents of financing, merger, consolidation, restructuring, conversion, disposition, transfer, or dissolution containing terms that are consistent with the terms of this Plan and that satisfy the requirements of applicable law, (ii) the execution and delivery of any appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt, duty or obligation on terms consistent with this Plan, (iii) the filing of appropriate certificates of incorporation or other similar documents with the appropriate governmental authorities pursuant to applicable law, and (iv) any and all other actions that the Debtors or Plan Administrator determine are necessary or appropriate.

8.3 Effectuating Documents and Further Transactions

Upon entry of the Plan Confirmation Order, the Debtors and the Plan Administrator shall be authorized to execute, deliver, file, or record such contracts, instruments, releases, consents, certificates, resolutions, programs, and other agreements or documents, and take such acts and actions as may be reasonable, necessary, or appropriate to effectuate, implement, consummate, or further evidence the terms and conditions of this Plan and any transactions described in or contemplated by this Plan. The Debtors or Plan Administrator, as applicable, all holders of Claims receiving Distributions pursuant to this Plan, and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents, and take any other actions as may be necessary or advisable to effectuate the provisions and intent of this Plan.

8.4 Authority to Act

Prior to, on, or after the Effective Date (as appropriate), all matters expressly provided for under this Plan that would otherwise require approval of the stockholders, security holders, officers, directors, partners, managers, members, or other owners of one or more of the Debtors shall be deemed to have occurred and shall be in effect prior to, on, or after the Effective Date (as applicable) pursuant to the applicable law of the states or jurisdictions in which the Debtors are formed, without any further vote, consent, approval, authorization, or other action by such stockholders, security holders, officers, directors, partners, managers, members, or other owners of one or more of the Debtors or notice to, order of, or hearing before, the Bankruptcy Court.

8.5 The Plan Administrator

On the Effective Date, the Plan Administrator will be appointed for the limited purposes of (i) liquidating the Estates' assets in accordance with this Plan, (ii) reconciling and objecting to Claims, and (iii) making Distributions on Allowed Claims in accordance with this Plan, with no objective to continue or engage in the conduct of a trade or business. The Plan Administrator shall be the representative of the respective Estates pursuant to section 1123(b)(3)(B) of the Bankruptcy Code; shall stand in the shoes of the Debtors for purposes of contesting, settling or compromising objections to Claims; and shall be vested with all of the Debtors' rights and defenses to all Claims.

8.5.1 Powers and Duties

In furtherance of and consistent with the purposes of this Plan, the Plan Administrator shall have the following rights, powers, and duties, which the Plan Administrator shall exercise and perform, as applicable, in accordance with the Plan Administrator's reasonable business judgment for the benefit of creditors entitled to Distributions under the Plan:

(a) to hold, manage, dispose of, sell, convert to Cash, and Distribute the Assets of the Debtors and the Estates;

(b) to investigate, prosecute, settle, liquidate, dispose of, and/or abandon any Retained Causes of Action;

(c) to implement and enforce the terms of the Plan;

(d) if a purpose would be served, to reconcile and object to Claims and manage, control, prosecute and/or settle on behalf of the Estates any objections to Claims;

(e) to act as a signatory of the Debtors and for all purposes, including those associated with the novation of contracts or other obligations arising out of the sales or other disposition of any remaining Assets;

(f) to dispose of the books and records transferred to the Plan Administrator in a manner deemed appropriate by the Plan Administrator; provided, however, that the Plan Administrator shall not dispose of any books and records that are reasonably likely to pertain to

pending litigation in which the Debtors or their current or former officers or directors are a party or that may pertain to General Unsecured Claims without further order of the Bankruptcy Court;

(g) to take all necessary action and file all appropriate motions to obtain an order and a Final Decree closing the Chapter 11 Cases;

(h) to enter into and exercise rights under contracts that are necessary or desirable to the implementation of this Plan and administration of the Estates, and to execute any documents or pleadings related to the liquidation of the Assets of the Debtors and the Estates;

(i) to establish and maintain bank accounts and terminate such accounts as the Plan Administrator deems appropriate;

(j) without prior Bankruptcy Court order or approval, to engage and provide reasonable compensation and reimbursement of expenses to employees and professionals, to assist the Plan Administrator with respect to its responsibilities under the Plan;

(k) to reasonable compensation and reimbursement of expenses, the terms of which compensation shall be disclosed at or prior to the Combined Hearing and approved by the Bankruptcy Court in the Plan Confirmation Order; and

(l) to take such other and further actions as are permitted by the Plan and are not inconsistent with the Plan.

8.5.2 Plan Expenses

All Plan Expenses shall be paid from the Estates' assets, and the Plan Administrator may, in the ordinary course of business and without the necessity for any application to, or approval of, the Bankruptcy Court, pay any accrued but unpaid Plan Expenses.

8.5.3 Indemnification

To the fullest extent permitted by applicable law, the Plan Administrator shall be entitled to indemnify, defend, and hold itself harmless from and against any and all claims, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever arising out of or resulting from the Plan Administrator's acts or omissions, or consequences of such acts or omissions, with respect to the implementation or administration of the Plan or the discharge of its duties hereunder, including relating to any action, suit, proceeding or investigation brought by or threatened against the Plan Administrator; provided, however, that no such indemnification will be made to the Plan Administrator on account of claims or liabilities arising out of or relating to any act or omission of the Plan Administrator that is determined by a Final Order to have constituted a crime, willful misconduct, or gross negligence. Any indemnity to which the Plan Administrator becomes entitled pursuant to this Section 8.5.3 shall constitute and be payable as a Plan Expense.

SECTION 9 DISTRIBUTIONS

9.1 Limited Consolidation of the Estates

To promote efficient administration and effectuation the Plan, including for purposes of Distributions to be made under the Plan, the Plan Proponents seek authority under Bankruptcy Code section 105 and Bankruptcy Rule 9019 to consolidate the Debtors' Estates solely with respect to holders of General Unsecured Claims and Contractual Subordinated Claims.

As a result of such consolidation, (i) the Debtors and their Estates shall be deemed to be a single entity and Estate for purposes of Distributions to holders of Allowed General Unsecured Claims and Allowed Contractual Subordinated Claims, (ii) each Allowed General Unsecured Claim and Allowed Contractual Subordinated Claim against any Debtor shall be deemed to be an Allowed Claim against the consolidated Debtors, and (iii) each General Unsecured Claim or Contractual Subordinated Claim that is Allowed against more than one Debtor shall be deemed to be a single Allowed Claim against the consolidated Debtors. For the avoidance of doubt, this limited consolidation shall not affect: (i) the legal and corporate structures of the Debtors; (ii) pre- and post-Effective Date guarantees, liens and security interests that are required to be maintained (a) in connection with executory contracts and unexpired leases that have been or will be assumed, if any, or (b) pursuant to the Plan; or (iii) distributions from any insurance policies or proceeds of such policies.

This Plan shall serve as a motion seeking entry of an order consolidating the Debtors, as described and to the limited extent set forth above. Unless an objection to such consolidation is made in writing by any creditor affected by the Plan, filed with the Bankruptcy Court and served on the parties listed in Section 15.11 in accordance with the objection procedures established by the Bankruptcy Court, the consolidation order (which may be the Plan Confirmation Order) may be entered by the Bankruptcy Court. In the event any such objections are timely filed, a hearing with respect thereto shall occur at or before the Combined Hearing.

9.2 Distribution Record Date

As of the close of business on the Distribution Record Date, the various transfer registers for each of the Classes of Claims or Interests as maintained by the Debtors, or their respective agents, shall be deemed closed, and there shall be no further changes in the record holders of any of the Claims or Interests. The Debtors and the Plan Administrator shall have no obligation to recognize any ownership transfer of the Claims or Interests occurring on or after the Distribution Record Date. The Debtors, the Plan Administrator, and any party responsible for making Distributions shall be entitled to recognize and deal for all purposes hereunder only with those record holders stated on the transfer ledgers as of the close of business on the Distribution Record Date, to the extent applicable.

9.3 Date of Distributions

Distributions made after the Effective Date to holders of Allowed Claims shall be deemed to have been made on the Effective Date and, except as otherwise provided in this Plan, no interest shall accrue or be payable with respect to such Claims or any Distribution related

thereto. In the event that any payment or act under this Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on or as soon as reasonably practicable after the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

9.4 No Postpetition Interest on Claims

Except as otherwise provided in Section 4.3, 6.1, 6.2, or 6.3 above, postpetition interest shall not accrue or be paid on any Claims against the Debtors, and no holder of any such Claim against the Debtors shall be entitled to payment or Distributions on account of interest accruing on or after the Petition Date.

9.5 Disbursing Agent

All Distributions hereunder shall be made by the Debtors, the Plan Administrator, or their named successor or assign, as Disbursing Agent, on or after the Effective Date or as otherwise provided herein. For the avoidance of doubt, the Debtors, or such other entity designated by the Debtors, shall act as Disbursing Agent with respect to all Effective Date Distributions. A Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court, and, in the event that a Disbursing Agent is so ordered, all costs and expenses of procuring any such bond or surety shall be borne by the Disbursing Agent.

9.6 Powers of Disbursing Agent

The Disbursing Agent may (i) effect all actions and execute all agreements, instruments, and other documents necessary to carry out the provisions of this Plan, (ii) make all Distributions contemplated hereby, and (iii) perform such other duties as may be required of the Disbursing Agent pursuant to this Plan.

9.7 Surrender of Instruments

Pursuant to Bankruptcy Code section 1143, as a condition precedent to receiving any Distribution under this Plan, each holder of a certificated instrument or note must surrender such instrument or note held by it to the Disbursing Agent or its designee. Any holder of such instrument or note that fails to (i) surrender the instrument or note or (ii) execute and deliver an affidavit of loss or indemnity reasonably satisfactory to the Disbursing Agent and furnish a bond in form, substance, and amount reasonably satisfactory to the Disbursing Agent before the third anniversary of the Plan Confirmation Date shall be deemed to have forfeited all rights and claims and may not participate any Distribution hereunder.

9.8 IRS Form W-9

Pursuant to Bankruptcy Code section 1143, as a condition precedent to receiving any Distribution under this Plan, each holder of an Allowed Claim that is entitled to a Distribution under the Plan must provide the Plan Administrator an executed IRS Form W-9 (or an acceptable substitute). Any Allowed Claim, the holder of which fails to provide an executed IRS Form W-9 (or an acceptable substitute) within thirty (30) days after filing and service of a formal request for

the same by the Plan Administrator, shall be deemed disallowed and expunged for purposes of Distributions under the Plan.

9.9 Delivery of Distributions

Subject to applicable Bankruptcy Rules, all Distributions to holders of Allowed Claims shall be made to the Disbursing Agent, who shall transmit such Distributions to the applicable holders of Allowed Claims or their designees. If any Distribution to a holder of an Allowed Claim (i) is returned as undeliverable for lack of a current address or otherwise (an "***Undeliverable Distribution***"), or (ii) is not cashed or otherwise presented for collection by the holder of the Allowed Claim within ninety (90) days after mailing of such Distribution (an "***Uncashed Distribution***"), the Plan Administrator shall file with the Bankruptcy Court the name and last known address of the holder of Undeliverable Distribution or Uncashed Distribution, as applicable. If, after the passage of thirty (30) days after such filing, the payment or Distribution on the Allowed Claim still cannot be made, then (i) the holder of such Claim shall cease to be entitled to the Undeliverable Distribution or Uncashed Distribution, which will revert to the Plan Administrator, (ii) the Claim of such holder shall be deemed disallowed and expunged for purposes of further Distributions under the Plan.

9.10 Manner of Payment

Any Distributions to be made by or on behalf of the Debtors pursuant to this Plan shall be made by checks drawn on accounts maintained by the Debtors or the Plan Administrator, as applicable, or by wire transfer if circumstances justify, at the option of the Debtors or the Plan Administrator, as applicable.

9.11 Setoffs

The Debtors and the Plan Administrator, pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable bankruptcy or nonbankruptcy law, with the approval of the Bankruptcy Court and upon no less than fourteen (14) days' notice to the applicable holder of a Claim, or as may be agreed to by the holder of a Claim, may, but shall not be required to, set off against any Allowed Claim and the Distributions to be made pursuant to this Plan on account of such Allowed Claim (before any Distribution is to be made on account of such Allowed Claim), any claims of any nature whatsoever that the Debtors may have against the holder of such Allowed Claim, provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or the Plan Administrator of any such claim the Debtors may have against the holder of such Claim.

9.12 Minimum Distributions

No payment of Cash in an amount of less than $50 shall be required to be made on account of any Allowed Claim. Such undistributed amount may instead be used in accordance with the Plan. If the Cash available for the final Distribution is less than $15,000, and the Plan Administrator, in its sole discretion, determines that it would cost more than $5,000 to distribute such funds, the Plan Administrator may donate such funds to the charity of its choice.

9.13 Allocation of Distributions Between Principal and Interest

To the extent that any Allowed Claim entitled to a Distribution under this Plan includes both principal and accrued but unpaid interest, such Distribution shall be allocated to the principal amount (as determined for federal income tax purposes) of the Claim first, and then to accrued but unpaid interest.

9.14 Distributions Free and Clear.

Except as otherwise provided in this Plan, any Distribution or transfer made under this Plan, including Distributions to any holder of an Allowed Claim, shall be free and clear of any liens, Claims, encumbrances, charges and other interests, and no other entity shall have any interest, whether legal, beneficial or otherwise, in property distributed or transferred pursuant to this Plan.

SECTION 10 PROCEDURES FOR DISPUTED CLAIMS

10.1 Preservation of Rights/Defenses; Standing to Object

On the Effective Date, the Plan Administrator shall be vested with any and all rights and defenses each Debtor had with respect to any Claim immediately prior to the Effective Date. After the Effective Date, the Plan Administrator shall have standing to file objections to Claims. Any such objections shall be filed and served on or before the later of (i) 180 days after the Effective Date or (ii) such other date as may be fixed by the Bankruptcy Court after notice and a hearing. The U.S. Trustee's right to object to Administrative Expense Claims is reserved.

10.2 Estimation of Claims

After the Effective Date, the Plan Administrator may (but is not required to) at any time request that the Bankruptcy Court estimate any Contingent Claim or Disputed Claim pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether an objection was previously filed with the Bankruptcy Court with respect to such Claim, or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal relating to such objection. In the event that the Bankruptcy Court estimates any Contingent Claim or Disputed Claim, the amount so estimated shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the amount of such Claim, the Plan Administrator may pursue supplementary proceedings to object to the allowance of such Claim.

10.3 Distributions Relating to Disputed Claims

At such time as a Disputed Claim becomes an Allowed Claim, the Disbursing Agent shall distribute to the holder of such Claim, such holder's Pro Rata Share of the property distributable with respect to the Class in which such Claim belongs. To the extent that all or a portion of a Disputed Claim is disallowed, the holder of such Claim shall not receive any Distribution on account of the portion of such Claim that is disallowed and any property withheld pending the

resolution of such Claim shall be reallocated *pro rata* to the holders of Allowed Claims in the same Class.

10.4 Disallowed Claims

All Claims held by persons or entities against whom or which any Debtor has commenced a proceeding asserting a Cause of Action under sections 542, 543, 544, 545, 547, 548, 549, or 550 of the Bankruptcy Code or that is a transferee of a transfer avoidable under section 522(f), 522(h), 544, 545, 548, 549 or 724(a) of the Bankruptcy Code shall be deemed disallowed Claims pursuant to section 502(d) of the Bankruptcy Code and holders of such Claims shall not be entitled to vote to accept or reject this Plan. A Claim deemed disallowed pursuant to this Section shall continue to be disallowed for all purposes until the relevant proceeding against the holder of such Claim has been settled or resolved by a Final Order and any sums due to the Debtors or the Plan Administrator from such holder have been paid.

SECTION 11 EXECUTORY CONTRACTS AND UNEXPIRED LEASES

11.1 General Treatment

All executory contracts and unexpired leases to which any of the Debtors are parties are hereby rejected as of the Effective Date except for an executory contract or unexpired lease that (i) previously has been assumed pursuant to Final Order of the Bankruptcy Court, (ii) is specifically designated as an executory contract or unexpired lease to be assumed in this Plan, or (iii) is the subject of a separate assumption motion filed by the Debtors under section 365 of the Bankruptcy Code prior to the Effective Date.

Assumption of any executory contract or unexpired lease pursuant to this Plan or otherwise shall, upon satisfaction of the applicable requirements of Section 365 of the Bankruptcy Code, result in the full, final, and complete release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults or provisions restricting the change in control of ownership interest composition or other bankruptcy-related defaults, arising under any assumed executory contract or unexpired lease at any time prior to the effective date of assumption. Any Claim listed in the Schedules and any Proofs of Claim filed with respect to any executory contract or unexpired lease that has been assumed prior to the Effective Date shall be deemed disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court or any other entity.

11.2 Rejection Damages Claims

In the event that the rejection of an executory contract or unexpired lease by any of the Debtors pursuant to this Plan results in a Rejection Damages Claim in favor of a counterparty to such executory contract or unexpired lease, such Rejection Damages Claim, if not heretofore evidenced by a timely and properly filed Proof of Claim, shall be forever barred and shall not be enforceable against the Debtors, the Estates, or their property, unless a Proof of Claim is filed with the Bankruptcy Court and served upon counsel for the Plan Administrator on or before the date that is thirty (30) days after the Effective Date or such later rejection date that occurs as a result of a dispute concerning amounts necessary to cure any defaults. All Allowed Rejection Damages Claims shall be treated as General Unsecured Claims pursuant to the terms of this Plan.

11.3 Reservation of Rights

The inclusion of any contract or lease in the Schedules shall not constitute an admission by the Debtors that such contract or lease is in fact an executory contract or unexpired lease or that any Debtor has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors or Plan Administrator, as applicable, may elect within 30 days following entry of a Final Order resolving such dispute to alter the treatment of such contract or lease under the Plan by filing a notice of such election on the docket of the Chapter 11 Cases.

SECTION 12 CONDITIONS PRECEDENT TO EFFECTIVE DATE

12.1 Conditions Precedent

The occurrence of the Effective Date of this Plan is subject to the following conditions precedent:

(a) the Plan has been accepted by all voting Classes of General Unsecured Claims and Contractual Subordinated Claims;

(b) the Plan Confirmation Order in form and substance satisfactory to the Plan Proponents shall have been entered by the Bankruptcy Court and shall be a Final Order;

(c) all actions, documents, and agreements necessary to implement this Plan and any Plan Transactions, shall have been effected or executed;

(d) the Debtors shall have received all authorizations, consents, regulatory approvals, rulings, letters, no-action letters, opinions, or documents necessary to implement this Plan and any Plan Transactions and that are required by law, regulation, or order;

(d) the absence of any pending or threatened government action or any law that has the effect of or actually does prevent consummation of any Plan Transactions; and

(e) there shall have been no modification or stay of the Plan Confirmation Order or entry of other court order prohibiting transactions contemplated by this Plan from being consummated.

12.2 Waiver of Conditions

Unless otherwise specifically provided in this Plan, the conditions set forth in Section 12.1 may be waived in whole or in part by the Creditors' Committee, in consultation with the Debtors, without notice to any other parties in interest or the Bankruptcy Court and without a hearing.

12.3 Effect of Failure of Conditions

If the conditions precedent specified in Section 12.1 have not been satisfied or waived by the Creditors' Committee within one hundred twenty (120) days after the Plan Confirmation

Date, which period may be extended by the Creditors' Committee in consultation with the Debtors, then (i) the Plan Confirmation Order shall be vacated, (ii) no Distributions under this Plan shall be made, (iii) the Debtors and all holders of Claims and Interests shall be restored to the *status quo ante* as of the day immediately preceding the Plan Confirmation Date, as though the Plan Confirmation Date never occurred, and (iv) all of the Debtors' obligations with respect to Claims and Interests shall remain unchanged, and nothing contained herein shall be deemed to constitute a waiver or release of any Claims or Interests by or against the Debtors or any other entity or to prejudice in any manner the rights of the Debtors or any other entity in any further proceedings involving the Debtors or otherwise.

SECTION 13 EFFECT OF CONFIRMATION

13.1 Vesting of Assets

On the Effective Date, pursuant to Bankruptcy Code sections 1141(b) and 1141(c), all Assets of the Debtors and the Estates, including Cash, the Retained Causes of Action, and the D&O Liability Insurance Policies, shall vest in the Plan Administrator free and clear of all Claims, liens, encumbrances, charges, and other interests except as otherwise expressly provided in this Plan.

13.2 Binding Effect

Notwithstanding Bankruptcy Rules 3020(e), 6004(g), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan shall be immediately effective and enforceable and deemed binding upon the Debtors, the Creditors' Committee, and all present and former holders of Claims against and Interests in any Debtor, regardless of whether any such holder of a Claim or Interest has voted or failed to vote to accept or reject this Plan and regardless of whether any such holder of a Claim or Interest is entitled to receive any Distribution under this Plan.

13.3 Compromise and Settlement of Claims, Interests, and Controversies

Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the distributions and other benefits provided pursuant to this Plan, the provisions of this Plan shall constitute a good faith compromise of all Claims, Interests, and controversies relating to the relative legal, equitable, and contractual rights of the holders of General Unsecured Claims, Prepetition Lender Deficiency Claims, Contractual Subordinated Claims, Intercompany Claims, and Intercompany Interests with respect to Distributions from the Debtors' Estates.

The entry of the Plan Confirmation Order shall constitute the Bankruptcy Court's approval of all compromises and settlements embodied in the Plan, as well as a finding by the Bankruptcy Court that such compromises and settlements are in the best interests of the Debtors, their Estates, and holders of Claims and are fair, equitable, and reasonable, provided that, pursuant to section 1141(d)(3) of the Bankruptcy Code, and notwithstanding anything to the contrary in this Plan, the Debtors shall not receive a discharge of indebtedness.

After the Effective Date, the Plan Administrator, on behalf of the Estates, may, and shall have the exclusive right to, compromise and settle any claims and any Causes of Action against any other person or entity without notice to or approval from the Bankruptcy Court, including any and all derivative actions pending or otherwise existing against the Debtors as of the Effective Date.

13.4 Injunction

Except as otherwise expressly provided in this Plan, the Plan Confirmation Order, or a separate order of the Bankruptcy Court, all persons and entities who have held, hold or may hold Claims against or Interests in any or all of the Debtors, are permanently enjoined, on and after the Effective Date, from (a) commencing or continuing in any manner any action or other proceeding of any kind against the Estates, the Plan Administrator, or any property of the Debtors, the Estates, or the Plan Administrator, with respect to any such Claim or Interest; (b) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or order against the Estates, the Plan Administrator, or any property of the Debtors, the Estates, or the Plan Administrator, on account of any such Claim or Interest; (c) creating, perfecting or enforcing any encumbrance of any kind against any property of the Debtors, the Estates, or the Plan Administrator on account of any such Claim or Interest; (d) asserting any right of setoff of any kind against any obligation due from the Debtors or against the property or interests in property of the Debtors or the Estates on account of any such Claim or Interest; and (e) commencing or continuing in any manner any action or other proceeding of any kind with respect to any claims and Causes of Action which are retained pursuant to this Plan.

Upon the Bankruptcy Court's entry of the Plan Confirmation Order, all holders of Claims and Interests and other parties in interest, along with their respective present or former employees, agents, officers, directors, or principals, shall be enjoined from taking any actions to interfere with the implementation or consummation of this Plan by the Debtors, the Plan Administrator, and their respective affiliates, employees, advisors, officers and directors, or agents.

13.5 Term of Injunctions or Stays

Except as otherwise provided in this Plan, to the maximum extent permitted by applicable law and subject to the Bankruptcy Court's post-confirmation jurisdiction to modify the injunctions and stays under this Plan, (a) all injunctions with respect to or stays against an action against property of the Debtors' Estates arising under or entered during the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code, and in existence on the Plan Confirmation Date, shall remain in full force and effect until such property is no longer property of the Debtors' Estates, and (b) all other injunctions and stays arising under or entered during the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code shall remain in full force and effect until the earliest of (i) the date that the Chapter 11 Cases are closed pursuant to a Final Order of the Bankruptcy Court or (ii) the date that the Chapter 11 Cases are dismissed pursuant to a Final Order of the Bankruptcy Court.

13.6 Debtor and Estate Releases

On the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, the Released Parties (§ 3.1.60) are deemed released and discharged by the Debtors and their Estates to the fullest extent permitted by applicable law, as such law may be extended or interpreted subsequent to the Effective Date, from any and all claims, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative claims asserted or assertable on behalf of the Debtors or their Estates, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that the Debtors and their Estates would have been legally entitled to assert in their own right (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Chapter 11 Cases, the negotiation, documentation, and consummation of the Sale, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between the Debtors and any of the Released Parties, the negotiation, formulation or preparation of the Plan, the Plan Documents, or other documents, upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Plan Confirmation Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that is determined by a Final Order to have constituted a crime, willful misconduct, or gross negligence; provided, however, that the foregoing release shall not affect any obligation or liability (i) of the Purchaser under the Committee Settlement, the Asset Purchase Agreement, or the Sale Order, or (ii) arising post-Effective Date under the Plan or in connection with any Plan Transaction.

13.7 Releases by Certain Holders of Claims

On the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, the Released Parties (§ 3.1.60), but excluding the Debtors, are deemed released and discharged by the Releasing Parties (§ 3.1.61) to the fullest extent permitted by applicable law, as such law may be extended or interpreted subsequent to the Effective Date, from any and all claims, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative claims asserted or assertable on behalf of the Releasing Parties, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that the Releasing Parties would have been legally entitled to assert in their own right (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Chapter 11 Cases, the negotiation, documentation, and consummation of the Sale, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between the Debtors and any of the Released Parties, the negotiation, formulation or preparation of the Plan, the Plan Documents, or other documents, upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Plan Confirmation Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that is determined by a Final Order to have constituted a crime, willful misconduct, or gross negligence; provided, however, that the foregoing release shall not affect any obligation or liability (i) of the Purchaser under the Committee

Settlement, or (ii) arising post-Effective Date under the Plan or in connection with any Plan Transaction. For the avoidance of doubt, a release of the Purchaser pursuant to this Section shall not affect any (i) "Assumed Liability" of the Purchaser as defined in the Asset Purchase Agreement or (ii) obligation or liability of the Purchaser arising in connection with the operation of the "Business" after the "Closing Date," both as defined in the Asset Purchase Agreement.

13.8 Exculpation

Upon and effective as of the Effective Date, the Exculpated Parties (§ 3.1.30) will be deemed to have solicited acceptances of this Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code, including section 1125(e).

The Exculpated Parties shall neither have nor incur any liability to any entity for any postpetition act taken or omitted to be taken on or before the Effective Date in connection with, or related to, the Chapter 11 Cases, including with respect to (i) the negotiation, documentation, and consummation of the Sale and any contract, instrument, release or other agreement or document created or entered into in connection with the Sale, and (ii) the formulation, negotiation, preparation, dissemination, implementation, administration, confirmation, and effectuation of the Plan and any contract, instrument, release or other agreement or document created or entered into in connection with the Plan; provided, however, that the foregoing "exculpation" shall have no effect on the liability of any entity that results from any such act or omission that is determined by a Final Order to have constituted a crime, willful misconduct, or gross negligence.

13.9 Dissolution of Creditors' Committee

On the Effective Date, (i) the Creditors' Committee's rights under the Committee Settlement shall vest in the Plan Administrator, and the Plan Administrator, as representative of the Estates, shall be entitled to enforce the Committee Settlement, and (ii) the Creditors' Committee shall have no further powers or duties and shall be dissolved for all purposes, provided, however, that the Creditors' Committee and its Professionals shall be entitled, after notice and a hearing, to reasonable compensation and reimbursement of actual and necessary expenses incurred post-Effective Date in preparing and filing applications for Accrued Professional Compensation Claims and reimbursement of expenses incurred by members of the Creditors' Committee.

13.10 Retention of Causes of Action/Reservation of Rights

Except as otherwise expressly provided herein, including in Section 13.6, nothing contained in this Plan, the Plan Documents, or in the Plan Confirmation Order shall be deemed to be a waiver or relinquishment of any claim, Cause of Action, right of setoff, or other legal or equitable right or defense that the Plan Administrator may choose to assert on behalf of the Debtors' Estates under any provision of the Bankruptcy Code or any applicable nonbankruptcy law or rule, common law, equitable principle, or other source of right or obligation. No entity may rely on the absence of a specific reference in this Plan to any Cause of Action against it as any indication that the Debtors or the Plan Administrator, as applicable, will not pursue any and

all available Causes of Action against them. The Debtors and the Plan Administrator expressly reserve all rights to prosecute any and all Causes of Action against any entity, except as otherwise expressly provided in this Plan.

SECTION 14 RETENTION OF JURISDICTION

On and after the Effective Date, the Bankruptcy Court shall retain jurisdiction, to the maximum extent permitted by law, over all matters arising in, arising under, and related to the Chapter 11 Cases for, among other things, the following purposes:

(a) to hear and determine motions or applications for the assumption or rejection of executory contracts or unexpired leases and the allowance, classification, priority, compromise, estimation, or payment of Claims resulting therefrom;

(b) to determine any motion, adversary proceeding, application, contested matter, and other litigated matter pending on or commenced after the Plan Confirmation Date;

(c) to ensure that Distributions to holders of Allowed Claims are accomplished as provided herein;

(d) to consider Claims or the allowance, classification, priority, compromise, estimation, or payment of any Claim;

(e) to enter, implement, or enforce such orders as may be appropriate in the event the Plan Confirmation Order is for any reason stayed, reversed, revoked, modified, or vacated;

(e) to issue injunctions, enter and implement other orders, and take such other actions as may be necessary or appropriate to restrain interference by any person with the consummation, implementation, or enforcement of this Plan, the Plan Confirmation Order, or any other order of the Bankruptcy Court;

(f) to hear and determine any application to modify this Plan in accordance with applicable provisions of the Bankruptcy Code, to remedy any defect or omission or reconcile any inconsistency in this Plan or any order of the Bankruptcy Court, including the Plan Confirmation Order, in such a manner as may be necessary to carry out the purposes and effects thereof;

(g) to hear and determine all applications under sections 330, 331, and 503(b) of the Bankruptcy Code for awards of compensation for services rendered and reimbursement of expenses incurred prior to the Effective Date;

(h) to hear and determine all requests for payment of Administrative Expense Claims;

(i) to hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of this Plan, the Plan Confirmation Order, any

transactions or payments contemplated hereby or under any agreement, instrument, or other document governing or relating to any of the foregoing;

(j) to take any action and issue such orders as may be necessary to construe, enforce, implement, execute, and consummate this Plan or to maintain the integrity of this Plan following consummation;

(k) to hear any disputes arising out of, and to enforce any order approving alternative dispute resolution procedures to resolve, personal injury, employment litigation, and similar claims pursuant to section 105(a) of the Bankruptcy Code;

(l) to determine such other matters and for such other purposes as may be provided in the Plan Confirmation Order;

(m) to hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code (including any requests for expedited determinations under section 505(b) of the Bankruptcy Code);

(n) to hear and determine any other matters related hereto and not inconsistent with the Bankruptcy Code and title 28 of the United States Code;

(h) to enter a final decree closing the Chapter 11 Cases;

(i) to recover all assets of the Debtors and property of the Debtors' Estates, wherever located; and

(j) to hear and determine any Reserved Causes of Action that may be brought by the Plan Administrator, including with respect to any transfers to insiders within the year prior to the Petition Date; and

(k) to hear and determine any other rights, claims, or Causes of Action held by or accruing to the Debtors or the Plan Administrator pursuant to the Bankruptcy Code or any applicable state or federal statute or legal theory.

SECTION 15 MISCELLANEOUS PROVISIONS

15.1 Payment of Statutory Fees

All fees payable pursuant to 28 U.S.C. § 1930 and any applicable interest thereon that are due and payable as of the Effective Date shall be paid in full in Cash by the Debtors or the Plan Administrator on the Effective Date. All such fees and any applicable interest thereon that become due and payable after the Effective Date shall be paid by the Plan Administrator from the Estates' Assets when such fees become due and payable. All such fees and any applicable interest thereon shall continue to become due and payable until the entry of a final decree closing the Chapter 11 Cases or conversion or dismissal of the Chapter 11 Cases, whichever is earlier.

15.2 Substantial Consummation

On the Effective Date and the commencement of Distributions under this Plan, this Plan shall be deemed to be substantially consummated within the meaning set forth in section 1101 and pursuant to section 1127(b) of the Bankruptcy Code.

15.3 Operations Between the Plan Confirmation Date and Effective Date

During the period from the Plan Confirmation Date through and until the Effective Date, the Debtors shall continue to operate as debtors in possession, subject to the oversight of the Bankruptcy Court as provided in the Bankruptcy Code, the Bankruptcy Rules, and all orders of the Bankruptcy Court that are then in full force and effect. After the Effective Date, the Plan Administrator shall file with the Bankruptcy Court and submit to the United States Trustee regular post-confirmation status reports every three months, on or before each of the 15th day of January, April, July, and October as appropriate, until the Chapter 11 Cases are closed, converted, or dismissed.

15.4 No Retroactive Tax Exemption

For the avoidance of doubt, nothing in this Plan is intended, nor shall it be construed, to provide a tax exemption under section 1146(a) of the Bankruptcy Code on account of any transfer of assets occurring prior to the Plan Confirmation Date.

15.5 Determination of Tax Liabilities

The Debtors or the Plan Administrator (as applicable) shall, pursuant to section 505(b) of the Bankruptcy Code, have the right to request an expedited determination of any unpaid liability of the Debtors' Estates for any tax incurred during the administration of the Chapter 11 Cases.

15.6 Amendments

15.6.1 Modifications to Plan

This Plan may be amended, modified, or supplemented by the Plan Proponents at any time before substantial consummation of the Plan in the manner provided for by section 1127 of the Bankruptcy Code or as otherwise permitted by law without additional disclosure pursuant to section 1125 of the Bankruptcy Code, provided that notice and an opportunity to object shall be provided with respect to any material post-confirmation modifications to this Plan. In addition, after the Plan Confirmation Date, the Plan Proponents may institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in this Plan or the Plan Confirmation Order with respect to such matters as may be necessary to carry out the purposes and effects of this Plan. For the avoidance of doubt, nothing in this Section 15.6.1 shall authorize this Plan to be modified such that it fails to meet the requirements of section 1122 and 1123 of the Bankruptcy Code.

15.6.2 Other Amendments

The Plan Proponents may make appropriate non-material, technical adjustments and modifications to this Plan prior to the Effective Date without further order or approval of the Bankruptcy Court.

15.7 Revocation or Withdrawal of the Plan

The Plan Proponents reserve the right to revoke or withdraw this Plan at any time prior to the Effective Date, provided that such action may only be taken if it is in the exercise of the Plan Proponents' fiduciary duty to creditors. If the Plan Proponents take such action, this Plan shall be deemed null and void. In such event, nothing contained herein shall constitute or be deemed to be a waiver or release of any Claims by or against the Plan Proponents or any other person or to prejudice in any manner the rights of the Plan Proponents or any person in further proceedings involving the Debtors.

15.8 Savings Clause

If, prior to the entry of the Plan Confirmation Order, any term or provision of this Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable as proposed, the Bankruptcy Court, at the request of the Plan Proponents, shall have the power to alter or interpret such term or provision so as to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of this Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Plan Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

15.9 Severability of Subplans

If any Debtor's Subplan is not confirmed, then the Plan Proponents reserve the right to (i) request that the other Subplans be confirmed, (ii) revoke or withdraw any of the Subplans , or (iii) seek conversion, dismissal, or abstention with respect to, the Chapter 11 Case of the Debtor whose Subplan is not confirmed. The Plan Proponents' inability to confirm, or election to revoke or withdraw, any Subplan shall not impair the confirmation of the other Subplans.

15.10 Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and the Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of Delaware, without giving effect to the principles of conflicts of laws, shall govern the rights, obligations, construction, and implementation of this Plan and the transactions consummated or to be consummated in connection therewith.

15.11 Effective Notice

All notices, requests, and demands to or upon the Plan Proponents in connection with this Plan shall be in writing and, unless otherwise provided herein, shall be deemed to have been duly given or made when actually delivered to the below recipients:

(a) If to the Debtors, to:

Greenberg Traurig LLP
200 Park Avenue
New York, New York 10166
Attn: Matthew L. Hinker
Email: hinkerm@gtlaw.com

(b) If to the Creditors' Committee, to:

Drinker Biddle & Reath LLP
222 Delaware Avenue, Suite 1410
Wilmington, DE 19801
Attn: Patrick A. Jackson, Esq.
Email: patrick.jackson@dbr.com

SECTION 16 CRAMDOWN REQUEST

The Plan Proponents hereby request confirmation of the Plan under section 1129(b) of the Bankruptcy Code with respect to any Class that is deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code. The Plan Proponents reserve the right to request confirmation of the Plan under section 1129(b) of the Bankruptcy Code with respect to any voting Class that votes to reject the Plan.

[Signature page follows]

Dated: August 31, 2017

AHI LIQUIDATING 123, INC.
VT&M 123, INC.
NCDI123, INC.
NCDIM123, INC.
GAEROS123, INC.

By: Matthew D. Sedgh
Their: Chief Restructuring Officer

Dated: August 31, 2017

OFFICIAL COMMITTEE OF UNSECURED CREDITORS

By: Charles G. Adams
Its: Co-Chairperson

APPENDIX A

Wind-Down Budget

	March - June	July	August	September-October (1)	Total Fees and Expenses	Less: Payments (2)	Balance Outstanding (3)
Greenberg Traurig	$ 290,056.06	$ 19,588.00	$ 15,000.00	$ 10,000.00	$ 334,644.06	$ (234,643.86)	$ 100,000.20
Conway MacKenzie	$ 319,526.55	$ 8,504.00	$ 15,000.00	$ 10,000.00	$ 353,030.55	$ (319,526.55)	$ 33,504.00
BMC Group (4)	$ 84,096.09	$ 7,976.21	$ 12,000.00	$ 12,000.00	$ 116,072.30	$ (47,894.18)	$ 68,178.12
Drinker Biddle	$ 186,474.99	$ 26,582.99	$ 20,000.00	$ 10,000.00	$ 243,057.98	$ -	$ 243,057.98
Gavin/Solmonese	$ 61,741.00	$ 2,500.00	$ 2,500.00	$ 2,500.00	$ 69,241.00	$ -	$ 69,241.00
TOTALS	**$ 941,894.69**	**$ 65,151.20**	**$ 64,500.00**	**$ 44,500.00**	**$1,116,045.89**	**$ (602,064.59)**	**$ 513,981.30**
						Current Escrow + Retainer Balance (5)	$ 278,723.72
						Additional funding from cash on hand	$ 235,257.58

Notes

[1] Assumes Plan confirmed 10/5/17, consummated 10/6/17

[2] Reflects all cash payments from escrow and/or retainer made through 8/22/17

[3] Reflects total required escrow funding on the Effective Date, after application of retainer balances

[4] Includes both 156(c) and 327 services

[5] Professional Fee Escrow Balance as of 8/22/17

APPENDIX B

Chapter 7 Liquidation Analysis

($000's)

	Notes		Ch. 7		Ch. 11
PROCEEDS FROM LIQUIDATION					
Cash on hand as of conversion date (9/30/17)	[1]	$	448	$	448
Professional Fee Escrow + Retainer Balances	[2]	$	279	$	279
Retained Causes of Action	[3]	$	-	$	-
Total Proceeds from Liquidation		$	726	$	726
ALLOCATION OF PROCEEDS					
Ch. 11 Admin Expenses	[4]				
Conway MacKenzie		$	(34)	$	(34)
Greenberg Traurig		$	(100)	$	(100)
BMC Group		$	(68)	$	(68)
Drinker Biddle		$	(243)	$	(243)
Gavin/Solmonese		$	(69)	$	(69)
Final Tax Return Preparation		$	(38)	$	(38)
U.S. Trustee fees		$	-	$	-
Total Ch. 11 Admin Expenses		$	(551)	$	(551)
Ch. 7/Post-Confirmation Admin. Expenses					
Chapter 7 trustee	[5]	$	(40)	$	-
Plan administrator		$	-	$	(25)
Trustee/administrator counsel		$	(15)	$	(15)
U.S. Trustee fees		$	(6)	$	(6)
Total Ch. 7/Post-Confirmation Admin Expenses		$	(61)	$	(46)
Other Priority Claims		$	-	$	-
Secured Claims		$	-	$	-
Net Proceeds for Distribution to Unsecured Claimants		$	115	$	129
Unsecured Claims					
Prepetition Lender Deficiency					
Allowed Claim Amount		$	25,119	$	25,119
Distribution Amount		$	-	$	-
Distribution as % Claim Amount			0.00%		0.00%
General Unsecured					
Allowed Claim Amount	[6]	$	6,090	$	6,090
Distribution Amount	[7]	$	12	$	78
Distribution as % Claim Amount			0.20%		1.27%
Contractual Subordinated					
Allowed Claim Amount		$	51,556	$	51,556
Distribution Amount	[7]	$	103	$	52
Distribution as % Claim Amount			0.20%		0.10%
Intercompany	[8]	$	-	$	-
Statutory Subordinated		$	-	$	-

Notes to Liquidation Analysis

[1] Consists of cash purchase price, plus set-asides for U.S. Trustee fees and preparation of final tax returns; excludes Professional Fee Escrow

[2] Balance as of 8/21/17; assumes for sake of illustration that no further payments are made before conversion date

[3] Value undetermined, but presumed to be the same in either chapter 7 or chapter 11

[4] Professionals' fees/expenses estimated in the amounts set forth in the Wind-Down Budget, less payments from escrow/retainer through 7/26/17

[5] Assumes compensation up to the cap in 11 U.S.C. § 326

[6] Estimate based on scheduled claims, less payments by Debtors or Purchaser post-petition

[7] Assumes chapter 7 trustee would waive contractual subordination rights and distribute proceeds ratably between General Unsecured and Contractual Subordinated Claims

[8] Amount undetermined, but under chapter 11 plan Intercompany Claims are waived and receive no distribution