

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:)	
)	Chapter 11
)	
GULF PACKAGING, INC., ¹)	Case No. 15-15249 (PSH)
)	
Debtor.)	

DEBTOR'S CHAPTER 11 PLAN

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Dated: October 30, 2015

¹ The last four digits of the Debtor's tax identification number are 5030.

TABLE OF CONTENTS

ARTICLE I DEFINITIONS AND INTERPRETATION 1

 1.1 Definitions..... 1

 1.2 Rules of Interpretation and Construction..... 7

ARTICLE II TREATMENT OF UNCLASSIFIED CLAIMS..... 7

 2.1 Administrative Expense Claims..... 7

 2.2 Fee Claims..... 8

 2.3 Priority Tax Claims..... 8

ARTICLE III CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS 9

ARTICLE IV TREATMENT OF CLAIMS AND EQUITY INTERESTS 9

 4.1 Class 1 – Priority Non-Tax Claims..... 9

 4.2 Class 2 – FCC Claims..... 9

 4.3 Class 3 – Other Secured Claims..... 10

 4.4 Class 4 – General Unsecured Claims..... 10

 4.5 Class 5 – Equity Interests..... 10

ARTICLE V IMPAIRMENT; ACCEPTANCE OR REJECTION OF THE PLAN;
EFFECT OF REJECTION BY ONE OR MORE CLASSES 10

 5.1 Classes Entitled to Vote..... 10

 5.2 Class Acceptance Requirement..... 11

 5.3 Cramdown..... 11

ARTICLE VI MEANS OF IMPLEMENTATION 11

 6.1 General..... 11

 6.2 Settlement of FCC 506(b) Claim and FCC Superpriority Claim..... 11

 6.3 Release of Liens..... 12

 6.4 Cancellation of Equity Interests..... 12

 6.5 Dissolution of Committee and Cessation of Fee and Expense Payments..... 12

 6.6 Restructuring and Other Corporate Actions and Transactions..... 12

 6.7 The Creditor Trust..... 12

ARTICLE VII DISTRIBUTIONS 16

 7.1 Date of Distributions..... 16

 7.2 Minimum Amount of Distributions..... 16

 7.3 Sources of Cash for Plan Distributions..... 17

 7.4 Disbursing Agent..... 17

7.5	Rights and Powers of Disbursing Agent.	17
7.6	Record Date for Distributions.	17
7.7	Recipients of Distributions.	17
7.8	Delivery of Distributions.	18
7.9	Means of Payment.	18
7.10	Setoffs and Recoupment.	18
7.11	Disputed Claim and Administrative Reserve.	18
7.12	Distributions After Effective Date.	18
7.13	Withholding and Reporting Requirements.	19
7.14	No Postpetition Interest.	19
7.15	Time Bar to Payments.	19
ARTICLE VIII PROCEDURES FOR RESOLVING AND TREATING DISPUTED CLAIMS.		19
8.1	Objections to Claims.	19
8.2	No Distributions Pending Allowance.	20
8.3	Distributions After Allowance.	20
8.4	Disallowance of Late Filed Claims.	20
ARTICLE IX TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES.		20
9.1	Rejection of Contracts and Leases.	20
9.2	Inclusiveness.	20
9.3	Claims Based on Rejection of Executory Contracts or Unexpired Leases.	21
ARTICLE X CONDITIONS PRECEDENT TO CONFIRMATION AND EFFECTIVENESS OF THE PLAN.		21
10.1	Conditions to Confirmation of Plan.	21
10.2	Conditions to Effective Date of Plan.	21
10.3	Waiver of Conditions Precedent.	22
10.4	Effect of Failure of Conditions.	22
10.5	Reservation of Rights.	22
ARTICLE XI EFFECT OF CONSUMMATION, SETTLEMENT, RELEASE, INJUNCTION AND RELATED PROVISIONS.		22
11.1	Transfers of Assets to the Creditor Trust.	22
11.2	Exculpation.	23
11.3	Injunction and Stay.	23

11.4 Preservation of Claims 24

ARTICLE XII RETENTION OF JURISDICTION 24

ARTICLE XIII MISCELLANEOUS 25

13.1 Payment of Statutory Fees..... 25

13.2 Filing of Additional Documents..... 25

13.3 Schedules, Exhibits and Plan Supplement Incorporated..... 25

13.4 Amendment or Modification of the Plan..... 25

13.5 Inconsistency..... 26

13.6 Exemption from Certain Transfer Taxes..... 26

13.7 Expedited Tax Determination..... 26

13.8 Binding Effect..... 26

13.9 Severability..... 27

13.10 No Admissions..... 27

13.11 No Payment of Attorneys’ Fees..... 27

13.12 Notices..... 28

13.13 Governing Law..... 29

Gulf Packaging, Inc., hereby proposes the following Chapter 11 Plan pursuant to Section 1121(a) of the Bankruptcy Code.

ARTICLE I

DEFINITIONS AND INTERPRETATION

1.1 *Definitions.*

For the purpose of this Plan, the following terms shall have the respective meanings set forth below:

Administrative Expense Claim means any right to payment constituting a cost or expense of administration of the Chapter 11 Case Allowed pursuant to sections 503(b) or 507 of the Bankruptcy Code including, without limitation (a) any fees or charges assessed against the Debtor's Estate under 28 U.S.C. § 1930 and (b) other Administrative Expense Claims as may be ordered and Allowed by the Bankruptcy Court.

Affiliate means Florida Gulf Packaging, Inc.; Gulf Packaging Equipment Services, LLC; Gulf Arizona Packaging Corp.; Carolina-Gulf Packaging, LLC; Florida Gulf Properties; Gulf Packaging-Sacramento, LLC; Gulf Systems, Inc.; Gulf Pacific Packaging Corp.; Gulf Great Lakes Packaging Inc.; Colorado Gulf Packaging Corp.; Gulf Atlantic Packaging Corp.; and Gulf Midwest Packaging, Inc.

Allowed means, with reference to any Claim and subject to the mechanism for rendering the same a Disputed Claim, any Claim (i) for which a proof of claim has been filed and as to which no objection has been interposed on or before the Claim Objection Deadline or such other applicable period of limitation fixed by this Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, (ii) which appears in the Debtor's Schedules and is not listed as contingent, liquidated or disputed, and as to which no objection has been interposed on or before the Claims Objection Deadline or such other applicable period of limitation fixed by this Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, (iii) which is allowed by Final Order of the Bankruptcy Court, or (iv) which is expressly allowed under this Plan.

Avoidance Actions means any actions commenced, or that may be commenced, before or after the Effective Date pursuant to Chapter 5 of the Bankruptcy Code.

Ballot means the ballot provided to holders of Claims who are entitled to vote, to indicate their votes to accept or reject the Plan.

Bankruptcy Code means title 11 of the United States Code, as amended from time to time.

Bankruptcy Court means the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division, or any other court of the United States having jurisdiction over the Chapter 11 Case.

Bankruptcy Rules means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, as amended and in effect from time to time.

Bar Date means the last date to file proofs of claim against the Debtor, which was July 31, 2015 for all creditors except Governmental Units, and which is October 26, 2015 for Governmental Units.

Business Day means any day other than a Saturday, Sunday, or “Legal holiday” as defined in Bankruptcy Rule 9006(a)(6).

Cash means legal tender of the United States of America.

Cash Collateral Order means that certain *Final Order Authorizing Debtor to: (A) Use Cash Collateral on an Emergency Basis; and (B) Grant Adequate Protection and Provide Security and Other Relief to FCC, LLC, d/b/a First Capital, as Lender*, appearing at Docket No. 153 in the Chapter 11 Case. The Cash Collateral Order is a Final Order.

Causes of Action shall have the meaning ascribed to such term in section 11.4 of this Plan.

Chapter 11 Case means the above-captioned chapter 11 bankruptcy case of the Debtor.

Claim means a claim against the Debtor within the meaning of section 101(5) of the Bankruptcy Code.

Claim Objection Deadline means the later of (a) one hundred and twenty (120) days after the Effective Date and (b) such later date as may be ordered by the Bankruptcy Court pursuant to a motion filed prior to the expiration of such one hundred and twenty (120) day period.

Class means any group of Claims or Equity Interest classified by this Plan pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code.

Collateral means any property or interest in property of the Estate of the Debtor subject to a Lien, charge, or other encumbrance to secure the payment or performance of a Claim, which Lien, charge or other encumbrance is not subject to avoidance or otherwise invalid under the Bankruptcy Code or applicable state or federal law.

Committee means the Official Committee of Unsecured Creditors appointed in the Chapter 11 Case by the Office of the United States Trustee, as the same may be reconstituted from time to time.

Confirmation Date means the date on which the clerk of the Bankruptcy Court enters the Confirmation Order on the docket.

Confirmation Hearing means the hearing conducted by the Bankruptcy Court pursuant to sections 1128(a) and 1129 of the Bankruptcy Code to consider confirmation of the Plan, as such hearing may be adjourned or continued from time to time.

Confirmation Order means the order of the Bankruptcy Court confirming this Plan pursuant to section 1129 of the Bankruptcy Code.

Creditor Trust means that certain trust that will come into existence on the Effective Date, which shall be formed pursuant to the terms of this Plan and the Trust Agreement, and which shall be governed by the Trust Agreement.

Creditor Trust Assets means all tangible and intangible assets of the Debtor's Estate, including \$12,000 in Cash and all Causes of Action, all of which shall vest in the Creditor Trust on the Effective Date.

Debtor means Gulf Packaging, Inc., in its capacity as debtor and debtor in possession under sections 1107 and 1108 of the Bankruptcy Code.

Disallowed Claim or Equity Interest means any Claim or Equity Interest, or portion thereof, that is not an Allowed Claim, an Allowed Equity Interest, or a Disputed Claim or Disputed Equity Interest.

Disbursing Agent means the Trustee or any other party designated by the Bankruptcy Court, upon motion by the Trustee, to serve as a disbursing agent pursuant section 7.4 of this Plan.

Disclosure Statement means that certain disclosure statement relating to the Plan, including all exhibits and schedules thereto, as the same may be amended, supplemented or otherwise modified from time to time, as approved by the Bankruptcy Court pursuant to sections 1125 and 1126 of the Bankruptcy Code.

Disputed Claim means, with respect to a Claim, any such Claim (a) to the extent neither Allowed nor disallowed under the Plan or a Final Order nor deemed Allowed under section 502, 503 or 1111 of the Bankruptcy Code, or (b) with respect to which the Debtor or any party in interest have interposed a timely objection (as a contested matter, adversary proceeding, or otherwise) or request for estimation prior to the Claim Objection Deadline in accordance with the Plan or the Bankruptcy Rules, which objection or request for estimation has not been withdrawn or determined by a Final Order as of the Effective Date.

Disputed Claim and Administrative Reserve means the Cash reserve to be established pursuant to section 7.11 of the Plan, in an amount sufficient to satisfy (i) all distributions to which holders of Disputed Claims would be entitled to receive if all such Disputed Claims were to be subsequently Allowed in full, (ii) Allowed Administrative Expense Claims, and (iii) the costs and expenses of administering the Chapter 11 Case from the Effective Date until the time the Chapter 11 Case is closed including, but not limited to, any fees payable under 28 U.S.C. § 1930.

Distribution means any distribution made under the Plan to the holders of Allowed Claims.

Distribution Record Date means the record date for purposes of receiving distributions under the Plan on account of Allowed Claims and Allowed Equity Interests, which shall be the Confirmation Date.

Effective Date means the first Business Day on which all the conditions precedent to the effectiveness of the Plan specified in section 10.2 hereof shall have been satisfied or waived as provided in section 10.3 hereof; *provided, however*, that if a stay, injunction or similar prohibition of the Confirmation Order is in effect, the Effective Date shall be the first Business Day after such stay, injunction or similar prohibition is no longer in effect.

Equity Interest means any “equity security” of the Debtor, as that term is defined in section 101(16) of the Bankruptcy Code.

Estate means the estate of the Debtor as created under section 541 of the Bankruptcy Code.

Executory Contract means a contract to which Debtor is a party and that is subject to assumption or rejection under § 365 of the Bankruptcy Code.

FCC means FCC, LLC d/b/a First Capital.

FCC 506(b) Claim means the amount to which FCC is entitled under section 506(b) of the Bankruptcy Code and the Cash Collateral Order, which shall be Allowed for all purposes in an amount equal to interest at the default rate of interest as set forth in Section 3(c) of the Prepetition Credit Agreement (as such term is defined in the Cash Collateral Order) from and after the Petition Date, and all reasonable fees, costs, expenses, and other charges due or coming due after the Petition Date under the Prepetition Documents (as such term is defined in the Cash Collateral Order) or in connection with the FCC Secured Claim, *provided*, that the amount of the FCC 506(b) Claim shall not exceed \$1,975,136.24, *and provided further*, that objections to the reasonableness of the fees, costs, expenses and other charges due or coming due after the Petition Date under the Prepetition Documents may be raised in accordance with the Bankruptcy Code and Bankruptcy Rules.

FCC Secured Claim means the Secured Claim of FCC which was Allowed for all purposes pursuant to the Cash Collateral Order in an amount not less than \$9,204,863.76. The FCC Secured Claim does not include the FCC 506(b) Claim for purposes of distributions under the Plan from Creditor Trust Assets.

FCC Superpriority Claim means the amount to which FCC is entitled as a superpriority claim under section 507((b) of the Bankruptcy Code and the Cash Collateral Order, in respect of the diminution in value of FCC’s Collateral from the Petition Date through the Effective Date, which shall be calculated by subtracting (i) the amounts paid to FCC from the Debtor or the liquidation of FCC’s Collateral during the Chapter 11 Case and applied to the FCC Secured Claim from (ii) \$9,024,863.76.

Fee Claim means any Claim by a Professional Person under sections 330, 331 or 503 of the Bankruptcy Code for allowance of compensation and/or reimbursement of expenses in the Chapter 11 Case.

Final Order means an order or judgment of a court of competent jurisdiction that has been entered on the docket maintained by the clerk of such court and has not been reversed, vacated or stayed and as to which (a) the time to appeal, petition for *certiorari*, or move for a stay, new trial, reargument, or rehearing has expired and as to which no appeal, petition for *certiorari* or other proceedings for a stay, new trial, reargument or rehearing shall then be pending or (b) if an appeal, writ of *certiorari*, stay, new trial, reargument or rehearing thereof has been sought, (i) such order or judgment shall have been affirmed by the highest court to which such order was appealed, *certiorari* shall have been denied or a stay, new trial, reargument or rehearing shall have been denied or resulted in no modification of such order and (ii) the time to take any further appeal, petition for *certiorari*, or move for a stay, new trial, reargument or rehearing shall have expired; *provided, however*, that no order or judgment shall fail to be a “Final Order” solely because of the possibility that a motion pursuant to section 502(j) or 1144 of the Bankruptcy Code or under Rule 60 of the Federal Rules of Civil Procedure, or Bankruptcy Rule 9024 has been or may be filed with respect to such order or judgment.

General Unsecured Claim means any Claim against the Debtor that is not an Administrative Expense Claim, a Priority Tax Claim, a Priority Non-Tax Claim, a Secured Claim, the FCC 506(b) Claim, the FCC Superpriority Claim or an Equity Interest.

Governmental Unit has the meaning ascribed to such term in section 101(27) of the Bankruptcy Code.

Indemnified Persons shall have the meaning ascribed to such term in section 6.7(m) of this Plan.

Lien has the meaning set forth in section 101(37) of the Bankruptcy Code.

Local Rules means the local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Illinois.

Net Cash means the Cash on hand with the Creditor Trust from liquidating the Creditor Trust Assets, after the satisfaction in full of all Allowed Administrative Expense Claims, Claims in Classes 1 through 3 of this Plan, Fee Claims, Priority Tax Claims, and the fees, costs and expenses of the Creditor Trust.

Person means an individual, partnership, corporation, limited liability company, cooperative, trust, unincorporated organization, association, joint venture, government or agency or political subdivision thereof or any other form of legal entity.

Petition Date means the date on which the Debtor filed its voluntary petition for relief under chapter 11 of the Bankruptcy Code, which was April 29, 2015.

Plan means this Chapter 11 Plan proposed by the Debtor, as the same may be amended, supplemented or otherwise modified, including any exhibits and schedules hereto.

Plan Supplement means the compilation of documents and forms of documents, schedules and exhibits to be filed in one or more parts or volumes, no later than ten (10) Business Days prior to the Confirmation Hearing, as amended, supplemented or otherwise modified from time to time in accordance with the terms hereof and in accordance with the Bankruptcy Code and the Bankruptcy Rules, comprising and setting forth, without limitation, the Trust Agreement and the identities of the members of the Trust Board.

Priority Non-Tax Claim means any Claim that is entitled to priority in payment pursuant to sections 507(a)(4), (5), (6) or (7) of the Bankruptcy Code and that is not an Administrative Expense Claim, a Priority Tax Claim or a Secured Claim.

Priority Tax Claim means any Claim of a governmental unit of the kind entitled to priority in payment as specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code.

Professional Person means any Person retained or to be compensated by the Debtor pursuant to sections 327, 328, 330, 331, 503(b) or 1103 of the Bankruptcy Code.

Pro Rata means the proportion that the amount of an Allowed Claim or Allowed Equity Interest in a particular Class bears to the aggregate amount of all Claims or Equity Interests (but excluding Disallowed Claims and Equity Interests) in such Class.

Schedules means, collectively, Schedules A through J, as filed by the Debtor in the Chapter 11 Case, as the same may be amended from time to time.

Secured Claim means a Claim that is secured by a valid, perfected and enforceable, and non-avoidable Lien upon property in which the Debtor has an interest, to the extent of the value, as of the Effective Date, of such interest or Lien as determined by a Final Order, or as otherwise agreed to in writing by the Debtor and the holder of such Claim.

Trust Agreement means the agreement governing the Creditor Trust, dated as of the Effective Date, substantially in the form filed as part of the Plan Supplement.

Trust Board means the Creditor Trust advisory board, comprised of three (3) people, which will be formed pursuant to and in accordance with the Trust Agreement, to advise, assist and supervise the Trustee in the administration of the Creditor Trust. The identities of the initial members of the Trust Board shall be disclosed in the Plan Supplement. The initial members of the Trust Board shall be chosen and agreed upon by the Debtor, FCC and the Committee, collectively. If such parties cannot agree on the three (3) initial members of the Trust Board, then one (1) member shall be chosen by FCC, one (1) member shall be chosen by the Committee and one (1) member shall be chosen collectively by FCC, the Committee and the Debtor.

Trustee means Joseph Myers, as trustee of the Creditor Trust, or any successor selected in accordance with the terms of the Trust Agreement.

Voting Deadline means the date set by the Bankruptcy Court by which ballots for accepting or rejecting the Plan must be received, which is November 23, 2015.

1.2 *Rules of Interpretation and Construction.*

(a) **Interpretation.** Unless otherwise specified herein, all section, article and exhibit references in the Plan are to the respective section in, article of, and exhibit to, the Plan, as the same may be amended, waived or modified from time to time. All headings in this Plan are for convenience of reference only and shall not limit or otherwise affect the provisions of the Plan.

(b) **Construction and Application of Bankruptcy Code Definitions.** Unless otherwise defined herein, words and terms defined in section 101 of the Bankruptcy Code shall have the same meanings when used in the Plan. Words or terms used but not defined herein shall have the meanings ascribed to such terms or words, if any, in the Bankruptcy Code. The rules of construction contained in section 102 of the Bankruptcy Code shall apply to the construction of the Plan.

(c) **Other Terms.** The words “herein,” “hereof,” “hereto,” “hereunder,” and other words of similar import refer to the Plan as a whole and not to any particular article, section, subsection or clause contained in the Plan.

(d) **Time.** In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

ARTICLE II

TREATMENT OF UNCLASSIFIED CLAIMS

2.1 *Administrative Expense Claims.*

All Administrative Expense Claims against the Debtor shall be treated as follows:

(a) **Time for Filing.** All holders of Administrative Expense Claims, other than Professional Persons holding Fee Claims and FCC as holder of the FCC Superpriority Claim, shall file with the Bankruptcy Court a request for payment of such Claims within thirty (30) days after the Effective Date. Any such request must be served on the Trustee, his (or her) counsel and counsel to the Committee, and must, at a minimum, set forth (i) the name of the holder of the Administrative Expense Claim; (ii) the amount of the Administrative Expense Claim; and (iii) the basis for the Administrative Expense Claim. A failure to file any such request in a timely fashion will result in the Administrative Expense Claim in question being discharged and its holder forever barred from asserting such Administrative Expense Claim against the Debtor or the Creditor Trust.

(b) **Allowance.** An Administrative Expense Claim for which a request for payment has been properly filed shall become an Allowed Administrative Expense Claim unless an objection is filed by the date that is thirty (30) days after a request for payment of such

Administrative Expense Claim is filed. If an objection is timely filed, the Administrative Expense Claim in question shall become an Allowed Administrative Expense Claim only to the extent so Allowed by Final Order of the Bankruptcy Court.

(c) Payment. Except to the extent that a holder of an Allowed Administrative Expense Claim agrees to a different treatment of such Claim, each holder of an Allowed Administrative Expense Claim shall receive, on account of and in full satisfaction of such Claim, Cash from the Creditor Trust Assets (other than Creditor Trust Assets subject to a Lien in favor of a Secured Claim or subject to a superpriority claim under section 507(b) of the Bankruptcy Code) in an amount equal to the Allowed amount of such Administrative Expense Claim on (or as soon as reasonably practicable after) the later of (A) the Effective Date or (B) fifteen (15) days after such Administrative Expense Claim becomes Allowed by Final Order.

2.2 Fee Claims.

Every Professional Person holding a Fee Claim that has not previously been the subject of a final fee application and accompanying Bankruptcy Court order shall file a final application for payment of fees and reimbursement of expenses no later than the date that is thirty (30) days after the Effective Date. Any such final fee application shall conform to and comply with all applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules. The last date to object to any final fee application shall be the twenty-fourth (24th) day after such fee application has been filed with the Bankruptcy Court. All final fee applications shall be set for hearing on the same day, as the Bankruptcy Court's calendar permits, after consultation with counsel to the Trustee. Allowed Fee Claims shall be paid in full in Cash from the Creditor Trust Assets on (or as soon as reasonably practicable after) the later of (A) the Effective Date or (B) fifteen (15) days after entry of an order by the Bankruptcy Court allowing such Fee Claim.

2.3 Priority Tax Claims.

Except to the extent that a holder of an Allowed Priority Tax Claim has agreed or agrees to a different treatment of such Claim, each holder of an Allowed Priority Tax Claim shall receive on (or as soon as reasonably practicable after) the Effective Date, Cash in an amount equal to the Allowed amount of such Claim. To the extent interest is required to be paid on any Priority Tax Claim, the rate of such interest shall be the rate determined under applicable nonbankruptcy law, as set forth in section 511 of the Bankruptcy Code. To the extent the holder of an Allowed Priority Tax Claim has a Lien on the Debtor's property, such Lien shall remain in place until such Allowed Priority Tax Claim has been paid in full.

ARTICLE III

CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

All Claims against, and Equity Interests in, the Debtor are classified for all purposes, including voting, confirmation, and distribution, pursuant to the Plan as follows:

Class	Designation	Impairment	Entitled to Vote
Class 1	Priority Non-Tax Claims	No	No (deemed to accept)
Class 2	FCC Claims	Yes	Yes
Class 3	Other Secured Claims	No	No (deemed to accept)
Class 4	General Unsecured Claims	Yes	Yes
Class 5	Equity Interests	Yes	No (deemed to reject)

Administrative Expense Claims and Priority Tax Claims are not classified for purposes of voting or receiving distributions under the Plan, pursuant to section 1123(a)(1) of the Bankruptcy Code. Instead, all such Claims shall be treated separately as unclassified claims on the terms previously set forth in Article II of this Plan.

ARTICLE IV

TREATMENT OF CLAIMS AND EQUITY INTERESTS

4.1 Class 1 – Priority Non-Tax Claims.

Except to the extent that a holder of an Allowed Priority Non-Tax Claim against the Debtor agrees to a less favorable treatment, each such holder shall receive, in full satisfaction of such Claim, payment in full in Cash on (or as soon as reasonably practicable after) the later of (A) the Effective Date or (B) fifteen (15) days after such Priority Non-Tax Claim becomes Allowed.

4.2 Class 2 – FCC Claims.

FCC shall receive (A) with respect to the FCC Secured Claim, 100% of the proceeds from any and all sales or liquidation of FCC’s Collateral by the Trustee or any other party and (B) with respect to the FCC Superpriority Claim, as set forth more fully in section 6.2 of the Plan, 80% of the proceeds of liquidation of all Creditor Trust Assets (other than FCC’s Collateral) until the FCC Superpriority Claim has been paid in full. FCC’s Liens shall remain in place and unaffected upon transfer of the Creditor Trust Assets to the Creditor Trust until all of FCC’s Collateral has been fully liquidated and all proceeds thereof paid to FCC. In accordance with the Cash Collateral Order, the FCC Secured Claim is an Allowed Secured Claim and the

FCC Superpriority Claim is an Allowed Administrative Expense Claim, and neither the FCC Secured Claim nor the FCC Superpriority Claim shall be subject to objection.

4.3 Class 3 – Other Secured Claims.

On the Effective Date (or as soon as reasonably practicable thereafter), except to the extent that a holder of an Allowed Secured Claim agrees to less favorable treatment, each holder of an Allowed Secured Claim shall, at the Trustee's option and sole discretion, receive one of the following treatments: (i) payment in full in Cash from the Creditor Trust Assets; (ii) the Collateral securing such Allowed Secured Claim; or (iii) other treatment that renders such Allowed Secured Claim unimpaired in accordance with section 1124 of the Bankruptcy Code.

4.4 Class 4 – General Unsecured Claims.

Except to the extent that a holder of an Allowed General Unsecured Claim agrees to a different treatment, each holder of an Allowed General Unsecured Claim shall receive (i) a Pro Rata share of 20% of the proceeds of liquidation of Creditor Trust Assets that do not constitute FCC's Collateral, net of the fees, costs and expenses of the Creditor Trust, until the FCC Superpriority Claim is paid in full and, thereafter (ii) its Pro Rata share of Net Cash, all in one or more distributions made from time to time as may be determined in the Trustee's discretion pursuant to the terms of the Trust Agreement.

4.5 Class 5 – Equity Interests.

On the Effective Date, all Equity Interests in the Debtor shall be cancelled, and shall be of no further force or effect. Holders of Equity Interests shall neither receive nor retain any property on account of their Equity Interests. To the extent, however, there is Cash remaining with the Creditor Trust after all Creditor Trust Assets have been liquidated and all Allowed Administrative Expense Claims, Fee Claims, Priority Tax Claims, Priority Non-Tax Claims, Secured Claims and General Unsecured Claims have been paid in full, holders of Equity Interests shall receive their Pro Rata share of such remaining Cash, if any.

ARTICLE V

**IMPAIRMENT; ACCEPTANCE OR REJECTION OF THE PLAN;
EFFECT OF REJECTION BY ONE OR MORE CLASSES**

5.1 Classes Entitled to Vote.

The holders of Claims in Classes 1 and 3 are unimpaired, conclusively deemed to have accepted the Plan and are not entitled to vote to accept or reject the Plan. The holders of Claims in Classes 2 and 4 are impaired and entitled to vote to accept or reject the Plan. Holders of Equity Interests in Class 5 shall neither receive nor retain any property on account of such Equity Interests, are deemed to reject the Plan, and are not entitled to vote to accept or reject the Plan.

5.2 Class Acceptance Requirement.

A Class of impaired Claims shall have accepted the Plan if the holders of at least two-thirds (2/3) in amount and more than one-half (1/2) in number of Claims in such Class who have voted on the Plan have voted to accept the Plan.

5.3 Cramdown.

To the extent that any Class is impaired under the Plan and such Class fails to accept the Plan in accordance with section 1126(c) or (d) of the Bankruptcy Code, the Debtor hereby requests that the Bankruptcy Court confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code.

ARTICLE VI

MEANS OF IMPLEMENTATION

6.1 General.

On the Effective Date, the Creditor Trust shall be established for the benefit of holders of Allowed Claims as set forth in the Plan. The Plan contemplates that FCC's Collateral will be liquidated with 100% of the proceeds paid to FCC on account of the FCC Secured Claim. Additionally, 80% of the proceeds of liquidating that portion of the Creditor Trust Assets other than FCC's collateral will be paid to FCC on account of the FCC Superpriority Claim until the FCC Superpriority Claim is paid in full, with the remaining 20% of such proceeds to be distributed or otherwise used as set forth in the Plan and the Trust Agreement. Thereafter, all Net Cash will be paid to holders of General Unsecured Claims as set forth herein. After such Claims are paid in full, if at all, any excess amounts will be paid Pro Rata to holders of Equity Interests. Distributions will be made as and when the Trustee deems appropriate based on the progress of liquidating the Causes of Action and other Creditor Trust Assets and closing down the Chapter 11 Case. After all costs and expenses closing down the Chapter 11 Case have been paid or reserved for, a final distribution will be made to holders of Allowed Claims and Allowed Equity Interests as set forth herein.

6.2 Settlement of FCC 506(b) Claim and FCC Superpriority Claim.

Pursuant to Bankruptcy Rule 9019, the Debtor, FCC and the Committee have reached a global resolution of FCC's Claims in the Chapter 11 Case (the "Settlement"), as follows: (A) in respect of the FCC Superpriority Claim, FCC shall receive 80% of the proceeds of all Creditor Trust Assets that do not otherwise constitute FCC's Collateral, until the FCC Secured Claim is paid in full, with the other 20% of such proceeds being paid to holders of General Unsecured Claims as set forth in section 4.4 of the Plan and the Trust Agreement; (B) for purposes of distributions made under the Plan, the FCC 506(b) Claim shall be subordinated to all Allowed General Unsecured Claims; and (C) FCC shall use commercially reasonable efforts to collect on any guarantees that support repayment of the FCC Secured Claim; *provided that* FCC may use its business judgment in deciding how and when to attempt to collect on such guarantees, as well as the order of collection.

6.3 Release of Liens.

Except as otherwise provided herein, upon the occurrence of the Effective Date, any Lien securing a Secured Claim shall be deemed released, and the holder of such Secured Claim shall be authorized and directed to release any Collateral or other property of the Debtor (including any Cash collateral) held by such holder and to take such actions as may be requested the Trustee to evidence the release of such Lien, including the execution, delivery and filing or recording of releases. As of the Effective Date, the Trustee shall be authorized to file on behalf of holders of Secured Claims form UCC-3s or such other forms as may be necessary to implement the provisions of this section of the Plan.

6.4 Cancellation of Equity Interests.

Upon the Effective Date, the Debtor's Equity Interests shall be deemed cancelled and terminated and of no further force or effect, and the obligations of the Debtor thereunder, if any, shall be deemed satisfied in full and discharged.

6.5 Dissolution of Committee and Cessation of Fee and Expense Payments.

The Committee, and any other statutory committee appointed in the Debtor's Chapter 11 Case, shall be dissolved on the Effective Date. Neither the Debtor nor the Trustee shall be responsible for paying any fees or expenses incurred by the Committee (or any other committee) after the Effective Date; *provided, however*, that the Committee shall nonetheless have post-Effective Date standing to object to Administrative Expense Claims and Fee Claims, appeal any confirmation order, and shall be entitled to file a Fee Claim for amounts related thereto, subject to the rights of any party in interest to object thereto.

6.6 Restructuring and Other Corporate Actions and Transactions.

(a) Dissolution of Debtor. On the Effective Date, or as soon as practicable thereafter, Debtor shall be dissolved and shall cease to exist as a legal entity.

(b) General Corporate Actions. Upon the Effective Date, all actions contemplated by the Plan shall be deemed authorized and approved in all respects. Such authorizations and approvals shall be effective notwithstanding any requirements under non-bankruptcy law.

(c) Officers and Board of Directors of the Debtor. Upon the Effective Date, all officers and directors of the Debtor shall be automatically deemed to have resigned from such positions from the Debtor without further notice.

6.7 The Creditor Trust.

(a) Establishment of the Creditor Trust. On the Effective Date, the Creditor Trust shall be established pursuant to the Trust Agreement, for the purposes of administering the Creditor Trust Assets and making distributions to the holders of Claims in Classes 2, 3 and 4 which are or may be Allowed, as provided in the Plan. On the Effective Date, the Trust

Agreement shall be executed and all other necessary steps shall be taken to establish the Creditor Trust and the beneficial interests therein.

(b) Creditor Trust Assets. The assets of the Creditor Trust shall consist of the Creditor Trust Assets. On the Effective Date, in accordance with section 1141 of the Bankruptcy Code, the Creditor Trust Assets shall automatically vest in the Creditor Trust, free and clear of all Liens, Claims and encumbrances, except to the extent otherwise provided in this Plan.

(c) Purpose of the Creditor Trust. The Creditor Trust shall be established for the sole purpose of liquidating and distributing its assets to holders of interests in the Creditor Trust (who are holders of Classes 2, 3 and 4 Claims which are or may be Allowed), in accordance with Treasury Regulation section 301.7701-4(d), with no objective to continue or to engage in the conduct of a trade or business. The Creditor Trust, through the Trustee, shall (i) collect and reduce the assets of the Creditor Trust to Cash, (ii) prosecute, settle and otherwise administer the Creditor Trust Assets, (iii) make distributions to the beneficiaries of the Creditor Trust in accordance with the terms of this Plan and the Trust Agreement and (iv) take all such other actions as may be reasonably necessary to accomplish the purposes of this section 6.7 of the Plan, as more specifically set forth in the Trust Agreement.

(d) The Trustee. The Trustee shall be a representative of the Estate pursuant to sections 1123(a)(5)(B) and 1123(b)(3)(B) of the Bankruptcy Code, and shall be vested with standing to prosecute, settle and otherwise administer all Creditor Trust Assets and Causes of Action transferred to the Creditor Trust, without the need for Bankruptcy Court approval or any other notice of approval, except as set forth in the Trust Agreement. The Trustee shall be exempt from giving any bond or other security in any jurisdiction.

(e) Nontransferability of Creditor Trust Interests. Beneficial interests in the Creditor Trust shall not be transferable, except as otherwise provided in the Trust Agreement.

(f) Costs and Expenses of the Creditor Trust and the Trustee. All costs and expenses of the Creditor Trust, including the reasonable fees and expenses of the Trustee and any professionals retained by the Trustee, shall be paid solely out of the Creditor Trust Assets.

(g) Compensation for Trustee and Trust Board Members. The compensation for the Trustee and the members of the Trust Board shall be as set forth in the Trust Agreement.

(h) Distributions. The Trustee shall reduce the Creditor Trust Assets to Cash and make interim distributions of Cash to Creditor Trust beneficiaries holding Allowed Claims at such time as the Trustee may deem appropriate, in accordance with the terms of this Plan and the Trust Agreement.

(i) Trust Certificates. The beneficial interests in the Creditor Trust shall not be represented by certificates, receipts, or in any other form or manner, except as maintained on the books and records of the Creditor Trust by the Trustee, as set forth in the Trust Agreement.

(j) Retention and Compensation of Professionals by the Trustee. Subject to the terms of the Trust Agreement and any necessary approvals contained therein, the Trustee

may retain and reasonably compensate counsel and other professionals out of the Creditor Trust Assets, on such terms as the Trustee deems appropriate. The Trustee may retain any professional who represented parties in interest in the Chapter 11 Case.

(k) Trust Board.

(1) The initial members of the Trust Board shall be as set forth in the Plan Supplement and such members' tenure shall thereafter be governed by the terms of the Trust Agreement. The members of the Trust Board shall have the right to direct and remove the Trustee, and shall have such other rights as set forth in the Trust Agreement and as are not inconsistent therewith or with the terms of the Plan. No other beneficiary of the Creditor Trust shall have any consultation or approval rights in respect of the management and operation of the Trust, except as may be set forth in the Trust Agreement.

(2) The Trust Board shall have the authority and responsibility to advise, assist and supervise the Trustee in the administration of the Creditor Trust and shall have the authority to remove the Trustee in accordance with the terms of the Trust Agreement. The Trustee shall consult with and provide information to the Trust Board in accordance with and pursuant to the terms of the Trust Agreement. The Trust Board shall have the authority to select and engage such professional advisors as the Trust Board may deem necessary or desirable to assist in the fulfilling its obligations under the Trust Agreement and the Plan, including, without limitation, any professional previously retained by any beneficiary of the Creditor Trust, the Committee or the Debtor. The Creditor Trust shall pay the reasonable and documented fees of such advisors and reimburse such advisors for their reasonable and documented out-of-pocket costs and expenses.

(3) The Trust Board shall conduct business, have regular meetings and otherwise act in a manner pursuant to and as set forth in the Trust Agreement.

(l) Federal Income Tax Treatment of the Creditor Trust.

(1) For all federal income tax purposes, all parties (including the Debtor, the Creditor Trust, the Trustee and the Creditor Trust beneficiaries) shall treat the transfer of the Creditor Trust Assets to the Creditor Trust for the benefit of the Creditor Trust beneficiaries, whether their Claims are Allowed on or after the Effective Date, as (a) a transfer of the Creditor Trust Assets directly to those holders of Allowed Claims receiving interests in the Creditor Trust (other than to the extent allocable to Disputed Claims), followed by (b) the transfer by such Persons to the Creditor Trust of the Creditor Trust Assets in exchange for beneficial interests in the Creditor Trust (and in respect of the Creditor Trust Assets allocable to the Disputed Claims and Administrative Reserve, as a transfer to the Disputed Claims and Administrative Reserve by the Debtor). Accordingly, those holders of Allowed Claims receiving Creditor Trust interests shall be treated for federal income tax purposes as the grantors and owners of their respective shares of the Creditor Trust Assets. The foregoing treatment also shall apply, to the extent permitted by applicable law, for state and local income tax purposes.

(2) Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including receipt by the Trustee of a private letter ruling if

the Trustee so requests one, or the receipt of an adverse determination by the IRS, upon audit, or otherwise if not contested by the Trustee), the Trustee shall (i) file returns for the Creditor Trust as a grantor trust pursuant to Treasury Regulation section 1.671-4(a) and in accordance with the Trust Agreement and this section 6.6 of the Plan and (ii) annually send to each holder of a Creditor Trust interest a separate statement setting forth such holder's share of items of income, gain, loss, deduction, or credit and will instruct all such holders and parties to report such items on their federal income tax returns. The Trustee also shall file (or cause to be filed) any other statements, returns or disclosures relating to the Creditor Trust that are required by any governmental unit.

(3) As soon as possible after the Effective Date, but in no event later than ninety (90) days thereafter (i) the Trustee will determine the fair market value as of the Effective Date of all assets transferred to the Creditor Trust and (ii) the Trustee shall apprise, in writing, the Creditor Trust beneficiaries of such valuation. In connection with the preparation of the valuation contemplated hereby, the Trustee shall be entitled to retain such professionals and advisors as the Trustee shall determine to be appropriate or necessary, and the Trustee shall take such other actions in connection therewith as it determines to be appropriate or necessary in connection therewith. The Creditor Trust shall bear all of the reasonable costs and expenses incurred in connection with determining such value, including the fees and expenses of any Persons retained by the Trustee in connection therewith.

(4) The Trustee may request an expedited determination of taxes of the Creditor Trust under section 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, the Creditor Trust for all taxable periods through the dissolution of the Creditor Trust.

(5) The Trustee shall be responsible for payments, out of the Creditor Trust Assets and the proceeds thereof, of any taxes imposed on the Creditor Trust or the Creditor Trust Assets.

(6) The Trustee may require any of the Creditor Trust beneficiaries to furnish to the Trustee its Employer or Taxpayer Identification Number as assigned by the IRS and the Trustee may condition any distribution or payment to any of them upon receipt of such identification number.

(m) Indemnification. From and after the Effective Date, the Trustee and each member of the Trust Board (collectively, the "Indemnified Persons") shall be indemnified and held harmless by the Creditor Trust, to the fullest extent permitted by law and to the extent of its assets legally available for that purpose, from and against any and all losses, costs, damages, reasonable and documented out-of-pocket expenses (including reasonable fees and expenses of attorneys and other advisors and any court costs incurred by any Indemnified Person) or liability by reason of anything any Indemnified Person did, does, or refrains from doing for the business or affairs of the Creditor Trust, except to the extent that the loss, cost, damage, expense or liability resulted (x) from the Indemnified Person's gross negligence, bad faith, willful misconduct or knowing violation of law or (y) from an act or omission from which the Indemnified Person derived an improper personal benefit. To the extent reasonable, the Creditor Trust shall pay in advance or reimburse reasonable and documented out-of-pocket expenses (including advancing reasonable costs of defense) incurred by the Indemnified Person who is or

is threatened to be named or made a defendant or a respondent in a proceeding should change concerning the business and affairs of the Creditor Trust. The Creditor Trust may purchase fiduciary liability insurance for the benefit of the Trustee and the Trust Board members.

(n) Dissolution.

(1) The Creditor Trust shall commence on the Effective Date and terminate no later than the fifth (5th) anniversary of the Effective Date; *provided, however*, that, on or prior to the date that is ninety (90) days prior to such termination, the Bankruptcy Court, upon motion by the Trustee or any other party in interest, may extend the term of the Creditor Trust if it is necessary to the liquidation of the Creditor Trust Assets. Notwithstanding the foregoing, multiple extensions may be obtained so long as Bankruptcy Court approval is obtained not less than ninety (90) days prior to the expiration of each extended term; *provided, however*, that in no event shall the term of the Creditor Trust extend past the tenth (10th) anniversary of the Effective Date; *provided further* that neither the Trust Agreement nor the continued existence of the Creditor Trust shall prevent the Trustee from closing the Chapter 11 Case pursuant to section 350 of the Bankruptcy Code and obtaining a final decree pursuant to Bankruptcy Rule 3022.

(2) The Creditor Trust may be terminated earlier than its scheduled termination if (i) the Bankruptcy Court has entered a Final Order closing of the Chapter 11 Case pursuant to section 350(a) of the Bankruptcy Code and (ii) the Trustee has administered all Creditor Trust Assets and performed all other duties required by the Plan, the Confirmation Order, the Trust Agreement and this Plan.

(3) If at any time the Trustee determines that the expense of administering the Creditor Trust is likely to exceed the value of the remaining Creditor Trust Assets, the Trustee shall (i) donate any balance to a 501(c)(3) charitable organization, such as the Anthony H.N. Schnelling Endowment Fund of the American Bankruptcy Institute, to assist in the provision of resources for research and education and (ii) dissolve the Creditor Trust.

ARTICLE VII DISTRIBUTIONS

7.1 *Date of Distributions.*

Unless otherwise provided in this Plan or the Creditor Trust Agreement, any distributions and deliveries to be made under this Plan shall be made on the Effective Date or as soon as practicable thereafter. 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 shall be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

7.2 *Minimum Amount of Distributions.*

After all remaining costs of administering the Creditor Trust and the Chapter 11 Case have been reserved for or paid, the Disbursing Agent shall make a final distribution. If the

final distribution will be in an amount less than \$25 to any holder of an Allowed Claim or Equity Interest, the Disbursing Agent shall donate such sums to a 501(c)(3) charitable organization, such as the Anthony H.N. Schnellling Endowment fund of the American Bankruptcy Institute, to assist in the provision of resources for research and education.

7.3 *Sources of Cash for Plan Distributions.*

Except as otherwise provided herein or in the Confirmation Order, all Cash required for the payments to be made under this Plan shall come from Cash on hand with the Debtor or Cash received from the liquidation of Creditor Trust Assets.

7.4 *Disbursing Agent.*

All distributions under this Plan shall be made by the Disbursing Agent. The Disbursing Agent shall not be required to give any bond, surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court.

7.5 *Rights and Powers of Disbursing Agent.*

The Disbursing Agent shall be empowered to (a) effect all actions and execute all agreements, instruments and other documents necessary to perform its duties under the Plan, (b) make all distributions contemplated hereby, (c) employ professionals to represent it with respect to its responsibilities and (d) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions hereof.

7.6 *Record Date for Distributions.*

At the close of business on the Distribution Record Date, the transfer ledgers or registers for the holders of Claims against or Equity Interests in the Debtor shall be closed, and there shall be no further changes in the record holders of such Claims or Equity Interests. Neither the Debtor, the Disbursing Agent nor the Trustee shall have any obligation to recognize any transfer of any of the foregoing occurring after the Distribution Record Date, and shall be entitled instead to recognize for all purposes hereunder, including to effect distributions hereunder, only those record holders stated on the transfer ledgers or registers maintained by the Debtor as of the close of business on the Distribution Record Date.

7.7 *Recipients of Distributions.*

All distributions under the Plan shall be made to the holder of the Claim or Equity Interest in question as of the Distribution Record Date. Changes as to the holder of a Claim after the Distribution Record Date shall only be valid and recognized for distribution if notice of such change is filed with the Bankruptcy Court, in accordance with Bankruptcy Rule 3001 (if applicable) and served upon the Debtor, the Trustee and their respective counsel.

7.8 *Delivery of Distributions.*

Subject to Bankruptcy Rule 9010, all distributions under the Plan shall be made at the address of each holder of an Allowed Claim or Allowed Equity Interest as set forth in the books and records of the Debtor, unless the Debtor and the Trustee have been notified in writing of a change of address. If any distribution to the holder of an Allowed Claim or Allowed Equity Interest is returned as undeliverable, no further distributions to such holder shall be made unless and until the Trustee is notified of such holder's then-current address, at which time all missed distributions shall be made to such holder without interest; *provided, however*, that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of one hundred eighty (180) days after the date of the distribution in question. After such 180th day, and notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws to the contrary (i) all unclaimed property or interest in property in respect of the distribution in question shall revert to the Creditor Trust and thereafter be distributed Pro Rata to the holders of other Allowed Claims or Allowed Equity Interests in accordance with the terms of this Plan, and (ii) any Claim or right to payment of any holder with respect to such unclaimed property or interest in property shall be discharged and forever barred.

7.9 *Means of Payment.*

All distributions made pursuant to the Plan shall be in Cash.

7.10 *Setoffs and Recoupment.*

The Trustee may, but shall not be required to, setoff against or recoup from any Claim or Equity Interest any rights to payment that the Creditor Trust may have against the holder of such Claim or Equity Interest. Neither the failure of the Trustee to setoff or recoup, nor the Allowance of any Claim or Equity Interest shall constitute a waiver or release by the Trustee of any right to payment, or right of setoff or recoupment.

7.11 *Disputed Claim and Administrative Reserve.*

On the Effective Date, the Trustee shall establish the Disputed Claim and Administrative Reserve. Any amounts remaining in the Disputed Claim and Administrative Reserve after the Chapter 11 Case has been fully administered and all related costs and expenses have been paid, shall be distributed by the Trustee to holders of Allowed Claims and Allowed Equity Interests pursuant to the terms of this Plan and the Trust Agreement.

7.12 *Distributions After Effective Date.*

Distributions made pursuant to this Plan after the Effective Date to holders of Disputed Claims that are not Allowed as of the Effective Date, shall be deemed to have been made on the Effective Date. Distributions to holders of Allowed Claims and Allowed Equity Interests shall be made at such time as the Trustee may deem appropriate, in accordance with the terms of this Plan and the Trust Agreement, and subject to appropriate funding for the Disputed Claim and Administrative Reserve.

7.13 *Withholding and Reporting Requirements.*

In connection with this Plan and all instruments issued under this Plan, any party issuing any instrument or making any such distribution under this Plan shall comply with all applicable withholding and reporting requirements imposed by any federal, state or local taxing authority, and all distributions under the Plan shall be subject to any such withholding or reporting requirements. Notwithstanding the above, each holder of an Allowed Claim or Allowed Equity Interest that is entitled to receive a distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any applicable tax obligations, including income, withholding and other tax obligations, on account of such distribution. Any party issuing any instrument or making any distribution under this Plan to any holder of any Allowed Claim or Allowed Equity Interest has the right, but not the obligation, to not issue such instrument or make a distribution until such holder has made arrangements satisfactory to such issuing or disbursing party for payment of any such tax obligations.

7.14 *No Postpetition Interest.*

Unless otherwise specifically provided for in this Plan or in the Confirmation Order, or required by applicable bankruptcy law, postpetition interest shall not be paid, and no Person shall be entitled to interest accruing on or after the Petition Date, from the proceeds of Creditor Trust Assets.

7.15 *Time Bar to Payments.*

Checks issued by the Disbursing Agent under this Plan shall be null and void if not negotiated within one hundred eighty (180) days after the date of issuance. Requests for reissuance of any check shall be made in writing directly to the Disbursing Agent by the person to whom such check was originally issued. Any request for re-issuance of a voided check must be made on or before the end of the 180-day period referenced in this section 7.15. After such 180-day period, if no request for re-issuance of a voided check was timely made, such amounts shall constitute unclaimed property and be treated in accordance with section 7.8 of this Plan, and all Claims or Equity Interests in respect of such void checks shall be discharged and forever barred.

**ARTICLE VIII
PROCEDURES FOR RESOLVING AND TREATING DISPUTED CLAIMS**

8.1 *Objections to Claims.*

Except insofar as a Claim is Allowed under the Plan or pursuant to Final Order of the Bankruptcy Court (including the Cash Collateral Order), the Trustee, or any other party in interest with standing, shall be entitled to object to Claims. Any objections to Claims shall be served and filed by the Claim Objection Deadline. Any Claim as to which an objection is timely filed shall be a Disputed Claim.

8.2 *No Distributions Pending Allowance.*

If a timely objection is made with respect to any Claim, no payment or distribution under the Plan shall be made on account of such Claim unless and until such Disputed Claim becomes Allowed.

8.3 *Distributions After Allowance.*

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions (if any) shall be made to the holder of such Allowed Claim, in accordance with the provisions of the Plan. As soon as reasonably practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Disbursing Agent shall provide to the holder of such Claim the distribution (if any) to which such holder is entitled under this Plan as of the Effective Date, without any interest.

8.4 *Disallowance of Late Filed Claims.*

Unless otherwise provided in a Final Order of the Bankruptcy Court, any Claim for which a proof of claim is filed after the applicable Bar Date shall be deemed disallowed. The holder of a Claim that is disallowed pursuant to this section 8.4 shall not receive any distribution on account of such Claim, and neither the Debtor, the Trustee nor the Disbursing Agent shall need to take any affirmative action for such Claim to be deemed disallowed.

ARTICLE IX

**TREATMENT OF EXECUTORY
CONTRACTS AND UNEXPIRED LEASES**

9.1 *Rejection of Contracts and Leases.*

As of the Effective Date, each executory contract and unexpired lease to which the Debtor is a party shall be deemed rejected, unless such contract or lease (i) was previously assumed, assumed and assigned or rejected by the Debtor, (ii) previously expired or terminated pursuant to its own terms, or (iii) is the subject of a motion to assume, assume and assign, or reject filed by the Debtor on or before the Confirmation Date. The Confirmation Order shall constitute an order of the Bankruptcy Court under sections 365 and 1123(b) of the Bankruptcy Code approving the lease and contract rejections described above, as of the date of the Confirmation Order.

9.2 *Inclusiveness.*

Unless otherwise specified, each executory contract and unexpired lease shall include any and all modifications, amendments, supplements, restatements or other agreements made directly or indirectly by any agreement, instrument or other document that in any manner affects such executory contract or unexpired lease.

9.3 *Claims Based on Rejection of Executory Contracts or Unexpired Leases.*

All Claims arising out of the rejection of executory contracts and unexpired leases (if any) must be served upon the Trustee and his or her counsel of record within thirty (30) days after the earlier of (i) the date of entry of an order of the Bankruptcy Court approving such rejection or (ii) the entry of the Confirmation Order. Any Claims not filed within such time shall be forever barred from assertion against the Creditor Trust, the Credit Trust Assets, the Debtor, its Estate and its property

**ARTICLE X
CONDITIONS PRECEDENT TO CONFIRMATION AND
EFFECTIVENESS OF THE PLAN**

10.1 *Conditions to Confirmation of Plan.*

Confirmation of the Plan shall not occur, and the Confirmation Order shall not be entered, until each of the following conditions precedent have been satisfied or waived:

(a) An order, in a form and substance satisfactory to the Debtor, FCC and the Committee, finding that the Disclosure Statement contains adequate information pursuant to section 1125 of the Bankruptcy Code, shall have been entered;

(b) The Plan Supplement shall have been filed with the Bankruptcy Court as set forth herein; and

(c) The Confirmation Order shall be in a form and substance satisfactory to the Debtor, FCC and the Committee.

10.2 *Conditions to Effective Date of Plan.*

The Effective Date of the Plan shall not occur until each of the following conditions precedent have been satisfied or waived:

(a) The clerk of the Bankruptcy Court shall have entered the Confirmation Order in the Chapter 11 Case, in a form and substance satisfactory to the Debtor, and the same shall have become a Final Order; and

(b) All other actions and all agreements, instruments or other documents necessary to implement the terms and provisions of the Plan shall have been executed and delivered by the parties thereto, and, in each case, all conditions to their effectiveness shall have been satisfied or waived as provided therein.

Within five (5) Business Days of the Effective Date, the Debtor shall file a notice of the occurrence of the Effective Date with the Bankruptcy Court.

10.3 *Waiver of Conditions Precedent.*

Any of the foregoing conditions (with the exception of the conditions set forth in sections 10.1(a) and 10.2(a)) may be waived by the Debtor, after consultation with FCC and the Committee, without notice to or order of the Bankruptcy Court. The failure to satisfy or waive any condition may be asserted by the Debtor regardless of the circumstances giving rise to the failure of such condition to be satisfied. The failure of the Debtor to exercise any of the foregoing rights shall not be deemed a waiver of any other rights and each such right will be deemed an on-going right that may be asserted at any time.

10.4 *Effect of Failure of Conditions.*

If the foregoing conditions have not been satisfied or waived in the manner provided in sections 10.2 and 10.3 hereof, then (i) the Confirmation Order shall be of no further force or effect; (ii) no distributions under the Plan shall be made; (iii) the Debtor, the Trustee, and all holders of Claims against and Equity Interests in the Debtor shall be restored to the *status quo ante* as of the day immediately preceding the Confirmation Date as though the Confirmation Date had never occurred; (iv) all of the Debtor's and the Trustee's obligations with respect to Claims and Equity Interests shall remain unaffected by the Plan; (v) nothing contained in this Plan shall be deemed to constitute a waiver or release of any Claims by or against the Debtor or the Trustee or any other Person or to prejudice in any manner the rights of the Debtor or the Trustee, or any Person in any further proceedings involving the Debtor or the Trustee; and (vi) this Plan shall be deemed withdrawn. Upon such occurrence, the Debtor shall file a written notification with the Bankruptcy Court and serve it on the parties appearing on the limited service list maintained in the Chapter 11 Case.

10.5 *Reservation of Rights.*

The Plan shall have no force or effect unless and until the Effective Date occurs. Prior to the Effective Date, none of the filing of the Plan, any statement or provision contained in the Plan, or action taken by the Debtor, the Trustee, FCC or the Committee with respect to the Plan shall be, or shall be deemed to be, an admission or waiver of any rights of any of the Debtor, the Trustee, FCC or the Committee, or any other party with respect to any Claims or Equity Interests or any other matter.

ARTICLE XI EFFECT OF CONSUMMATION, SETTLEMENT, RELEASE, INJUNCTION AND RELATED PROVISIONS

11.1 *Transfers of Assets to the Creditor Trust.*

Upon the Effective Date, pursuant to sections 1141(b) and (c) of the Bankruptcy Code, all Creditor Trust Assets shall be immediately transferred to, and vest in, the Creditor Trust, free and clear of all Claims, Liens, encumbrances, charges and other interests, except as otherwise provided in this Plan.

11.2 *Exculpation.*

Neither Debtor, the Disbursing Agent, the Committee, Professional Persons employed by the Debtor and the Committee, FCC, nor any of their respective members, managers, officers, directors, employees, equity holders, partners, affiliates, funds, advisors, attorneys or agents, or any of their successors or assigns, shall have or incur any liability to any holder of a Claim or an Equity Interest, or any other party in interest, or any of their respective agents, employees, equity holders, partners, members, affiliates, funds, advisors, attorneys or agents, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of the administration of the Chapter 11 Case, the negotiation and pursuit of approval of the Disclosure Statement, the preparation of the Plan, the solicitation of acceptances of the Plan, the pursuit of confirmation of the Plan, the funding of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, and shall be deemed to have acted in good faith in connection therewith and entitled to the protections of section 1125(e) of the Bankruptcy Code. Notwithstanding anything to the contrary contained in the Plan, this section 11.2 shall not exculpate any party from any liability based upon gross negligence or willful misconduct as determined by Final Order by a court of competent jurisdiction, and in all respects they shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under the Plan. For the avoidance of doubt, the exculpation in this section 11.2 shall not apply to any actions taken prior to the Petition Date, nor shall it apply to any of the Debtor's Affiliates. This exculpation shall be in addition to, and not in limitation of, all other releases, indemnities, exculpations and any other applicable law or rules protecting the parties exculpated in this section 11.2 from liability. Nothing in this section shall be deemed to release or exculpate any party from any Avoidance Actions or Causes of Action.

11.3 *Injunction and Stay.*

(a) *Except as otherwise expressly provided in the Plan, all Persons or entities who have held, hold, or may hold Claims against or Equity Interests in the Debtor are permanently enjoined, from and after the Effective Date, from (i) commencing or continuing in any manner any action or other proceeding of any kind on any such Claim against or Equity Interest in the Debtor, the Creditor Trust, the Trustee, or the Creditor Trust Assets, (ii) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or order against the Debtor, the Creditor Trust, the Trustee, or the Creditor Trust Assets with respect to any such Claim or Equity Interest, (iii) creating, perfecting or enforcing any encumbrance of any kind against the Debtor, the Creditor Trust, the Trustee, or the Creditor Trust Assets, as applicable with respect to any such Claim or Equity Interest, (iv) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from the Debtor or Creditor Trust, or against the property or interests in property of the Creditor Trust with respect to any such Claim or Equity Interest, and (v) pursuing any Claim released under the terms of the Plan or the Confirmation Order.*

(b) Unless otherwise provided, all injunctions or stays arising under or entered during the Debtor's Chapter 11 Case under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.

11.4 Preservation of Claims.

Except as otherwise provided in section 11.2 of this Plan, as of the Effective Date, pursuant to sections 1123(b)(3)(B) of the Bankruptcy Code, any actions, causes of action, Avoidance Actions, liabilities, obligations, rights, suits, debts, sums of money, damages, judgments, Claims, and demands whatsoever, whether known or unknown, in law, equity, or otherwise (collectively, "Causes of Action") accruing to the Debtor or its Estate shall be immediately transferred to and vest in the Creditor Trust on the Effective Date. Thereafter, the Trustee, as a representative of the Debtor pursuant to section 1123(b)(3)(B) of the Bankruptcy Code, shall have the standing and authority to commence and prosecute Causes of Action for the benefit of the beneficiaries of the Creditor Trust.

ARTICLE XII RETENTION OF JURISDICTION

The Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of, or related to, the Debtor's Chapter 11 Case and the Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

- (a) To hear and determine pending applications for the assumption, assignment or rejection of executory contracts or unexpired leases and the allowance of Claims resulting therefrom;
- (b) To determine any and all adversary proceedings, applications, and contested matters in the Chapter 11 Case and grant or deny any application involving the Debtor that may be pending on the Effective Date or that are retained and preserved under section 11.4 hereof;
- (c) To ensure that distributions are effected as provided in the Plan;
- (d) To hear and determine any timely objections to Administrative Expense Claims or to proofs of Claim, including any objections to the classification of any Claim, and to allow or disallow any Disputed Claim, in whole or in part;
- (e) To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, or vacated;
- (f) To take any action and issue such orders as may be necessary to construe, enforce, implement execute and consummate the Plan or maintain the integrity of the Plan following consummation;
- (g) To consider any amendments to or modifications of the Plan, or to cure any defect or omission, or to reconcile any inconsistency in any order of the Bankruptcy Court, including the Confirmation Order;
- (h) To hear and determine all requests for payment of Fee Claims;

(i) To hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan, the Confirmation Order, the documents that are ancillary to and aid in effectuating the Plan or any agreement, instrument, or other document governing or relating to any of the foregoing;

(j) To hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code (including the expedited determination of taxes under section 505(b) of the Bankruptcy Code);

(k) To hear any other matter not inconsistent with the Bankruptcy Code;

(l) To hear and determine all disputes involving the existence, scope, and nature of the exculpations, releases and injunctions issued and granted under sections 11.2 through 11.3 hereof;

(m) To issue injunctions and effect any other actions that may be necessary or desirable to restrain interference by any entity with the consummation or implementation of the Plan; and

(n) To enter a final decree closing the Chapter 11 Case.

ARTICLE XIII MISCELLANEOUS

13.1 *Payment of Statutory Fees.*

All fees payable under 28 U.S.C. § 1930 shall be paid on the Effective Date and thereafter, as appropriate.

13.2 *Filing of Additional Documents.*

The Debtor may file such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

13.3 *Schedules, Exhibits and Plan Supplement Incorporated.*

All exhibits and schedules to the Plan, and the documents contained in the Plan Supplement, are incorporated into and are a part of the Plan as if fully set forth herein.

13.4 *Amendment or Modification of the Plan.*

Subject to section 1127 of the Bankruptcy Code and, to the extent applicable, sections 1122, 1123, and 1125 of the Bankruptcy Code, alterations, amendments or modifications of the Plan may be proposed in writing by the Debtor, with the consent of FCC and the Committee, at any time prior to or after the Confirmation Date. Holders of Claims and Equity Interests that have accepted the Plan shall be deemed to have accepted the Plan, as altered, amended, or modified; *provided, however*, that any holders of Claims and Equity

Interests who were deemed to accept the Plan because such Claims and Equity Interests were unimpaired shall continue to be deemed to accept the Plan only if, after giving effect to such amendment or modification, such Claims and Equity Interests continue to be unimpaired.

13.5 *Inconsistency.*

In the event of any inconsistency among the Plan, the Disclosure Statement, and any exhibit or schedule to the Disclosure Statement, the provisions of the Plan shall govern. In the event of any inconsistency between the Plan and the Trust Agreement, the Plan shall govern. In the event of any inconsistency between the Plan and the Confirmation Order, the Confirmation Order shall govern.

13.6 *Exemption from Certain Transfer Taxes.*

Pursuant to section 1146(a) of the Bankruptcy Code, the issuance, transfer, or exchange of notes or equity securities under or in connection with the Plan, the creation of any mortgage, deed of trust or other security interest, the making or assignment of any lease or sublease, or the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including any merger agreements or agreements of consolidation, deeds, bills of sale, or assignments executed in connection with any of the transactions contemplated under the Plan shall not be subject to any stamp, real estate transfer, mortgage recording or other similar tax. All sale transactions consummated by the Debtor or the Trustee and approved by the Bankruptcy Court on and after the Petition Date through and including the Effective Date, including the transfers effectuated under the Plan, the sale by the Trustee of property owned by the Debtor pursuant to section 363(b) of the Bankruptcy Code, and the assumption, assignment, and sale of the Debtor's executory contracts and unexpired leases of non-residential real property pursuant to section 365(a) of the Bankruptcy Code (if any), shall be deemed to have been made under, in furtherance of, or in connection with the Plan, and thus, shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax.

13.7 *Expedited Tax Determination.*

The Trustee may request an expedited determination of taxes under section 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, the Debtor for any and all taxable periods ending after the Petition Date through, and including, the Effective Date.

13.8 *Binding Effect.*

Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code and subject to the occurrence of the Effective Date, on and after the Confirmation Date, the provisions of the Plan shall bind any holder of a Claim against, or Equity Interest in, the Debtor and such holder's respective successors and assigns, whether or not the Claim or Equity Interest of such holder is impaired under the Plan and whether or not such holder has accepted the Plan.

13.9 Severability.

If the Bankruptcy Court determines that any provision of this Plan is unenforceable either on its face or as applied to any Claim or Equity Interest, the Debtor may modify this Plan in accordance with section 13.4 hereof so that such provision shall not be applicable to the holder of any Claim or Equity Interest. Any determination of unenforceability shall not (i) limit or affect the enforceability and operative effect of any other provisions of this Plan; or (ii) require the resolicitation of any acceptance or rejection of this Plan unless otherwise ordered by the Bankruptcy Court.

13.10 No Admissions.

If the Effective Date does not occur, the Plan shall be null and void in all respects, and nothing contained in the Plan shall (a) constitute a waiver or release of any claims by or against, or any interests in, the Debtor, (b) prejudice in any manner the rights of the Debtor or any other party in interest, or (c) constitute an admission of any sort by the Debtor, or any other party in interest.

13.11 No Payment of Attorneys' Fees.

Except for the fees of Professional Persons, no attorneys' fees shall be paid by the Debtor with respect to any Claim or Equity Interest unless otherwise specified in this Plan or a Final Order of the Bankruptcy Court.

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13.12 Notices.

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

If to the Debtor:

GULF PACKAGING, INC.
c/o Edward T. Gavin, CRO
1040 Maryland Avenue
Dolton, IL 60419
Telephone: (302) 655-8997 ext. 151
Email: ted.gavin@gavinsolmonese.com

If to the Committee:

FREEBORN & PETERS LLP
Attention: Shelly DeRousse and
Richard S. Lauter
311 S Wacker Drive, Suite 3000
Chicago, IL 60606
Telephone: (312) 360-6000
Email: sderousse@freeborn.com
rlauter@freeborn.com

with a copy to:

GRAY REED & McGRW, P.C.
Attention: Jason S. Brookner and
Micheal W. Bishop
1601 Elm Street, Suite 4600
Dallas, TX 75201
Telephone: (214) 954-4135
Facsimile: (214) 953-3132
Email: jbrookner@grayreed.com
mbishop@grayreed.com

If to FCC:

GOLDBERG KOHN, LTD.
Attention: Dimitri G. Karcazes
55 East Monroe Street
Suite 3300
Chicago, IL 60603-5792
Telephone: (312) 201-4000
Email: dimitri.karcazes@goldbergkohn.com

-and-

FRANK GECKER LLP
Attention: Joseph D. Frank and
Jeremy C. Kleinman
325 N. LaSalle Street, Suite 625
Chicago, IL 60654
Telephone: (312) 276-1400
Facsimile: (312) 276-0035
Email: jfrank@fgllp.com
jkleinman@fgllp.com

13.13 Governing Law.

Except to the extent that the Bankruptcy Code or other federal law is applicable, or to the extent an exhibit to the Plan provides otherwise (in which case the governing law specified therein shall be applicable to such exhibit), the rights, duties and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Illinois, without giving effect to the principles of conflict of laws that would require application of the laws of another jurisdiction.

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Dated: October 30, 2015

GULF PACKAGING, INC.

By: 

Edward T. Gavin, CTP
Chief Restructuring Officer

GRAY REED & MCGRAW, P.C.

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